

**Item 1: Cover Sheet**

**FORM ADV PART 2A  
INFORMATIONAL BROCHURE**



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**This brochure provides information about the qualifications and business practices of Wolff Financial Management LLC. If you have any questions about the contents of this brochure, please contact us at (269) 372-3100 or via email at [laurie@wfminvest.com](mailto:laurie@wfminvest.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Our registration does not imply a certain level of skill or training.**

**Additional information about Wolff Financial Management LLC (CRD# 283239) is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2:        Statement of Material Changes**

Wolff Financial Management LLC is required to disclose any material changes to this ADV Part 2A here in Item 2. There are no material changes to report.

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## INFORMATIONAL BROCHURE

### WOLFF FINANCIAL MANAGEMENT LLC

#### **Item 4:      Advisory Business**

Wolff Financial Management LLC (“Wolff Financial”) has been in business since April, 2016. Matthew Wolff is the firm’s principal owner.

Wolff Financial provides personalized life planning and wealth management services to individuals, families, trusts, charitable organizations and foundations, pensions and corporations. Our mission is to improve our clients’ lives by assisting them in planning for their future while allowing them to enjoy their current circumstances as much as possible. We strive to know how our clients feel about their lives, goals and how to get there, so that our advice can be as meaningful as possible to them.

#### Financial Planning

Our financial planning process is focused on the client first. We begin with an initial meeting to gather information, and ask questions we believe help us get to the heart of why the client is coming to us for assistance: what they want their money to do for them, not what performance returns they are seeking. These underlying motivational factors may not always be quantitative, but are as important as a number such as age or years to retirement, as they help us find the client’s true goals. The second meeting (and in some circumstances a third) is designed to show the client what Wolff Financial believes should be the client’s path towards their goals. In some cases the client receives a written deliverable plan document. In cases where the needs and circumstances are simpler, a written deliverable may not be merited.

If you request, Wolff Financial may recommend the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from Wolff Financial. If you engage any professional recommended by Wolff Financial, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional.

#### Wealth Management

Each client who engages Wolff Financial for wealth management services is required to complete a financial plan of some degree, as Wolff Financial believes a thorough plan is the cornerstone to meeting the client’s needs.

When we perform asset management services, we will do so on a discretionary basis. This means that while we will continue an ongoing relationship with each client, being involved in various stages of their lives and decisions to be made, but we will not seek specific approval of changes to client accounts, provided the changes keep the accounts within stated investment objectives and guidelines provided by the client. Clients can place reasonable restrictions on the management of their accounts and make deposits or withdrawals in their accounts at any time. Because we take discretion when managing accounts, clients engaging us will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and Wolff Financial.

In very limited circumstances, we may provide investment management services on a non-discretionary basis, which means we will manage the clients' accounts as we do for our discretionary clients, except we will consult with the client prior to implementing any investment recommendation. Clients should be aware that some recommendations may be time-sensitive, in which case recommendations not implemented because we are unable to reach a non-discretionary client may not be made on a timely basis and therefore client's account may not perform as well as it would have had Wolff Financial been able to reach the client for a consultation on the recommendation.

### Wrap Program

The Wolff Financial Wrap Program (the "Program") is a wrap fee program sponsored by Wolff Financial Management LLC which has been in business since April, 2016.

For some clients, Wolff Financial may include certain transactional costs in the client's management fee. This arrangement is referred to as a "Wrap Program". For accounts in the Wrap Program, Wolff Financial pays a fee to the custodian based on the clients' transaction costs. Fees in the wrap program include transaction costs for the purchase or sale of securities, but do not include expenses related to the use of margin, wire transfer fees, the fees charged to shareholders of mutual funds or ETFs, mark-ups and mark-downs, spreads, odd-lot differentials, fees charged by regulatory agencies, and any transaction fees for securities trades executed by a broker-dealer other than the agreed upon custodian. Expenses for the management fees of third party managers are also not included in the Wrap Program, and to the extent utilized, you will be responsible for such fees. Because Wolff Financial will be managing the assets of wrap fee program clients the same way as other non-wrap fee program clients, the use of external portfolio managers within the wrap program is expected to be limited. To the extent a third party manager is utilized, the fees payable to such managers will not be included in the wrap program. Therefore, there is no difference between how Wolff Financial manages wrap fee accounts and how Wolff Financial manages other accounts.

