

## **Wilhelm Financial Services, PLLC**

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CRD# 117504**

**Firm Brochure  
(Form ADV Part 2A)**

**March 28, 2023**

This brochure provides information about the qualifications and business practices of Wilhelm Financial Services, PLLC ("WFS", the "Adviser", the "Firm"). If you have any questions about the contents of this brochure, please contact us at (360) 593-9919 or via email at [wfspllc@comcast.net](mailto:wfspllc@comcast.net). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

This brochure dated March 28, 2023, has been prepared according to the requirements and rules promulgated by the SEC.

Wilhelm Financial Services, PLLC is a registered investment adviser. Registration with the SEC as an investment adviser does not imply that Wilhelm Financial Services, PLLC or any of its principals possess a particular level or skill or training.

Additional information about Wilhelm Financial Services, PLLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Material Changes

This item discusses only specific material changes that are made to the Brochure since Wilhelm Financial Services, PLLC 's last amendment filing dated August 29, 2022. Wilhelm Financial Services, PLLC has made the following material changes to now be represented in this brochure:

- Item 1. Cover Page: Updated Date
- Item 4. Advisory Business: Updated to reflect the most recent calculation of the Firm's assets under managements, as of March 27, 2023

On September 2, 2022 Wilhelm Financial Services, PLLC filed its initial application to register as an investment adviser with the SEC. Accordingly, pursuant to disclosure rules under the Advisers Act, this Brochure compiled by the Adviser to provide new and prospective investors with clearly written, meaningful, current disclosure of its business practices, conflicts of interest and background of its advisory personnel. We encourage all recipients of this Brochure to read it carefully in its entirety.

### Item 3 Table of Contents

Item 1	Cover Page .....	1
Item 2	Material Changes .....	2
Item 3	Table of Contents .....	3
Item 4	Advisory Business .....	4
Item 5	Fees and Compensation .....	7
Item 6	<i>Performance-Based Fees</i> and Side-By-Side Management .....	9
Item 7	Types of <i>Clients</i> .....	10
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss .....	11
Item 9	Disciplinary Information.....	14
Item 10	Other Financial Industry Activities and Affiliations.....	15
Item 11	Code of Ethics, Participation or Interest in <i>Client</i> Transactions and Personal Trading.....	16
Item 12	Brokerage Practices .....	17
Item 13	Review of Accounts .....	18
Item 14	<i>Client</i> Referrals and Other Compensation .....	19
Item 15	Custody .....	20
Item 16	Investment Discretion .....	21
Item 17	Voting <i>Client</i> Securities .....	22
Item 18	Financial Information.....	23

#### Item 4 Advisory Business

Wilhelm Financial Services, PLLC (WFS) is a wealth management company that provides investment advisory services as part of the wealth management process. WFS has been in business since November 22, 2000, and is an investment adviser registered with the U.S. Securities and Exchange Commission ("SEC"). The principal owner of WFS is Bret Wilhelm. (see information about Bret Wilhelm below).

WFS provides three main services to its clients: portfolio management, financial planning and asset tracking services.

WFS's investment advisory services are limited to nondiscretionary asset management, creating asset allocations, helping clients evaluate and choose mutual funds and other publicly traded securities to implement their asset allocations, assisting them in making reasonable rate of return assumptions to use in the financial planning process, and monitoring the performance of their asset allocations.

WFS tailors its advice to each client's individual needs. The client may impose restrictions on investing in certain securities or types of securities.

WFS is willing to accept a limited power to trade securities with prior consent. This allows WFS to place trades for the client after receiving written or verbal instruction. The client has the option of not giving WFS the limited power to trade with prior consent. Under this circumstance, WFS will have the client verify the trade verbally during a conference call with the custodian.

Client assets are invested primarily in mutual funds. Occasionally, WFS will directly assist its clients in analyzing, purchasing or selling individual securities such as stocks and bonds. The client is responsible for all final investment decisions. WFS is solely responsible for providing its clients with advice which it feels is in their best interest.

