

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

Phoenix Financial, Inc.
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March 30, 2018

This Brochure provides information about the qualifications and business practices of Phoenix Financial, Inc. If you have any questions about the contents of this Brochure, please contact us at (919) 929-4448 or Michele.Nettesheim@RaymondJames.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.

Additional information about Phoenix Financial, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

This section describes the material changes to Phoenix Financial' ("Phoenix") Firm Brochure since its last annual amendment on March 1, 2017. This brochure, dated March 30, 2018, has been prepared according to the U.S. Securities and Exchange Commission's ("SEC") disclosure requirements.

ITEM 4: "ADVISORY BUSINESS"

In connection with our efforts to comply with the Department of Labor's ("DOL") Fiduciary Rule, effective July 1, 2017 Phoenix has eliminated certain programs as advisory service options for new and prospective clients. The Ambassador program, where no transaction or processing fees are charged in addition to the advisory fee, is the only investment advisory program available to new and prospective clients that is offered and administered by Phoenix. Accounts Managed by Other Asset Managers remain available subject to account minimums described in in Item 5, "Fees and Compensation."

ITEM 5: "FEES AND COMPENSATION"

In connection with our efforts to comply with the Department of Labor's ("DOL") Fiduciary Rule, effective October 1, 2017 Phoenix modified its policy with respect to how it combines a client's related accounts for determining the applicable program fee. Prior to this change, Phoenix defined related accounts that were eligible for aggregation based on the similarity of the account programs. Under the modified policy, all fee-based accounts maintained by a client with Phoenix are combined for billing purposes.

ITEM 5: "FEES AND COMPENSATION"

In connection with our efforts to comply with the DOL's Fiduciary Rule, effective with new accounts opened September 1, 2017, Phoenix implemented new standard fee schedules for all managed and advisory account programs. Accounts opened prior to September 1, 2017 under the previous fee schedules will be transitioned to the new fee schedules effective with the October to December 2017 quarterly billing cycle. In some instances the new fee schedules may result in a standard fee that exceeds the fee that would otherwise have been assessed under the previous fee schedule. In these cases, in order to prevent unintended fee increases Phoenix will cap the fee at the rate assessed in the July to September 2017 quarterly billing period under the previous schedule, locking in that rate for all subsequent billing periods unless the applicable fee under the new schedule is lower. Going forward, the applicable advisory fee will be the lower of the two rates (that is, the lower of the capped rate under the old schedule or the standard rate under the new schedule).

ITEM 5: "FEES AND COMPENSATION"

In preparation for the June 9, 2017 applicability date of the DOL's Fiduciary Rule, Phoenix no longer allows certain transactions in fee-based retirement accounts, including new issues, Certificates of Deposit, certain annuities and other specific products.

ITEM 5: "FEES AND COMPENSATION"

In preparation for the June 9, 2017 applicability date of the DOL's Fiduciary Rule, Phoenix no longer automatically excludes cash balances that exceed 20% of the Account Value for three consecutive valuation periods from the Account Value subject to the asset-based advisory fee. Clients who expect to hold cash balances in their advisory accounts should understand that the advisory fee will be assessed to these cash balances effective as of the July 2017 quarterly billing. As an alternative, clients may hold these cash balances in their brokerage account to avoid being assessed an advisory fee.

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Item 4 Advisory Business

Phoenix Financial, Inc. (“Phoenix” or “Adviser”) owned by William W. Farley, Jr. has been an investment adviser registered with the Securities and Exchange Commission since 1992. Phoenix focuses on providing sophisticated financial planning and wealth management services to the exceptional people who make up this community. From business executives and entrepreneurs to scientists and educators, we work with a broad range of clients and meet a wide variety of needs. Drawing on more than a century of financial education and industry experience, our team will work with you to define your financial goals, establish the degree of risk you are comfortable with and tailor a wealth strategy designed to achieve lasting well-being.

Presently Phoenix focuses on providing services mainly to the following types of clients:

- Individuals
- Retirement plans
- Trusts
- Estates
- Corporations

The Adviser typically offers the following investments:

- Equity securities (exchange listed, over-the-counter, ETFs and foreign issuers)
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposits
- Municipal securities
- Investment company securities (variable life insurance, variable annuities, and mutual fund shares)
- U.S. government securities
- Options contracts on securities
- Alternative Investments

Advice is tailored to the individual client’s needs through interviews with clients, the collection of important information, and detailed financial planning, as applicable. Clients may be able to impose reasonable restrictions on their accounts. Reasonable restrictions may include the designation of particular securities or types of securities that should not be purchased in their account (i.e. Company XYZ or companies involved in a particular industry, etc.), or should be sold if held in their account. However, in some cases where investment discretion has been delegated to a third-party manager, that manager may determine that the implementation of such a restriction may be impractical. In the event that happens, the client will be notified promptly.