Because of the nature of a wrap fee program, where wrap fees are not tied to an account's frequency of trading and apply to generally all assets in the account, the wrap fee program client may pay more or less than if the client had compensated Wolff Financial outside of the wrap fee program. For example, if a client's account is rarely traded, the transaction fees the client would have paid would be minimal, thus limiting the benefits of "wrapping" management fees and transaction fees. Clients whose accounts will be rarely traded should carefully consider whether the Wrap Program is appropriate. Clients are not required to participate in the Wrap Program. Wolff Financial receives a portion of the wrap fee for our services.

Wolff Financial does not engage other portfolio managers to manage assets within the wrap fee program. To the extent a third party manager is utilized, the fees payable to such managers will not be included in the wrap program. Wolff Financial is the sole portfolio manager in the wrap program, which means that Wolff Financial receives a portion of the wrap fee for our services. Transaction fees are paid to various broker-dealers, mutual funds and ETFs. The remainder of the wrap fee is the management fee payable to Wolff Financial.

Wolff Financial will receive no additional compensation for offering the wrap fee program.

Please see the separate Wrap Fee Brochure for a more complete description of the Wrap Program.

### Assets Under Management

As of January 24, 2017, WFM has approximately \$193,033,000 in assets under management, in 415 accounts. Of that total, approximately \$190,641,000 in 412 accounts are managed on a discretionary basis.

## **Item 5: Fees and Compensation**

### **A. Fees Charged**

All investment management clients will be required to execute an Investment Management Agreement that will describe the type of management services to be provided and the fees, among other items. Clients are advised that they may pay fees that are higher or lower than fees they may pay another advisor for the same services, and may in fact pay lower fees for comparable services from other sources. Clients are under no obligation at any time to engage, or to continue to engage, Wolff Financial for investment services. If you do not receive a copy of this brochure at least 48 hours prior to the execution of an Agreement, you may terminate the agreement within the first five (5) business days without penalty.

### Financial Planning

Financial planning is performed as part of asset management services, and not on a stand-alone basis. Accordingly, there is no separate fee.

### Wealth Management

Wolff Financial provides investment management and ongoing financial planning services for an annual fee based upon a percentage of the assets being managed by Wolff Financial. This asset based fee typically varies between 0.00% and 1.50% depending on the amount of assets under management as well as the complexity of the financial planning and service needs of the given client. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors.

### **B. Fee Payment**

For clients whose assets are managed by the firm, investment advisory fees will be debited directly from each client's account. The advisory fee is paid quarterly, in advance, and the value used for the fee calculation is the gross value as of the last market day of the previous quarter. This means that if your annual fee is 1.00%, then each quarter we will multiply the value of your account by 1.00% then divide by 4 to calculate our fee. If assets in excess of \$10,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. To the extent there is cash in your account, it will be included in the value for the purpose of calculating fees only if the cash is part of an investment strategy. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to Wolff Financial.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Upon request, clients will receive a bill itemizing the fees that were debited, including the formula used to calculate the fee, the amount of assets upon which the fee is based, and the time period covered by the fee. The invoice will also

state that the fee was not independently calculated by the custodian. The client will also receive a statement from their account custodian showing all transactions in their account, including the fee.

C. Other Fees

There are a number of other fees that can be associated with holding and investing in securities. You will be responsible for fees including transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or commissions for the purchase or sale of a stock. To the extent you participate in Wolff Financial's Wrap Program, you will not be responsible for these fees, as they will be paid by Wolff Financial as part of your management fee. Expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. For complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. Wolff Financial can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Please make sure to read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

D. *Pro-rata* Fees

If you become a client during a quarter, you will pay a management fee for the number of days left in that quarter. If you terminate our relationship during a quarter, you will be entitled to a refund of any pre-paid and unearned management fees for the remainder of the quarter. Once your notice of termination is received, we will assess pro-rated fees for the number of days between the end of the prior billing period and the date of termination to be paid in whatever way you direct (check, wire).

If you terminate our relationship before the completion of the financial plan, any unearned fees will be returned to you on a pro rata basis.

Wolff Financial will cease to perform services, including processing trades and distributions upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be "de-linked", meaning they will no longer be visible to Wolff Financial and will become a retail account with the custodian.

E. Compensation for the Sale of Securities.

To permit Wolff Financial clients to have access to as many investment solutions as possible, certain professionals of Wolff Financial are registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), a FINRA member broker-dealer. The relationship with PKS allows these professionals to provide additional products to clients' portfolios that would not otherwise be available. Because PKS supervises the activities of these professionals as registered representatives of PKS, the relationship may be deemed material. However, PKS is not affiliated with Wolff Financial or considered a related party. PKS does not make investment decisions for client accounts. Registered representative status enables these professionals to receive customary commissions for the sales of various securities, including those recommended to clients. Commissions charged for these products will not offset management fees owed to Wolff Financial.