All clients for whom WFS manages money directly will receive quarterly reports related to their directly managed accounts. For clients that pay an annual investment management fee of at least \$23,500, WFS offers to track the performance of all of their financial assets with a portfolio accounting system and provide them with quarterly net worth reports, at no additional charge.

Where WFS provides financial planning services to its clients, the plans are generally comprehensive in nature but may be limited to specific issues. The areas covered during this process can include but are not limited to the following: 1) cash flow planning, 2) tax planning, 3) retirement planning, 4) college planning, 5) estate planning, and 6) insurance benefit planning. WFS believes that it is essential that its clients understand their financial situations to the highest degree possible. To this end WFS is committed to educating its clients by explaining how different choices can affect their financial lives. WFS believes that a comprehensive financial plan is the best way to make financial decisions because it provides a context within which a client can see how a decision affects the other areas of the client's financial life.

WFS does not participate in any wrap fee programs.

### **Assets Under Management**

WFS managed client assets on a non-discretionary basis of \$116,054,000 as of March 27, 2023. WFS does not have any discretionary assets under management.

### **Bret Wilhelm**

Year of Birth: 1970

Formal Education:

- BA in Finance and Entrepreneurship from Seattle Pacific University
- Masters in Taxation from Golden Gate University

Business Background:

- November 2000 – Present; Wilhelm Financial Services, PLLC; Manager/Owner

Professional Designation(s):

**CERTIFIED FINANCIAL PLANNERTM (CFP®)**

Bret Wilhelm is certified for financial planning services in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board"). Therefore, he may refer to himself as a CERTIFIED FINANCIAL PLANNER™ professional or a CFP® professional, and he may use these and CFP Board's other certification marks (the "CFP Board Certification Marks"). The CFP® certification is voluntary. No federal or state law or regulation requires financial planners to hold the CFP® certification. You may find more information about the CFP® certification at [www.cfp.net](http://www.cfp.net). CFP® professionals have met CFP Board's high standards for education, examination, experience, and ethics. To become a CFP® professional, an individual must fulfill the following requirements:

- Education – Earn a bachelor's degree or higher from an accredited college or university and complete CFP Board-approved coursework at a college or university through a CFP Board Registered Program. The coursework covers the financial planning subject areas CFP Board has determined are necessary for the competent and professional delivery of financial planning services, as well as a comprehensive financial plan development capstone course. A candidate may satisfy some of the coursework requirement through other qualifying credentials.
- Examination – Pass the comprehensive CFP® Certification Examination. The examination is designed to assess an individual's ability to integrate and apply

a broad base of financial planning knowledge in the context of real-life financial planning situations.

- Experience – Complete 6,000 hours of professional experience related to the personal financial planning process, or 4,000 hours of apprenticeship experience that meets additional requirements.
- Ethics – Satisfy the Fitness Standards for Candidates for CFP® Certification and Former CFP® Professionals Seeking Reinstatement and agree to be bound by CFP Board's Code of Ethics and Standards of Conduct ("Code and Standards"), which sets forth the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to remain certified and maintain the right to continue to use the CFP Board Certification Marks:

- Ethics – Commit to complying with CFP Board's Code and Standards. This includes a commitment to CFP Board, as part of the certification, to act as a fiduciary, and therefore, act in the best interests of the client, at all times when providing financial advice and financial planning. CFP Board may sanction a CFP® professional who does not abide by this commitment, but CFP Board does not guarantee a CFP® professional's services. A client who seeks a similar commitment should obtain a written engagement that includes a fiduciary obligation to the client.
- Continuing Education – Complete 30 hours of continuing education every two years to maintain competence, demonstrate specified levels of knowledge, skills, and abilities, and keep up with developments in financial planning. Two of the hours must address the Code and Standards.

## Item 5 Fees and Compensation

For investment management services, WFS charges a percentage of assets under management, using asset-based tiers. WFS's current standard fee schedule for investment management clients is shown below.

