

# Client Relationship Summary

January 23<sup>rd</sup>, 2023

Phillip James Financial is registered with the Securities and Exchange Commission (SEC) as an Investment Advisor. Brokerage and investment advisory services and fees differ and that it is important for the retail investor to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker dealers, investment adviser, and investing.

## What Investment Services and Advice Can you Provide Me?

We offer financial planning and investment advisory services to retail investors based on their personal financial goals. As part of those services we continually track investments to ensure portfolios in line with the investors objectives. We accept discretionary authority to manage securities accounts on behalf of clients. As long as we manage a client's accounts we have the authority to determine, without obtaining specific client consent, the securities and amounts to be bought or sold. Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment objectives that you have approved. We have an asset minimum of \$500,000 of investable assets. **For additional information, please see the following sections of our Form ADV; Advisory Business, Types of Clients, Methods of Analysis, Investment Strategies and Risk of Loss, Brokerage Practices, Review of Accounts, and Investment Discretion.**

### Conversation Starter

Ask your financial professional:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

## What Fees Will I Pay?

We charge an initial planning fee of \$1,500 to \$2,500 depending on the complexity of the plan. This initial fee is waived if you become an on-going client. As an ongoing client, our fee is based on a percentage of the assets we manage, shown below:

Assets Under Management	Annual Fee
First \$500,000	1.50%
\$500,001 - \$5,000,000	1.00%
\$5,000,001 and Above	0.50%

Investment Management Fees are negotiated prior to the signing of the Investment Advisory Agreement. We have a \$10,00 annual minimum fee and, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee.

Due to our asset-based fee, the more assets there are in an investor's account, the more an investor will pay in fees, and we may therefore have an incentive to encourage the investor to increase the assets in his or her account.

The only other fee we charge is a tax preparation fee. Tax preparation is an optional service for our clients and therefore, the tax return preparation work is billed separately and based on the complexity of the tax return.

Custodians may charge transaction fees on purchases or sales of certain mutual funds, stocks and exchange-traded funds as well as for certain services, e.g. wire transfers.

Mutual funds and Exchange-Traded Funds (ETFs) generally charge a management fee for their services as investment managers. This management fee is called an expense ratio. For example, an expense ratio of 0.15 means that the mutual fund charges 0.15% for their services. These fees are in addition to the fees paid by you to Phillip James. Phillip James does its best to keep the expense ratios assessed by mutual fund and ETFs very low.

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For additional information, please see the Fees and Compensation section of our Form ADV.**

### Conversation Starter

Ask your financial professional:

- Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

## What are your legal obligations to me when acting as my investment advisor?

**When we act as your investment adviser**, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. As an example, consider you receive a \$25,000 inheritance. You are considering investing this money or paying off a \$25,000 auto loan. While our goal is to be as objective as possible, it is in our interest to encourage you to invest this money.

In addition to our investment and planning fees we also charge additional fees for tax preparation services. Tax preparation is optional and is charged based on the complexity of the tax return.

### Conversation Starter

Ask your financial professional:

- How might your conflicts of interest affect me, and how will you address them?

## How do your financial professionals make money?

We are an owner-run firm. Therefore, our financial advisors are compensated through a salary as well as a share of the profits of the company in any given year. This is directly related to the amount of revenue the firm earns from the financial professionals advisory services or recommendations.

## Do you or your financial professionals have legal or disciplinary history?

No, our financial professionals do not have any legal or disciplinary history. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

### Conversation Starter

Ask your financial professional:

- As a financial professional, do you have any disciplinary history? For what type of conduct?

## Additional Information

For additional information about our services please go to our website at [PhillipJamesFinancial.com](http://PhillipJamesFinancial.com) or see our ADV (firm brochure). If you would like additional, up-to-date information or a copy of this disclosure, please call 763-432-0852.

### Conversation Starter

Ask your financial professional:

- Who is my primary contact person? Is he or she a representative of an investment-adviser or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?

