

# WittFit Financial, LLC

## *Firm Brochure, ADV Part 2*

Owner:

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This brochure provides information about the qualifications and business practices of WittFit Financial, LLC. If you have any questions about the contents of this brochure, please contact us at [989.824.6958 or WittFitFinancial@gmail.com]. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority. WittFit Financial is registered with the State of Michigan. Please note, being 'registered' does not imply a certain proficiency, skill, or training.

Information regarding WittFit Financial, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying CRD number. WittFit Financial, LLC CID number is 321961.

September 4, 2023

## 2 Material Changes

WittFit Financial believes open and transparent communication is instrumental to our relationships. We strive to provide accurate and timely information that positively impacts our clients' bottom line. WittFit Financial encourages all current and prospective clients to read this brochure carefully. Please bring any questions, comments, or concerns to the attention of WittFit Financial.

### Material Changes

The primary phone number was updated to 989.824.6958. No other material changes have been implemented.

### Future Changes

Infrequently, WittFit Financial may amend this brochure to capture changes in business practices, regulations, services, or material information as required by the securities regulators. We distribute our brochure annually and more frequently if material changes occur.

You may review the current disclosure document online at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for WittFit Financial, LLC or CRD 321961. You may also request a copy of this disclosure at any time by contacting WittFit Financial, LLC at 989.824.6958 or [WittFitFinancial@gmail.com](mailto:WittFitFinancial@gmail.com).

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## **4 Advisory Business Information**

### **A. Firm Information**

WittFit Financial, LLC is a financial planning and investment advisory company. Our mission is to improve the financial fitness of our clients. We deliver cost-effective, conflict-free advice, recommendations, and plans to individuals and families. Established in 2022 and registered in the State of Michigan in 2023, WittFit Financial, LLC is owned and operated by Paul M. Witt, Ph.D.

### **B. Advisory Services Offered**

WittFit Financial provides financial planning and investment advisory services. Our mission is to strengthen our clients' financial fitness. WittFit Financial's company-client relationship mirrors a coach-athlete relationship. We coach our clients on financial planning, wealth management, and risk tolerance. We provide timely information, skills, and analysis. WittFit Financial helps our clients set milestones and provide plans and recommendations to achieve those goals. At WittFit Financial, we support and encourage clients when making financial decisions. Like the athlete, our client's financial journey is their race to run. Our goal is to provide client-specific coaching and mentoring, enabling our customers to attain their goals.

#### **Financial Planning Services**

Financial planning services include a systematic review of our client's financial situation. The analysis includes a current net worth and cash flow review to help the client better understand their initial financial fitness. We partner with our clients to evaluate their goals and set strategies to achieve their goals.

We provide employee benefits analysis and recommendations. We explain, evaluate, and recommend investment options within employer-sponsored 401(k), 403(b), or KEOH plans. We aid our clients in selecting employee benefits such as health care, insurance, and other qualified or non-qualified employee benefits. We also provide coaching on employee options, deferred income, and stock purchase plans.

College and retirement are examples of critical long-term investment goals for our clients. The optimum selection of investment options such as traditional IRA, Roth IRA, and HSA accounts is unique to each client. WittFit Financial provides coaching and mentoring to aid our clients in selecting and then optimizing these investment options. Like retirement, saving for college typically re-

quires a long-term plan and program. Savings options are numerous and have varying benefits and limitations. At WittFit Financial, we help our clients evaluate college savings options like 529 plans, Coverdale accounts, UGMA, and UTMA accounts.

Financial planning also includes risk analysis and mitigation. WittFit Financial provides advice and recommendations on protection against disruptions such as property-casualty losses, disability, premature death, and loss of income. We help our clients see the challenges and costs of these potential risks and help them identify strategies to mitigate and protect their financial situations.