As of December 31, 2017, Phoenix had the following in assets under management:

| | | |
|-------------------|---------------|-----------------------|
| Discretionary | Accounts: 886 | Assets: \$323,000,000 |
| Non-Discretionary | Accounts: 17 | Assets: \$ 8,000,000 |
| Total | Accounts: 903 | Assets: \$331,000,000 |

Financial Planning Services

Phoenix offers a range of financial planning advisory services to its clients. Such services may include a review of all aspects of an individual’s current financial situation, with emphasis on:

- Income tax planning
- Estate tax planning
- Insurance planning
- Investment planning
- Retirement planning, and
- Capital needs planning.

To the extent other services are needed, the Adviser will assist the individual in those areas in which it is competent to give advice.

The process generally begins with an introductory meeting with the Investment Advisory Representative (“IAR”) to discuss the scope of the plan and principal financial objectives of the client. At the client’s request and after a contract has been completed, the IAR would then receive from the client all necessary financial information.

Additional information may be requested before the presentation of the plan. During these initial meetings the IAR will extensively question the client to determine his/her risk background and past investment experience. The written financial plan will present the client’s financial strengths and weaknesses. General areas reviewed may include tax and cash flow planning, retirement planning, debt reduction strategies, educational funding requirements, estate analysis, and alternative investment patterns for either increased return or risk adjustment dependent on the client’s age, assets, and current earned income. Phoenix uses Goal Planning and Monitoring software to create its financial plans. In addition, the IAR may be asked to furnish analysis for closely held small business owners. The plan should enable the client to determine financial goals and objectives, both long- and short-term.

As a follow-up service, Phoenix Financial, Inc. will, at the client’s request, assist the client in implementing the recommendations, including referral to other practicing professionals (such as attorneys and accountants) whose services may be required.

The client may utilize Phoenix Financial for a single consultation or on a continuous basis at periodic intervals. The client is under no obligation to implement the plan through Phoenix. Either the client or Phoenix may terminate the engagement at any time with written notice. The plan is the basic instrument for Phoenix to know the client and serves as a guideline for offering investment supervisory services.

TYPES OF ADVISORY SERVICES

Your Investment Adviser Representative (IAR) works with you to determine the appropriate investment objectives based on the information you provide initially, and periodically thereafter. With this information, you and your adviser may select one of the following programs. If you wish to impose or modify an existing investment restriction, you may do so at any time by discussing this with your IAR.

Phoenix and its IARs offer various types of advisory services. These advisory services include asset management, investment advice, and individual investment advisory consulting services, retirement plan consulting services and financial planning. Your IAR may act as an investment manager within certain investment programs or may recommend other affiliated or non-affiliated asset managers. For more information regarding methods of analysis, investment strategies, and risk of loss, please reference item 8 later in this brochure.

We provide investment advisory services through the following programs:

Accounts Managed by Your IAR

Passport

The Passport Account is a fee-based account, offered by Phoenix and administered by Raymond James & Associates, Inc. (“RJA”), in which you are provided with ongoing investment advice and monitoring of securities holdings. Your IAR will manage your account on a discretionary or non-discretionary basis according to your objective. This account offers you the ability to pay an asset-based advisory fee and a nominal processing fee (also described as a transaction charge) in lieu of a commission for each transaction. Phoenix receives a portion of the advisory fee.

Effective July 1, 2017, Passport accounts are no longer available to prospective clients. However, Passport accounts originally established in the program continue to be managed under the pre-existing investment management agreement.

Investment Management Program for Advisory Clients (IMPAC)

The Investment Management Program for Advisory Clients (“IMPAC”) is a fee-based account, offered and administered through Phoenix, in which you are provided with ongoing investment advice and monitoring of securities holdings. Your IAR will manage your account on a discretionary or non-discretionary basis according to your objective. This account offers you the ability to pay an asset-based advisory fee and a nominal processing fee

in lieu of a commission for each transaction. Phoenix receives a portion of the advisory fee.

Effective July 1, 2017, IMPAC accounts are no longer available to prospective clients. However, IMPAC accounts originally established in the program continue to be managed under the pre-existing investment management agreement.

[Ambassador](#)

The Ambassador program is a wrap fee investment advisory account offered and administered by Phoenix. Your IAR will manage your account on a discretionary (provided certain qualifications are met) or non-discretionary basis according to your objective. Ambassador offers you the ability to pay an asset-based advisory fee which includes transaction costs within the advisory fee in lieu of a commission for each investment transaction within the account. Phoenix receives a portion of the fee. For further information refer to the RJA Wrap Fee Program Brochure.