Under \$1,000,000	– 1.0%
Next \$ 1,000,001 – \$ 2,000,000	- .75%
Next \$ 2,000,001 – \$ 3,000,000	- .60%
Next \$ 3,000,001 – \$ 4,000,000	- .50%
Next \$ 4,000,001 – \$ 5,000,000	- .40%
Next \$ 5,000,001 – \$ 6,000,000	- .35%
Next \$ 6,000,001 – \$ 7,000,000	- .30%
Next \$ 7,000,001 – \$10,000,000	- .25%
Next \$10,000,001 and over	- .10%

Investment management fees are negotiable and are determined at the beginning of the client relationship in consultation with the client.

Investment management clients are billed at the beginning of each quarter for that quarter's proportional fee. WFS currently uses calendar quarters beginning January, April, July, and October. The fee is based on the quarters beginning account value. The beginning account value is the ending balance on last day of December, March, June, and September. WFS prefers to invoice clients directly for this fee, but will debit a custodial account directly for fees if requested by a client, so long as the custodian for the account is a bank or registered broker-dealer that agrees to send monthly account statements to the client reflecting the fee deductions.

In all instances, WFS will send the client a written invoice, including the fee, the formula used to calculate the fee, the fee calculation itself, the time period covered by the fee, and, if applicable, the amount of assets under management on which the fee was based. The Adviser will send these to the client concurrent with the request for payment or payment of the Adviser's advisory fees. We urge the client to compare this information with the fees listed in the account statement. In most cases, WFS bills the client directly and does not deduct the client fee from the client's accounts.

Investment management clients incur other fees and expenses, including custodial fees and brokerage fees, that are not included in the fees charged by WFS. Please see the "Brokerage Practices" section for more details on fees charged by brokers.

In addition, mutual fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. This fee is in addition to the fee WFS charges for its management services. These fees diminish client net returns, and clients may receive services at lower management fees through advisers who manage portfolios of individual securities rather than portfolios of mutual fund shares.

If an advisory agreement between WFS and a client is terminated, any unearned fees will be refunded to the client. The unearned fees will be determined by dividing the number of days of service provided by WFS by the number of days in the quarter.

WFS does not charge separately for financial planning for its investment management clients.

WFS is a fee-only financial management firm. WFS does not sell annuities, insurance, stocks, bonds, limited partnerships or other commissioned products. No commissions in any form are accepted.



Item 6 *Performance-Based Fees* and Side-By-Side Management

WFS does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7 Types of *Clients*

WFS works mainly with individuals.

When conducting financial planning services, WFS does not impose specific conditions on its clients other than determining the appropriateness of its services to their situation.

WFS does not usually accept investment management clients with account sizes of less than \$3 million. WFS can and does make exceptions to the account size minimum, but normally only when the client and WFS anticipate additional funds to bring the account total to more than \$3 million within a reasonable period of time.

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

When WFS is hired by a client to manage the client's portfolio, WFS will help the client develop an asset allocation. WFS uses various techniques to develop asset allocations that suit its clients individual risk tolerances. WFS starts with a financial plan to help its clients understand the minimum rate of return they will need to achieve their goals. The client then decides if they want to increase the risk in their portfolio to increase the target return.

Once the target return is determined, WFS uses various techniques and theories to develop a diversified portfolio with the clients target return. This process gives the client percentage targets for different asset classes. WFS then helps the client select mutual funds and other publicly traded securities for each asset class. The mutual funds selected for a client's account may use a number of strategies when investing their portfolios. WFS typically recommends using index funds to gain exposure to the different asset classes. Although actively managed mutual funds can be used if the client desires, WFS favors index funds because they maintain consistent exposure to the asset classes they are supposed to be giving the client exposure to. Actively managed funds tend to have problems with maintaining consistent exposure as they chase return. WFS also likes index funds because they tend to have much lower fees and taxable distributions.