Additionally, we provide other financial consulting services upon request. These items include (but are not limited to):

- Divorce decrees
- Mortgage information
- Trust and wills

### **Investment Advisory Services**

Investment advisory services typically start with an initial financial planning review to understand our client's current situation. We believe an established financial plan is fundamental to providing relevant and specific investment advice. From the financial plan, we help our clients evaluate the need and potential for estate planning. We help our clients understand the benefits of wills, trusts, power of attorney, and other documents. For some of our clients, estate planning will impact financial planning options and investment advice. We coach clients on these decisions and help them implement, evaluate, and track their estate planning goals. WittFit Financial encourages clients to complete a financial plan before seeking investment advisory services.

We provide our clients individual security and portfolio analysis. Our analysis focuses on fundamental and capital asset pricing models to evaluate securities valuation and portfolio fit. We coach and teach our clients about these options and help evaluate their selections. WittFit Financial prepares investment guidelines reflecting your objectives, time horizon, and risk tolerance. We incorporate your portfolio constraints in all of our guidance. WittFit Financial then recommends changes to your portfolio based on your unique situation, investment goals, and risk tolerance.

Our investment advisory services incorporate our recommendations and also provide services to support our clients changing needs, risk tolerance, and circumstances. Our services typically include:

- Determination of risk tolerance
- Investment strategy
- Investment guideline development
- Asset allocation
- Asset selection
- Regular monitoring
- Periodic rebalancing

WittFit Financial recommends that clients review their investment portfolio quarterly.

### **Seminars and Workshops**

WittFit Financial, LLC may provide no-fee seminars or workshops for groups seeking general advice on investing and personal finance. We design the workshops to match audience interests while presenting the information without regard to specific financial situations. WittFit Financial, LLC will not provide individualized investment advice to attendees during the seminar or workshop.

### **C. Tailored Services to Individual Client Needs**

WittFit Financial, LLC tailors our advisory services to the individual needs of our clients. We make recommendations based on client risk tolerance, tax considerations, age, income, net worth, and goals.

### **D. Wrap-Fee Programs**

WittFit Financial, LLC does not participate in a wrap-fee program.

### **E. Assets Under Management**

WittFit Financial, LLC does not maintain assets under management.

## **5 Fees and Compensation**

### **A. Fees**

WittFit Financial, LLC provides financial planning services on a fixed and hourly fee basis. We review the client's financial situation and provide an in-depth portfolio analysis for \$100.00 - \$999.00, depending on the complexity. WittFit Financial, LLC charges an hourly fee when clients request financial planning for isolated topics. The hourly fee is \$100.00 and is negotiable based on the type of analysis or research requested.

### **B. Billing**

WittFit Financial bills its clients on product delivery.

### **C. Brokerage Practices**

The Advisor's fees are separate and distinct from any fees or expenses incurred by implementing the financial plan. These fees and expenses may include brokerage commissions, transaction fees, and other related costs and expenses. Please see Item 12 for our brokerage practices.

### **D. Discretionary and Custody Accounts**

Since WittFit Financial, LLC has no discretionary or custody accounts, the only fees are from advisory services.

### **E. Other Products**

WittFit Financial, LLC maintains a strict fiduciary commitment to our clients and does not sell securities or other investment products to our clients.



## 6 Performance-Based Fees and Side-by-Side Management

WittFit Financial, LLC does not charge performance-based fees and therefore does not engage in side-by-side management. As described above, WittFit Financial, LLC provides its services for a fixed or hourly fee.

## 7 Types of Clients

WittFit Financial, LLC serves three specific under-served groups. We help young professionals transition from college to full-time employment. We support families in transition where additional financial support and education are required. We assist ALICE families attempting to stabilize their financial situation. These three groups are often overlooked by financial planners and investment advisors. WittFit Financial fills this gap by tailoring our financial coaching and guidance to meet the needs of these communities.

### Young Professionals

Financial decisions can be overwhelming as young professionals transition from college to careers. They need confidence and clarity regarding financial investment choices and opportunities. These individuals tend to generate high income but initially have low net worth. Our coaching builds a foundation for young professionals to understand investing, insurance, debt, retirement, and long-term goal planning. We partner with clients to refine their goals and strategies through frequent, specific, and individualized communication.