Accounts Managed by Other Asset Managers:

[Freedom](#)

The Freedom Account is an investment advisory account which allocates your assets, through discretionary mutual fund or exchange traded fund (“ETF”) management, based upon your financial objectives and risk tolerances. You appoint RJA as your investment adviser to select the representative funds and monitor their performance on a continuing basis. Your IAR receives a portion of the fee for services provided under the agreement. For further information refer to the RJA Wrap Fee Program Brochure.

[Freedom UMA](#)

The Freedom Unified Managed Account (“UMA”) is an investment advisory account which, like the Freedom account, allows you to allocate your assets through discretionary mutual fund or ETF management, based upon your financial objectives and risk tolerances. Additionally, your assets may be invested through affiliated or unaffiliated investment advisers (“Managers”) registered with the SEC with which RJA has entered into a sub-advisory agreement. Your IAR receives a portion of the fee for services provided under the agreement. For further information refer to the RJA Wrap Fee Program Brochure.

[Raymond James Consulting Services \(RJCS\) Program](#)

You appoint RJA, as your investment adviser, to select certain portfolio managers, monitor performance of your account, provide you with accounting and other administrative services, and assist portfolio managers with certain trading activities. Based upon your financial needs and investment objectives, your IAR will assist you in selecting an appropriate manager(s). Your IAR receives a portion of the fee. For further information refer to the RJA Wrap Fee Program Brochure.

Other Advisory Services

The IAR offers a full range of advisory services not directly related to investments. These services include individual financial planning (discussed above), pension plan design and consultation, pension plan participant advisory services, small business financial planning, and seminars for investors.

Phoenix’s written financial plan could include advice on family educational needs, insurance needs, and/or retirement planning. This information would outline the scope of the issue as well as financial techniques that could be implemented to fund the need.

Phoenix offers pension planning and plan implementation services to small and medium-sized businesses. Service will address the need of a company to install a comprehensive retirement plan, provide an overview of the various plan design characteristics, and implement the selection of an attorney to draft the pension trust document and the selection of a third party administrator.

Item 5 Fees and Compensation

We may base our fees on a percentage of assets under management, hourly charges, fixed fees (not including subscription fees) or commissions. You may negotiate asset-based fee and/or commission rates with us, and the decision to accept a negotiated fee is at the discretion of your IAR. Factors involved in this negotiation may include the nature and size of the overall relationship with your IAR, the level and type of advisory or other financial services being or expected to be provided, and Phoenix's or its affiliates' policy with respect to discounts. You should understand that unless a lower rate has been negotiated, Phoenix or its affiliate(s) will charge fees based upon the applicable standard fee schedule detailed below for each advisory account program. While the asset-based fees are negotiable, the fee schedule's asset-level breakpoints and each applicable fee rate may not be modified in any way.

Financial Planning Fees:

Fees charged for the full financial planning service are dependent upon the time required and complexity of the plan. The fees are payable as follows: hourly rates for plan development or consultation are \$250 per hour, fixed fees for plans will run between \$400 and \$3,500 depending on the complexity and comprehensiveness of the plan. Compensation is payable when services are rendered.

Specific services and amount of fees are described in the Investment Advisory Agreement.

All fees are negotiable. A client may be asked for a deposit of \$400 fee as a retainer at the time a financial planning contract is signed. A client may receive a refund at any time by submitting a written request.

In addition to providing individual financial planning and investment advisory consulting services to individuals and corporations, we may also provide advice and consultation to retirement plan sponsors and pension plans. Services rendered may include, but are not necessarily limited to, the development of a documented investment process, asset allocation, research and investment recommendations, plan participant education, investment or investment manager performance monitoring, and guidance to the plan sponsors on its fiduciary obligations to plan participants. In providing these services, we may act as a fiduciary as defined under Section 3(21)(A)(ii) of ERISA, but will serve in such capacity only with respect to the provision of ERISA-defined investment advice.

Asset Management Fees:

Passport

The Passport Account ("Passport") is an investment advisory account, administered by RJA, which offers you, on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in your account and a nominal \$15.00 transaction charge, hereinafter referred to as the "Processing Fee," in lieu of a commission for each transaction, with the exception of certain Non-Partner Mutual Fund purchases described below.

