



### Item 1 – Introduction

Phillips Financial Management, LLC (“PFM”) is an SEC-registered investment adviser that provides advisory services. Brokerage and investment advisory services and fees differ, and it is important for you 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 advisers and investing.

### Item 2 - Relationships and Services

*What investment services and advice can you provide me?*

We offer customized investment advisory, financial planning and consulting, and education services to retail investors. We also engage institutional managers in a sub-advisory capacity for retail accounts and offer portfolio management services to a wrap fee program. PFM does not sponsor any wrap fee program. We offer advice on a full suite of securities described in Item 8 of our [ADV Part 2A Brochure](#) including equities, fixed income, mutual funds, ETFs, and similar investments. The following is part of our standard services:

Monitoring	We monitor assets as part of an ongoing process, while regular account reviews are conducted on at least an annual basis. We may perform ad hoc reviews if there have been material changes in the client’s objectives, risk tolerance or in how PFM formulates investment advice. For those clients to whom PFM provides financial planning and/or consulting services, reviews are conducted on an as-needed basis.
Investment Authority	Our services are generally provided on a discretionary basis, which means we have the power to buy and sell securities for your account without your prior consent. This authority remains in effect until you revoke it. We may provide non-discretionary investment advice, where we make investment recommendations to you and you decide whether to implement the recommendation.
Investment Offerings	We offer investment advisory, financial planning/consulting, and education services. We do not give advice on any proprietary investment products.
Requirements	For investment advisory services, we generally require a minimum portfolio size of \$100,000, however, we may waive the minimum at our discretion. Clients using institutional managers in a sub-advisory capacity are typically required to maintain a minimum account size to be eligible for services and certain investment managers may require a higher asset level to invest in their program.

For additional information, please see **Items 4 and Item 7** of our [ADV Part 2A Brochure](#).

**Key questions to ask:**

- 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?

### Item 3 - Fees, Costs, Conflicts, and Standard of Conduct

*What fees will I pay?*

We offer our services on a fee basis, which may include hourly or fixed fees, as well as fees based upon a percentage of assets under management. Financial planning and consulting fees are charged at an hourly or fixed rate, as agreed upon by you and our Firm. We require one-half of the financial planning and/or consulting fee payable upon entering into the written agreement. Investment advisory fees are charged quarterly, in advance, and based upon the market value of the assets on the last business day of the previous quarter-end.



PFM generally charges a minimum fee of \$500 per quarter for investment advisory accounts. All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, separate account managers, broker-dealers, and custodians retained by clients. Such fees and expenses are disclosed in each exchange-traded fund and mutual fund's prospectus, each separate account manager's ADVs and by any broker-dealer or custodian retained by the client. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the prospectus. A client using PFM may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian. The fees associated with a wrap fee program will include most transaction costs and fees to a broker-dealer and, therefore, fees are higher than a typical asset-based advisory fee. 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 Item 5 of our [ADV Part 2A Brochure](#).**

**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? How much will be invested for me?**

*What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?*

**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. Here are some examples to help you understand what this means. The more assets there are in your advisory account, the more you will pay in fees; thus, we have an incentive to encourage you to increase the assets in your account. Additionally, certain PFM advisory professionals, in their individual capacities, offer insurance products and receive commission-based compensation. This presents a conflict of interest because advisory professionals have an incentive to recommend insurance products to you based on commissions to be received, rather than based on your particular need.

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

*How do your financial professionals make money?*

Our advisors are paid a percentage of the fees collected from our clients. As a result, we are incentivized to recommend that you add additional assets to your account.

#### **Item 4 - Disciplinary History**

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

No. A free and simple search tool to research us and our financial professionals is available at [investor.gov/CRS](https://investor.gov/CRS).

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

#### **Item 5 – Additional Information**

To request additional information about our advisory services and to request an up-to-date copy of this relationship summary, please contact us at (260) 420-7732 or via email at [compliance@1phillips.com](mailto:compliance@1phillips.com).

**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?**



**Form CRS – Summary of Material Changes**

**The following material updates have been made to this Form CRS since our last filing on March 28, 2024:**

**Item 2: Relationships and Services**

For advisory accounts, PFM added a minimum account fee of \$500 per quarter. PFM also requires a minimum account size of \$100,000. However, PFM may waive the minimum account size at their discretion.