### Creating Financial Continuity (Succession Planning)

Whether anticipated or not, a significant life transition can be disruptive and emotional. Many times these disruptions require simultaneous new and critical financial decisions. The transitions include inheritance, approaching retirement, changing careers, passing wealth, medical diagnosis, and death of a loved one. WittFit Financial delivers low-cost services to aid these transitions. We provide the confidence and consistency our clients need during these stressful situations. Receiving an inheritance may mean new financial opportunities, responsibilities, and challenges. We furnish guidance and support while navigating your inheritance. Approaching retirement or changing careers brings many unknowns. We develop our clients' confidence and clarity of purpose while making a financial plan. As individuals prepare to leave assets to others,

we coach them on developing appropriate documentation and clear communication for their loved ones. Experiencing a significant medical diagnosis or the death of a loved one can make financial decisions seem overwhelming. We prioritize and simplify time-critical decisions, giving our clients thorough time to focus on their emotional well-being. WittFit Financial works with individuals through all transitions to identify goals and capabilities. We develop coaching and mentoring sessions to aid the transfer of information and build our clients' financial capability. We give our clients confidence that their loved ones will be supported, guided, and coached after they are gone.

### ALICE Families

ALICE (Asset Limited Income Constrained Employed) families live just above the federal poverty line. ALICE families typically manage day-to-day but struggle when addressing immediate financial needs. These families make tough decisions regarding general necessities. They cannot afford typical financial planning services but need coaching and mentoring. WittFit Financial, LLC strives to empower the ALICE community to improve their economic circumstances with minimal complexity and cost.

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

### **A. Low-Cost**

WittFit Financial, LLC acts as a fiduciary for our clients. Fees and commissions negatively impact Investment returns. Therefore WittFit Financial, LLC typically recommends diversified, low-cost mutual funds, exchange-traded funds, and other investments to achieve our client's financial objectives. However, in some instances, our clients may want further, more specific investment recommendations. In these cases, WittFit Financial, LLC will employ fundamental analysis and the capital asset pricing model to evaluate and recommend securities.

### **B. Fundamental Analysis**

Fundamental analysis attempts to identify the security's intrinsic value. Fundamental analysis includes reviewing economic and financial factors impacting the specific security and industry. Fundamental analysis also uses financial ratios to determine whether a security is under or overpriced. The relative value

determines whether we recommend a buy (undervalued) or a sell (overvalued). Fundamental analysis does not identify overall market movements. Therefore, fundamental analysis is subject to potential market risks. Market (or systematic) risk describes situations where the overall market valuation decreases, reducing the security value independent of its business performance.

### **C. Capital Asset Pricing Model**

The capital asset pricing model asserts that all investors will hold an optimal portfolio based on risk tolerance. Risk, or beta, is defined as the movement of a security relative to the overall market. Therefore, a security with a beta of 1.0 moves equally with the market. We can use beta and the expected market return to predict that asset's return. Finally, we use the capital asset pricing model to determine the overall portfolio risk and return. WittFit Financial, LLC uses the capital asset pricing model as a recommendation tool for portfolio analysis. The capital asset pricing model assumes that all investors are using this method and striving to achieve their optimum portfolio. As market participants deviate from this behavior, this model may not accurately predict security or portfolio performance.

### **D. General Security Risks**

Investing in securities involves risk. WittFit Financial, LLC strives to provide security recommendations based on our clients' acceptable risk tolerance. Markets are volatile; therefore, all investments are subject to some risk. Examples of risk are listed below.

*Interest rate risk* is the chance that changing interest rates may cause investment prices to fluctuate. For example, bond prices typically fall as interest rates rise. Market risk is the potential that the overall market value will decline. Despite sound fundamentals, the overall market decline might reduce the value of prudently selected securities.

*Inflation risk* is associated with the reduction in purchasing power over time.