Receipt of commissions for investment products that are recommended to clients gives rise to a conflict of interest for the representative, in that the individual who will receive the commissions is also the individual that is recommending that the client purchase a given product. This conflict is disclosed to clients verbally and in this brochure. Clients are advised that they may choose to

implement any investment recommendation through another broker-dealer that is not affiliated with Wolff Financial. Wolff Financial attempts to mitigate this conflict by requiring that all investment recommendations have a sound basis for the recommendation, and by requiring employees to acknowledge their fiduciary responsibility toward each client.

#### **Item 6: Performance-Based Fees**

Wolff Financial will not charge performance based fees.

#### **Item 7: Types of Clients**

Clients advised may include individuals, families, trusts, charitable organizations and foundations, pensions and corporations. Wolff Financial requires each client to place at least \$500,000 with the firm. This minimum may be waived at the discretion of Wolff Financial.

#### **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

It is important for you to know and remember that all investments carry risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**

As described in Item 4, our goal at Wolff Financial is to understand each client's needs and goals, even if they do not obviously directly connect to their financial circumstances or investing. After we determine what a client's goals are, we can manage their assets accordingly. Each client's portfolio may be similar to, or vary greatly from, another client who on the surface seems quite similar. This is because each client's portfolio is constructed based on that client's life goals, needs and other circumstances, which may not be readily apparent to even a close friend.

Once we ascertain your objectives for each portfolio, we will develop a set of asset allocation guidelines, and then in most cases place the assets in an asset allocation strategy. One goal of asset allocation is to maximize the potential for meeting your life goals and investment objectives. An asset allocation strategy is a percentage-based allocation to different investment types. For example, an asset allocation strategy that calls for 40-60% of the portfolio to be invested in equity securities, with the remaining balance in fixed income. Another client may have an asset allocation of 50-60% in fixed income securities, 20% in equities, and the remainder in cash. The percentages in each type that we recommend are based on the typical behavior of that security type, individual securities we follow, current market conditions, your current financial situation, your financial goals, and the timeline to get you to those goals. Once we agree on allocation guidelines, risk tolerance, time horizon, and how to achieve these results, we will develop a plan to guide all parties involved in the execution of these goals, including but not limited to, Wolff Financial, the client, the custodian, and the investment managers.

Upon completion of the plan, we will periodically recommend securities transactions in your portfolio to meet the guidelines of the asset allocation strategy. It is important to remember that because market conditions can vary greatly, your asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary.



The specific securities we recommend for your account will depend on market conditions and our research at the time. Generally, we recommend a mix of mutual funds, index funds, exchange traded funds, stocks, bonds and options. Specific funds are chosen based on where its investment objective fits into the asset allocation recommended by Wolff Financial, its risk parameters, past performance, peer rankings, fees, expenses, and any other aspects of the fund Wolff Financial deems relevant to that particular fund. We base our conclusions on predominantly publicly available research, such as regulatory filings, press releases, competitor analyses, and in some cases research we receive from our custodian or other market analyses. We will also utilize technical analyses, which means that we will review the past behaviors of the security and the markets in which it trades for signals as to what might happen in the future.

Additionally, part of the Wolff Financial process includes, where appropriate, involving multiple generations in order to facilitate family financial planning. This can increase the financial education of the later generations and manage expectations. However potential for conflicts of interest exist with the exchange of intergenerational information. Wolff Financial attempts to minimize these conflicts by treating each household as its own fiduciary relationship. Information can only be shared across generations with each household's consent.

### Risk of Loss

There are always risks to investing. **Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear.** It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short Term Trading:** Clients should note that Wolff Financial may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. Wolff Financial endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.

- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Margin Risk.** “Margin” is a tool used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan are then used to buy more securities. In a positive result, the additional securities provide additional return on the same initial investment. In a negative result, the additional securities provide additional losses. Margin therefore carries a higher degree of risk than investing without margin. Any client account that will use margin will do so in accordance with Regulation T. Wolff Financial may utilize margin on a limited basis for clients with higher risk tolerances.
- **Short Sales.** “Short sales” are a way to implement a trade in a security Wolff Financial feels is overvalued. In a “long” trade, the investor is hoping the security increases in price. Thus in a long trade, the amount of the investor’s loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable. Wolff Financial utilizes short sales only when the client’s risk tolerances permit.
- **Risks specific to private placements, sub-advisors and other managers.** If we invest some of your assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ.
- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.
- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company’s future. For example, a company’s management may lack experience, or the company’s capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited as compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.
- **Concentration Risk.** While Wolff Financial selects individual securities, including mutual funds, for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client’s equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client’s equity portfolio may be affected negatively, including significant losses.
- **Transition Risk.** As assets are transitioned from a client’s prior advisers to Wolff Financial there may be securities and other investments that do not fit within the asset allocation strategy

selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by Wolff Financial. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of Wolff Financial may adversely affect the client's account values, as Wolff Financial's recommendations may not be able to be fully implemented.

- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.

- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.

- **REITs:** In very limited circumstances, Wolff Financial may recommend that portions of client portfolios be allocated to real estate investment trusts, otherwise known as "REITs". A REIT is an entity, typically a trust or corporation, that accepts investments from a number of investors, pools the money, and then uses that money to invest in real estate through either actual property purchases or mortgage loans. While there are some benefits to owning REITs, which include potential tax benefits, income and the relatively low barrier to invest in real estate as compared to directly investing in real estate, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. First, real estate investing can be highly volatile. Second, the specific REIT chosen may have a focus such as commercial real estate or real estate in a given location. Such investment focus can be beneficial if the properties are successful, but lose significant principal if the properties are not successful. REITs may also employ significant leverage for the purpose of purchasing more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT. Clients should ensure they understand the role of the REIT in their portfolio.

## **Item 9:       Disciplinary Information**

There are no disciplinary items to report.

## **Item 10:       Other Financial Industry Activities and Affiliations**

### **A. Broker-dealer**

*Please see response to Item 5E with regards to Purshe Kaplan Sterling Investments Inc.*

### **B. Futures Commission Merchant/Commodity Trading Advisor**

Neither the principal of Wolff Financial, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

C. Relationship with Related Persons

Certified Public Accountant. Certain members of the Wolff Financial team are Registered as Certified Public Accountants. These individuals may give tax advice to clients as part of Wolff Financial's services, but do not prepare tax returns for clients.

D. Recommendations of Other Advisers

Not applicable.

**Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. Not applicable. Wolff Financial does not recommend to clients that they invest in any security in which Wolff Financial or any principal thereof has any financial interest.

C. On occasion, an employee of Wolff Financial may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

D. On occasion, an employee of Wolff Financial may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

**Item 12: Brokerage Practices**

A. Recommendation of Broker-Dealer

Wolff Financial does not maintain custody of client assets, though Wolff Financial may be deemed to have custody if a client grants Wolff Financial authority to debit fees directly from their account (see Item 15 below). Assets will be held with a qualified custodian, which is typically a bank or broker-dealer. Wolff Financial recommends that investment accounts be held in custody by Schwab Advisor Services ("Schwab"), which is a qualified custodian. Wolff Financial is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage

account and buy and sell securities when Wolff Financial instructs them to, which Wolff Financial does in accordance with its agreement with you. While Wolff Financial recommends that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Wolff Financial does not open the account for you, although Wolff Financial may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

### **How we select brokers/custodians**

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including both quantitative (Ex: costs) and qualitative (execution, reputation, service) factors. We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to Wolff Financial as part of our evaluation of these broker-dealers.

### **Your brokerage and custody costs**

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”).

### **Products and services available to us from Schwab**

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like Wolff Financial. They provide Wolff Financial and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help Wolff Financial manage or administer our clients’ accounts, while others help Wolff Financial manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to Wolff Financial. Following is a more detailed description of Schwab’s support services:

#### *Services that benefit you*

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

### *Services that may not directly benefit you*

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

### *Services that generally benefit only us*

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

### **Our interest in Schwab's services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. We may have an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/custodians") and not Schwab's services that benefit only us.

We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to Wolff Financial as part of our evaluation of these broker-dealers.

## B. Aggregating Trades

Commission costs per client may be lower on a particular trade if all clients in whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, executed one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a *pro rata* basis, except where doing so would create an unintended adverse consequence (For example, if a *pro rata* division would result in a client receiving a fraction of a share, or a position in the account of less than 1%.)

## Item 13: Review of Accounts

All accounts and corresponding financial plans will be managed on an ongoing basis, with formal reviews with the client by the firm's Financial Advisor's on at least an annual basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts.

The annual report in writing provided by Wolff Financial is intended to review performance and asset allocation. All clients will receive statements and confirmations of trades directly from Schwab. Additionally, upon request clients will receive quarterly itemized bills from Wolff Financial. Please refer to Item 15 regarding Custody.