The mutual funds are selected by examining how consistently they have stayed in their respective asset classes, by the level of fees they charge, and by the tax distributions they create. The client is responsible for all final investment decisions. WFS is solely responsible for providing its clients with advice which it feels is in their best interest.

WFS occasionally offers advice related to the purchase and sale of individual investments such as stocks and bonds. When it does offer this advice it uses fundamental analysis and research reports. Most of the time, WFS's advice related to individual securities is limited to helping its clients understand their securities and how to model them in their financial plan. We also help the client determine reasonable rates of return to use when creating their financial plan.

Even though WFS uses a highly diversified investment strategy clients can still lose value in their portfolios. Clients need to be ready to bear this risk and to stay committed to the long-term strategy that WFS develops for them. If they do not stay committed and sell when the markets are down they risk locking in these losses permanently.

Investing is a long-term process and the risk of loss diminishes over time. As an example there are many one year periods that have resulted in a significant loss in value to portfolios but far fewer 10 year periods that have resulted in a loss. Although the chance of loss diminishes with time clients are still exposed to the risk of loss of part or all of their original investment.

Equities, bonds, and short-term cash instruments all have risks associated with them. They all can be subject to loss in principal.

**General Economic and Other Conditions.** Investment decisions may be adversely affected from time to time by such matters as: (i) changes in general economic, industrial, political, and international conditions; (ii) acts of war, terrorism, or international boycott; (iii) changes in taxes and prices of raw materials and components; and (iv) other factors of a general nature that are beyond the control of the Adviser or the selected securities.

**Mutual Funds and Exchange-Traded Funds (ETFs).** An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event, they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees).

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

**Cybersecurity.** The operations of WFS are dependent on technology information and communication systems. A failure of any such system or a security breach or cyberattack could significantly disrupt WFS' operations. The service providers of WFS are subject to similar cyber-security threats. If a service provider fails to adopt, implement or adhere to adequate cyber-security measures, or in the event of a breach of its networks, information relating to the clients of the Adviser, including personal information relating to clients may be lost, damaged, corrupted or improperly accessed, used or disclosed.

Any system failure, security breach or cyber-attack on WFS, or any of their service providers, could cause WFS to suffer, among other things, financial loss, disruption to its business, increased operating costs, liability to third parties,

regulatory intervention and reputational damage and could have a material adverse effect on the clients and clients' investments.

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of WFS or the integrity of WFS' management. As of the date hereof WFS knows of no legal or disciplinary events that would be material to your evaluation of WFS or the integrity of WFS' management.

Item 10

Other Financial Industry Activities and Affiliations

Neither WFS or Bret Wilhelm have any financial industry activities or affiliations that create a conflict of interest. WFS does not make any referrals to any related person. Further, WFS does not receive commissions or any other payments or compensation from the mutual funds in which its clients invest.

WFS has adopted a Code of Ethics that complies with Rule 204A-1 the Investment Advisers Act of 1940 (the "Advisers Act") and sets forth standards and requirements for appropriate and ethical business conduct including, without limitation, a prohibition on the improper use of material non-public information in connection with securities transactions. The Code of Ethics applies to all of WFS' employees, officers, and partners or other persons (hereinafter "Covered Persons") as determined by Firm's Chief Compliance Officer ("CCO"). It is the responsibility of each Covered Person to immediately report to the Firm's CCO, any known or suspected violations of the Code, the Compliance Manual and the policies and procedures contained therein, or of any other activity of any Covered Person or consultant that could constitute a violation of law. Access Persons are required to complete a number of reporting elements pursuant to the Code: initial holdings reporting; annual holdings reporting; and quarterly Code of Ethics reporting. In addition, Access Persons are also required to provide quarterly certifications as to gifts and entertainment, political contributions and outside business activities. All Access Persons must complete the acknowledgement of having received, read and understood the Code contained within the Initial and Annual Holdings Report and must renew that acknowledgment on a yearly basis.