*Currency risk* is from exchange rate fluctuations of foreign security investments. As foreign currencies decline relative to the US dollar, the value of foreign earnings declines proportionally.

*Reinvestment risk* is associated with income-generating securities and the need to reinvest the proceeds. Falling interest rates expose income to lower rates of return, decreasing the overall expected rate of return.

*Business risk* is that an individual company may not be successful and able to generate sufficient profits.

*Liquidity risk* is the inability to convert investments into cash. This risk is particularly apparent for real estate property.

*Financial risk* is aligned with the underlying security's debt service. During periods of financial stress, the inability to meet financial responsibilities may result in bankruptcy or reduced market value.

## 9 Disciplinary Information

WittFit Financial, LLC has not been subject to any such legal or disciplinary action and thus has no information to disclose.

For client awareness only we list the disciplinary actions that must be disclosed in this brochure, if WittFit Financial was subject to any disciplinary actions.

1. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person
  - a. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
  - b. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
  - c. was found to have been involved in a violation of an investment-related statute or regulation; or
  - d. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.
2. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person
  - a. was found to have caused an investment-related business to lose its authorization to do business; or
  - b. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or

- authority
- i. denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;
  - ii. barring or suspending your firm's or a management person's association with an investment-related business;
  - iii. otherwise significantly limiting your firm's or a management person's investment-related activities; or
  - iv. imposing a civil money penalty of more than \$2,500 on your firm or a management person.
3. A self-regulatory organization (SRO) proceeding in which your firm or a management person
- a. was found to have caused an investment-related business to lose its authorization to do business; or
  - b. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

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

WittFit Financial, LLC does not have any activities or affiliations that create a conflict of interest.

## **11 Code of Ethics**

WittFit Financial, LLC and the owner, Paul Witt, maintain a fiduciary responsibility to our clients. It is our mission to provide financial recommendations without conflict of interest. We hold the company to the highest ethical standard. We strive to give timely advice that is unique to our customers. WittFit Financial, LLC eagerly complies with all laws and regulations and provides our services ethically and professionally. We will not circulate industry rumors, trade on insider information, or disclose confidential information. Our code of ethics follows rule 204A-1 of the Investment Advisors Act of 1940. Upon request, we will provide our clients or prospective clients a copy of our code of ethics.

At times WittFit Financial, LLC and Paul Witt may own or trade in securities recommended to our clients. In some instances, WittFit Financial, LLC and Paul

Witt may sell (or buy) securities when recommending buying (or selling) the same securities for our clients. Additionally, WittFit Financial, LLC and Paul Witt may recommend selling a security to a client(s) while recommending purchasing the same security to other clients. As fiduciaries, WittFit Financial, LLC and Paul Witt will always make recommendations in the best interest of our clients. We base our recommendations on our client's unique goals, strategies, objectives, and financial situations.

## **12 Brokerage Practices**

WittFit Financial may facilitate client decisions on their selected broker. When making recommendations, WittFit Financial will consider the clients experience, portfolio, costs, and current brokerage firms to assess potential firms.

### Research and Soft Dollar Benefits

WittFit Financial does not receive any research or soft dollar benefits from any third-party based on client security transactions.

### Brokerage for Client Referrals

WittFit Financial does not receive any compensation or incentive regarding brokerage client referrals.

WittFit Financial does not recommend, request, or require that a client directs transactions through a specific broker. All clients are free to select their own broker for transactions. Since WittFit Financial does not have custody or discretion over client accounts, WittFit Financial does not aggregate the purchase or sale of securities for clients.

## **13 Review of Accounts**

### **A. Account Reviews**

As a paid for on-demand service, WittFit Financial will review client accounts or financial plans. WittFit financial recommends that all have their financial plan and accounts reviewed quarterly. However, all reviews will be initiated by the client and the frequency will depend on client requests.