## Item 14: Client Referrals and Other Compensation

### A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.

*Please refer to Item 12, where we discuss recommendation of Broker-Dealers.*

### B. Compensation to Non-Advisory Personnel for Client Referrals.

Wolff Financial does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## Item 15: Custody

Wolff Financial deducts fees from client accounts, but would not have custody of client funds otherwise. Clients will receive statements directly from Schwab, and copies of all trade confirmations directly from Schwab.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Upon request, clients will receive a bill itemizing the fees that were debited, including the formula used to calculate the fee, the amount of assets the fee is based, and the time period covered by the fee. The invoice will also state that the fee was not independently calculated by the custodian. The client will also receive a statement from their account custodian showing all transactions in their account, including the fee.

We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on reports prepared by Wolff Financial against the information in the statements provided directly from Schwab. Please alert us of any discrepancies.

#### **Item 16: Investment Discretion**

When Wolff Financial is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You may receive at your request written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive monthly statements from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and Wolff Financial.

#### **Item 17: Voting Client Securities**

Copies of our Proxy Voting Policies are available upon request.

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. Wolff Financial will not accept authority to vote client securities. Clients will receive their proxies directly from the custodian for the client account. Wolff Financial will not give clients advice on how to vote proxies.

#### **Item 18: Financial Information**

Wolff Financial does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.



**Item 1: Cover Sheet**

**INFORMATIONAL BROCHURE  
WRAP FEE PROGRAM**



**5725 VENTURE PARK DRIVE  
KALAMAZOO, MI 49009  
Tel: (269) 372-3100**

**February 22, 2017**

**This wrap fee program brochure provides information about the qualifications and business practices of Wolff Financial Management LLC. If you have any questions about the contents of this brochure, please contact us at (269) 372-3100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Our registration does not imply a certain level of skill or training.**

**Additional information about Wolff Financial Management LLC (CRD# 283239) is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2:       Material Changes**

Wolff Financial Management LLC is required to include in this Item 2 any material changes to this Wrap Brochure. There are no material changes to report.

### **Item 3:        Table of Contents**

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#### **Item 4: Services, Fees, and Compensation**

The Wolff Financial Wrap Program (the “Program”) is a wrap fee program sponsored by Wolff Financial Management LLC (“Wolff Financial”) which has been in business since April, 2016. Matthew Wolff is the firm’s principal owner.

Wolff Financial provides personalized life planning and wealth management services to individuals, families, trusts, charitable organizations and foundations, pensions and corporations. Our mission is to improve our clients’ lives by assisting them in planning for their future while allowing them to enjoy their current circumstances as much as possible. We strive to know how our clients feel about their lives, goals and how to get there, so that our advice can be as meaningful as possible to them.

##### **A. Description of the Program**

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###### Financial Planning

Our financial planning process is focused on the client first. We begin with an initial meeting to gather information, and ask questions we believe help us get to the heart of why the client is coming to us for assistance: what they want their money to do for them, not what performance returns they are seeking. These underlying motivational factors may not always be quantitative, but are as important as a number such as age or years to retirement, as they help us find the client’s true goals. The second meeting (and in some circumstances a third) is designed to show the client what Wolff Financial believes should be the client’s path towards their goals. In some cases the client receives a written deliverable plan document. In cases where the needs and circumstances are simpler, a written deliverable may not be merited.

If you request, Wolff Financial may recommend the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from Wolff Financial. If you engage any professional recommended by Wolff Financial, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional.

###### Wealth Management

Wolff Financial requires each client to place at least \$500,000 with the firm. This minimum may be waived in the discretion of Wolff Financial.

Each client who engages Wolff Financial for wealth management services is required to complete a financial plan of some degree, as Wolff Financial believes a thorough plan is the cornerstone to meeting the client’s needs.

When we perform asset management services, we will do so on a discretionary basis. This means that while we will continue an ongoing relationship with each client, being involved in various stages of their lives and decisions to be made, but we will not seek specific approval of changes to client accounts provided the changes keep the accounts within stated investment objectives and guidelines provided by the client. Clients can place reasonable restrictions on the management of their accounts and make deposits or withdrawals in their accounts at any time. Because we take discretion when

managing accounts, clients engaging us will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and Wolff Financial.

In very limited circumstances, we may provide investment management services on a non-discretionary basis, which means we will manage the clients' accounts as we do for our discretionary clients, except we will consult with the client prior to implementing any investment recommendation. Clients should be aware that some recommendations may be time-sensitive, in which case recommendations not implemented because we are unable to reach a non-discretionary client may not be made on a timely basis and therefore client's account may not perform as well as it would have had Wolff Financial been able to reach the client for a consultation on the recommendation.