WFS and its Covered Persons must seek to avoid situations which may result in potential or actual conflicts of interest with these duties. In the event that any such potential or actual conflicts of interest should arise, they shall be disclosed in a manner consistent with applicable statutory and regulatory requirements.

Bret Wilhelm does buy and sell mutual funds that WFS recommends to its clients. One concern with this is that an unethical advisor can buy ahead of its clients to receive an investment gain when the clients buy in. This is only possible if the securities bought are traded on very low volume or if the amount the clients purchase is a significant amount of the volume. Neither of these typically applies to WFS. If this situation ever develops WFS will always put its clients interest ahead of those of Bret Wilhelm. As a result, WFS does not believe that this compromises its objectivity or creates conflicts of interest between WFS and its clients. To the contrary we believe that it shows our commitment to our investment philosophy. If at any time WFS feels that its objectivity is in question or that a conflict of interest has been created it will immediately disclose this to its clients that are affected. The trades entered into by Bret Wilhelm may be different than those recommended to clients due to the differences in their financial situations.



WFS prefers, but does not require, its clients to custody their assets at Charles Schwab & Co. (Schwab). WFS picked Schwab because it is a well-respected broker-dealer which provides a high level of customer service to its clients. WFS also wanted a broker-dealer with low commission rates, fees and margin rates. WFS does not require clients to custody their assets at Schwab. Because most of WFS' clients' assets are at Schwab, WFS is often able to negotiate lower commissions, fees and margin interest rates.

WFS receives free research (proprietary and non-proprietary), as well as other newsletters, from Schwab. In effect we are using the commissions our clients pay to receive a benefit from Schwab because we do not have to produce or pay for the research or newsletters. This can create an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our client's interest in receiving most favorable execution. This was not a major consideration when selecting Schwab because the other broker-dealers also provided these services. We believe the research benefits our clients because we use the research to assist them with their investments.

WFS does not aggregate the purchase or sale of securities for various client accounts. All client accounts are individually tailored and as a result the timing and type of trades in each account are different. WFS mainly recommends mutual funds to its clients and therefore sees no benefit to aggregation due to the fact that all clients will get the same end of day price.

WFS reviews its clients' portfolios with them during their quarterly meetings. During these meetings, WFS will review the appropriateness of the portfolio for the client and make any changes to it that are necessary. All reviews are conducted by Bret Wilhelm.

WFS prepares and delivers written quarterly investment performance reports for all of its investment management clients. The report covers all of the investments managed by WFS. For any client that pays an annual fee of at least \$23,500, WFS will include in this report any or all financial assets of the client if the client so requests, at no extra charge to the client.

Item 14      *Client Referrals and Other Compensation*

WFS does not receive compensation for referring clients to anyone and does not pay anyone for referrals to WFS.

WFS does not have custody of client funds or securities. WFS will not take custody of client's funds or securities.

WFS is not a broker or custodian and does not take physical custody of clients' assets. Clients maintain physical possession of their assets at custodial banks or brokerage firms selected by the client. WFS' clients work with various broker/dealers, banks and other qualified custodians who provide periodic statements of all securities and funds held. Clients should receive, at least quarterly, statements from the qualified custodian that holds and maintains investment assets. WFS urges its clients to carefully review statements, which represent official custodial records.

WFS does not have discretionary authority to trade its client's accounts, and will not take discretionary authority over client accounts. This means WFS will not be able to effect transactions in the clients account without the client's prior written permission or without having the client verify the instructions verbally prior to the trade order.

Item 17      Voting *Client* Securities

Clients will receive their proxies and other solicitations directly from the client's custodian. WFS does not vote client securities and will not give advice on this process.

Item 18

Financial Information

WFS does not require prepayment of fees of more than \$500, six months or more in advance. WFS does not have any financial hardships or other conditions that might impair its ability to meet its contractual and fiduciary obligations to its clients. WFS has not been the subject of a bankruptcy proceeding.