## **B. Factors Triggering an Account Review**

Factors that triggering a financial plan or account review including (but are not limited to) the following situations:

- Death of a spouse
- Loss of a job
- Change in employment status
- Change in number of qualified dependents
- Significant short-term (<3 months) change in Standard and Poor's 500 index valuation of over 15%

## **C. Report Reviews**

Since WittFit Financial does not have custody or discretion over client accounts, no period reports will be generated by the firm. However upon clients request, written (either electronically or hard-copy per client's preference) reports re-viewing client accounts or financial plans will be provided.

# **14 Client Referrals and Other Compensation**

1. WittFit Financial, LLC does not receive any formal economic benefits from any firm or individual for providing investment advice to our clients.
2. WittFit Financial, LLC does not compensate any person for client referrals.

# **15 Custody**

Because WittFit Financial, LLC does not have discretionary or custody accounts, there is no material information to disclose.

# **16 Investment Discretion**

Because WittFit Financial, LLC does not have discretionary or custody accounts, there is no material information to disclose.

## 17 Voting Client Securities

You may receive proxies or similar solicitations sent directly from your selected custodian or transfer agent. WittFit Financial, LLC does not vote proxies on a client's behalf, nor do we offer specific guidance on how to vote proxies.

## 18 Financial Information

WittFit Financial, LLC does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance, and therefore is not required to provide, and has not provided a balance sheet. Furthermore, WittFit Financial, LLC does not have financial commitments that may impair its ability to meet contractual or fiduciary obligations. Finally, the Firm has not been the subject of a bankruptcy proceeding.

## 19 Requirements for State Registered Advisors

### A. Background

Paul Witt, Ph.D. Owner, Chief Compliance Officer, and Investment Advisory Representative

#### Awards

- 2022 AIChE Lawrence B. Evans Award for Chemical Engineering Practice
- 2022 IChemE Davidson Medal for mentorship excellence

#### Educational Background

- Ph.D. Chemical Engineering, University of Minnesota, 1997
- B. S. Chemical Engineering, Iowa State University, 1993

#### Business Experience

- 2022-Present, Owner, WittFit Financial, LLC
- 2020-Present, Technical Leader, Dow Chemical, Core R/D
- 2011-2020, Associate Director, Dow Chemical, Core R/D
- 2001-2011, Researcher, Dow Chemical, Core R/D



- 1997-2001, Researcher, Union Carbide, Ethylene Oxide Research

Professional Licensing, Investment Service, and Exams

- 2003-Present, Mid-Michigan Board of Directors, BetterInvesting
- Passed Series 65 Exam, December 2022

## **B. Other Business Activities**

Dr. Witt is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. He does not receive commissions, bonuses, or other compensation based on the sale of securities, including that as a registered representative of a broker, or the distribution or service fees from the sale of mutual funds.

Dr. Witt is a full-time employee of the Dow Chemical Company as a technical leader within the Core Research and Development organization. Dr. Witt works 40 hours per week and periodically must travel nationally for conferences and meetings. Travel is less than 5% of his time.

## **C. Performance-Based Fees**

WittFit Financial LLC and Paul M. Witt are not compensated with performance-based fees.

## **D. Material Disciplinary Disclosures**

WittFit Financial, LLC and Paul M. Witt are not (or have been) subject to any disciplinary actions.

These actions include the following:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500 involving any of the following:
  - a. an investment or an investment-related business or activity;
  - b. fraud, false statement(s), or omissions;
  - c. theft, embezzlement, or other wrongful taking of property;
  - d. bribery, forger, counterfeiting, or extortion; or
  - e. dishonest, unfair, or unethical practices
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- a. an investment or an investment-related business or activity;
- b. fraud, false statement(s), or omissions;
- c. theft, embezzlement, or other wrongful taking of property;
- d. bribery, forger, counterfeiting, or extortion; or
- e. dishonest, unfair, or unethical practices

### **E. Material Relationships that Management Persons have with Issuers of Securities**

WittFit Financial LLC, nor Paul M. Witt have any relationship or arrangement with issuers of securities.