Additionally, part of the Wolff Financial process includes, where appropriate, involving multiple generations in order to facilitate family financial planning. This can increase the financial education of the later generations and manage expectations. However potential for conflicts of interest exist with the exchange of intergenerational information. Wolff Financial attempts to minimize these conflicts by treating each household as its own fiduciary relationship. Information can only be shared across generations with each household's consent.

#### Assets Under Management

As of January 24, 2017, WFM has approximately \$193,033,000 in assets under management, in 415 accounts. Of that total, approximately \$190,641,000 in 412 accounts, are managed on a discretionary basis.

#### Schwab's Brokerage Services.

In addition to the foregoing portfolio management and other services, the Program includes the brokerage services of Charles Schwab & Co., Inc. ("Schwab") a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. Wolff Financial is an independently owned and operated and not affiliated with Schwab. Schwab will act solely as a broker-dealer and not as an investment advisor to you. It will have no discretion over your account and will act solely on instructions it receives from us [or you]. Schwab has no responsibility for our services and undertakes no duty to you to monitor our management of your account or other services we provide to you. Schwab will hold your assets in a brokerage account and buy and sell securities and execute other transactions when we [or you] instruct them to. While we require that you use Schwab as custodian/broker to participate in our program, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you. If you do not wish to place your assets with Schwab, then we cannot manage your account in the program. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account, as described below.

#### **Fees and Compensation**

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##### Fees Charged

All investment management clients will be required to execute an Investment Management Agreement that will describe the type of management services to be provided and the fees, among other items. Clients are advised that they may pay fees that are higher or lower than fees they may

pay another advisor for the same services, and may in fact pay lower fees for comparable services from other sources. Clients are under no obligation at any time to engage, or to continue to engage, Wolff Financial for investment services. If you do not receive a copy of this brochure at least 48 hours prior to the execution of an Agreement, you may terminate the agreement within the first five (5) business days without penalty.

### Financial Planning

Financial planning is performed as part of asset management services, and not on a stand-alone basis. Accordingly, there is no separate fee.

### Our Wrap Fees

Wolff Financial provides investment management and ongoing financial planning services for an annual fee based upon a percentage of the assets being managed by Wolff Financial. This asset based fee typically varies between 0.00% and 1.50% depending on the amount of assets under management as well as the complexity of the financial planning and service needs of the given client. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors.

Because our wrap fees are not tied to an account's frequency of trading and apply generally to all assets in the account, this fee arrangement is not appropriate for all accounts. For example, a wrap fee arrangement would not be appropriate for an account that holds primarily cash and cash equivalents, fixed income securities or no-transaction-fee mutual funds for a substantial period of time.

Fees paid by wrap fee program participants will follow the same general guidelines, the only difference being that wrap fee clients will have some or all of their transaction fees covered by Wolff Financial. Fees included in the wrap fee include transaction fees for the purchase or sale of securities, but do not include expenses related to the use of margin, wire transfer fees, the fees charged to shareholders of mutual funds or ETFs, mark-ups and mark-downs, spreads, odd-lot differentials, fees charged by regulatory agencies, and any transaction fees for securities trades executed by a broker-dealer other than Schwab Advisor Services. Because Wolff Financial will be managing the assets of wrap fee program clients the same way as other non-wrap fee program clients, the use of external portfolio managers is expected to be limited. Any fees due to another portfolio manager will be paid by the client.

Because of the nature of a wrap fee program, the wrap fee program client may pay more or less than if the client had compensated Wolff Financial outside of the wrap fee program. For example, if a client's account is rarely traded, the transaction fees the client would have paid would be minimal, thus limiting the benefits of "wrapping" management fees and transaction fees. Because Wolff Financial will be compensated the same amount whether an account participating in the wrap program is traded or not, we have a financial incentive to avoid trading the account. This creates a conflict of interest between the firm and its wrap clients. Wolff Financial attempts to mitigate this conflict by requiring that the firm's employees acknowledge their fiduciary duty to place client interests ahead of their own and by periodically comparing wrap program client performance against any clients who are not in the wrap program.

Wolff Financial will receive no additional compensation for offering the wrap fee program.

### Fee Payment

For clients whose assets are managed by the firm, investment advisory fees will be debited directly from each client's account. The advisory fee is paid quarterly, in advance, and the value used for the fee calculation is the gross value as of the last market day of the previous quarter. This means that if your annual fee is 1.00%, then each quarter we will multiply the value of your account by 1.00% then divide by 4 to calculate our fee. To the extent there is cash in your account, it will be included in the value for the purpose of calculating fees only if the cash is part of an investment strategy. If assets in excess of \$10,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to Wolff Financial.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Upon request, clients will receive a bill itemizing the fees that were debited, including the formula used to calculate the fee, the amount of assets upon which the fee is based, and the time period covered by the fee. The invoice will also state that the fee was not independently calculated by the custodian. The client will also receive a statement from their account custodian showing all transactions in their account, including the fee.

### **Fees We Pay Schwab.**

In addition to compensating us for our portfolio management, other investment advisory, and other services to you, the wrap fees you pay us also allow us to pay Schwab for the brokerage services it provides to you, as described above, as well as additional services Schwab provides us, as described below. The fees we pay Schwab consist primarily of transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or commissions for the purchase or sale of a stock. Expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. For complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. Wolff Financial can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

The fees we pay Schwab may be more than what we would pay solely for Schwab's brokerage services.

### **Relative Cost of Our Wrap Fee Program to You.**

The program may cost you more or less than purchasing our investment advice and Schwab's brokerage services separately. The relative cost of our wrap fee program to you is influenced by various factors, including the cost of our investment advice and Schwab's brokerage services if you purchased them separately, the types of investments held in your account, and the frequency and size of trades we make for your account. For example, if the number of transactions in your account is low enough, the wrap fee you pay us may exceed the stand alone investment advisory fee and separate brokerage commissions that you otherwise would have paid. In addition, because the fees we pay Schwab and that comprise a portion of the wrap fee you pay us include certain transaction fees, client accounts that trade relatively frequently could disproportionately benefit from the program compared to accounts that trade less frequently.

Our fees for stand-alone investment advisory services that are comparable to those we provide as part of the program fall in the same range as fees for account in the Program.

## **B, C Additional Fees and Costs You May Pay.**

Our wrap fee does not cover the fees and costs listed below, which may apply to assets in your enrolled accounts to which our wrap fee also applies, and to transactions in your accounts.

- Commissions and other fees for services provided by broker-dealers other than Schwab for transactions executed or effected by or through them that settle into or from your account at Schwab such as through our use of Schwab's Prime Brokerage or Trade Away Services. You will be responsible for paying any commissions and other fees or compensation charged by broker-dealers other than Schwab. Because you will pay our wrap fee in addition to any commissions and/or other charges paid to broker-dealers other than Schwab who execute transactions for your account, we may have an incentive to execute transactions for your accounts through Schwab, and this incentive could, in some circumstances, conflict with our duty to seek best execution.
- Fees charged by mutual fund companies, unit investment trusts (UITs), closed-end funds and other collective investment vehicles, including, but not limited to, sales loads (a portion of which are paid to Schwab) and/or charges and short-term redemption fees.
- Short-term redemption fees charged by Schwab for funds other than those available through the Schwab Mutual Fund OneSource® service.
- Markups and markdowns, bid-ask spreads, selling concessions and the like received by Schwab in connection with transactions it executes as principal by selling or buying securities to or from you for its own account. Principal transactions contrast with those in which Schwab acts as your agent in effecting trades between you and a third party. Schwab may make a profit or incur a loss on trades in which it acts as principal. Markups and markdowns and bid-ask spreads are not separate fees, but rather are reflected in the net price at which a trade order is executed.
- Transfer taxes, odd-lot differentials, certificate delivery fees, reorganization fees, fees required by law, and any other fees or charges similar to those described above.

A complete list of Schwab's charges and fees is contained in the Charles Schwab Institutional Pricing Guide, which you will receive promptly following the opening of your account with Schwab.

### *Pro-rata Fees*

If you become a client during a quarter, you will pay a management fee for the number of days left in that quarter. If you terminate our relationship during a quarter, you will be entitled to a refund of any pre-paid and unearned management fees for the remainder of the quarter. Once your notice of termination is received, we will assess pro-rated fees for the number of days between the end of the prior billing period and the date of termination to be paid in whatever way you direct (check, wire).

If you terminate our relationship before the completion of the financial plan, any unearned fees will be returned to you on a pro rata basis.

Wolff Financial will cease to perform services, including processing trades and distributions upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be "de-linked", meaning they will no longer be visible to Wolff Financial and will become a retail account with the custodian.

## **D. Additional Compensation We Receive.**

We may receive more compensation from your participation in our wrap fee program than if you purchased our investment advisory services and Schwab's (or another broker/custodian's) services



separately. Consequently, we may have an incentive to recommend that you participate in our wrap fee program and open your account with Schwab. That incentive may be based on our interest in receiving services as part of our services/fees arrangement with Schwab rather than based on your interest in having the most appropriate fee arrangement for our investment advisory services and the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our recommendation of our wrap fee program, including the use of Schwab as custodian and broker, is in the best interests of those of clients to whom we recommend it based on an assessment of their investment objectives, financial situation, our investment plans and anticipated trading activity in their accounts and all other relevant factors.

**Item 5: Account Requirement and Type of Clients**

Clients participating in the program may include individuals, families, trusts, charitable organizations and foundations, pensions and corporations. Wolff Financial requires each client to place at least \$500,000 with the firm. This minimum may be waived in the discretion of Wolff Financial.

**Item 6: Portfolio Manager Selection and Evaluation**

The wrap fee program offered by Wolff Financial is sponsored by the firm, and Wolff Financial is the only portfolio manager. The only fees covered under the wrap fee program are transaction fees associated with the purchase and sale of securities in an account managed by Wolff Financial. All client accounts managed by Wolff Financial, including wrap fee program clients, are managed with similar processes, although account recommendations may differ.

**Item 7: Client Information provided to Portfolio Managers**

Please see response to Item 6, above.

**Item 8: Client Contact with Portfolio Managers**

Clients may contact Wolff Financial, the only portfolio manager, at any time.

**Item 9: Additional Information**

**Disciplinary Information**

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Neither the firm nor any of its employees or principals has any disciplinary information to report.

## **Other Financial Industry Activities and Affiliations**

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### **Broker-dealer**

To permit Wolff Financial clients to have access to as many investment solutions as possible, certain professionals of Wolff Financial are registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), a FINRA member broker-dealer. The relationship with PKS allows these professionals to provide additional products to clients' portfolios that would not otherwise be available. Because PKS supervises the activities of these professionals as registered representatives of PKS, the relationship may be deemed material. However, PKS is not affiliated with Wolff Financial or considered a related party. PKS does not make investment decisions for client accounts. Registered representative status enables these professionals to receive customary commissions for the sales of various securities, including those he recommends to clients. Commissions charged for these products will not offset management fees owed to Wolff Financial.

Receipt of commissions for investment products that are recommended to clients gives rise to a conflict of interest for the representative, in that the individual who will receive the commissions is also the individual that is recommending that the client purchase a given product. This conflict is disclosed to clients verbally and in this brochure. Clients are advised that they may choose to implement any investment recommendation through another broker-dealer that is not affiliated with Wolff Financial. Wolff Financial attempts to mitigate this conflict by requiring that all investment recommendations have a sound basis for the recommendation, and by requiring employees to acknowledge their fiduciary responsibility toward each client.

### **Futures Commission Merchant/Commodity Trading Advisor**

Neither members of management, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **Relationship with Related Persons**

**Certified Public Accountant.** Certain members of the Wolff Financial team are Registered as Certified Public Accountants. These individuals may give tax advice to clients as part of Wolff Financial's services, but do not prepare tax returns for clients.

### **Recommendations of other Advisers**

Not Applicable.

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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- A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.
- B. Not applicable. Wolff Financial does not recommend to clients that they invest in any security in which Wolff Financial or any principal thereof has any financial interest.
- C. On occasion, an employee of Wolff Financial may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for

employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

- D. On occasion, an employee of Wolff Financial may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

## **Review of Accounts**

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All accounts and corresponding financial plans will be managed on an ongoing basis, with formal reviews with the client by the firm's principal on at least an annual basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts.

The annual report in writing provided by Wolff Financial is intended to review performance and asset allocation. All clients will receive statements and confirmations of trades directly from Schwab. Additionally, upon request clients will receive quarterly itemized bills from Wolff Financial. Please refer to Item 15 regarding Custody.

## **Client Referrals and Other Compensation**

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### **A. Other Products and Services Available to Us from Schwab.**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Here is a more detailed description of Schwab's support services:

*Services that Benefit You.* Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

*Services that May Not Directly Benefit You.* Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research,

both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

*Services that Generally Benefit Only Us.* Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

#### **Our Interest in Schwab's Services.**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. We may have an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/custodians") and not Schwab's services that benefit only us.

#### **B. Compensation to Non-Advisory Personnel for Client Referrals.**

Wolff Financial does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

#### **Financial Information**

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Wolff Financial does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.