Select fund companies ("Participating Funds") have agreed to pay RJFS administrative fees. For certain mutual fund purchases, RJFS may use such fees to credit back the Processing Fee charged to Clients' accounts, as required by applicable law. Select fund companies have agreed to pay marketing service and support fees to RJFS ("Partner Funds"). "Non-Partner Funds" do not participate in RJFS's Education and Marketing Support program. Processing Fees are applied to purchases of Partner and Non-Partner Funds. A \$15 credit will be applied to client accounts who purchase a No Transaction Fee-eligible mutual fund. You may request a list of Participating Funds and Partner Funds from your IAR, or visit: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures/mutual-fund-investing-at-raymond-james/networking-and-service-partners>.

The Processing Fee for Non-Partner Fund purchases (excluding those Non-Partner Fund purchases made in non-taxable accounts, e.g. ERISA Plans, IRAs, and certain other tax-deferred vehicles, which will be subject to the \$15.00 fee noted above) is \$40.00. Please note that funds may change their Participating, Partner or Non-Partner status at any time; you should consult with your IAR to verify the funds' status periodically.

There are no transaction charges for mutual fund redemptions. Mutual fund 12b-1 fees are credited back to the

applicable client's account on a quarterly basis.

The advisory fees for Passport Accounts are as follows:

| <u>Fee-Based Relationship Value</u> | <u>Annual Rate</u> |
|-------------------------------------|--------------------|
| Up to \$1 million | 2.25% |
| \$1 million up to \$2 million | 2.00% |
| \$2 million up to \$5 million | 1.75% |
| \$5 million up to \$10 million | 1.50% |
| \$10 million and up | 1.25% |

Investment Management Program for Advisory Clients ("IMPAC")

The Investment Management Program for Advisory Clients ("IMPAC") is a fee-based account, offered and administered through Phoenix, which offers you, on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in your account and a nominal \$15.00 transaction charge in lieu of a commission for each transaction, with the exception of certain Non-Partner Fund purchases described below.

Select fund companies ("Participating Funds") have agreed to pay RJFS administrative fees. For certain mutual fund purchases, RJFS may use such fees to credit back the Processing Fee charged to Clients' accounts, as required by applicable law. Select fund companies have agreed to pay marketing service and support fees to RJFS ("Partner Funds"). "Non-Partner Funds" do not participate in RJFS's Education and Marketing Support program. Processing Fees are applied to purchases of Partner and Non-Partner Funds. A \$15 credit will be applied to client accounts who purchase a No Transaction Fee-eligible mutual fund. You may request a list of Participating Funds and Partner Funds from your IAR, or visit: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures/mutual-fund-investing-at-raymond-james/networking-and-service-partners>.

The Processing Fee for Non-Partner Fund purchases (excluding those Non-Partner Fund purchases made in non-taxable accounts, e.g. ERISA Plans, IRAs, and certain other tax-deferred vehicles, which will be subject to the \$15.00 fee noted above) is \$40.00. Please note that funds may change their Participating, Partner or Non-Partner status at any time; you should consult with your IAR to verify the funds' status periodically.

There are no transaction charges for mutual fund redemptions. Mutual fund 12b-1 fees are credited back to the applicable client's account on a quarterly basis.

The advisory fees for IMPAC Accounts are as follows:

| <u>Fee-Based Relationship Value</u> | <u>Annual Rate</u> |
|-------------------------------------|--------------------|
| Up to \$500,000 | 2.25% |
| \$500,000 up to \$1 million | 1.75% |
| \$1 million up to \$5 million | 1.25% |
| \$5 million and up | 1.00% |

Certain Phoenix IARs may elect to charge a negotiated fee which exceeds the fee schedules above. In such cases, modifications must be accepted by Phoenix.

For purposes of calculating and assessing asset-based fees, Phoenix uses the term "Account Value", which may be different than the asset value as reported on brokerage statements provided by Phoenix to you. Pursuant to the investment management or advisory agreement, Account Value is defined as the total absolute value of the securities in the Account, long or short, plus all credit balances, with no offset for any margin or debit balances.

The annual asset-based fee is paid quarterly in advance or arrears, as outlined in the Investment Advisory Agreement. For accounts billed in advance, the asset-based fee is billed when the account is funded, and prorated for the number of days remaining in the quarter and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value as of the last business day of the previous calendar quarter, and becomes due the following business day. For accounts billed in arrears, the asset-based fee is calculated

on the account asset value on the last business day of the quarter for the previous quarter. Certain eligible variable annuities may be considered for inclusion in the account value on which the advisory fee is assessed. If cash or securities, or a combination thereof, amounting to at least \$100,000 are deposited to or withdrawn from your account on an individual business day, Phoenix may: (i) assess asset-based fees based on the value of the assets on the date of deposit for the pro rata number of days remaining in the quarter, or (ii) refund prepaid asset-based fees based on the value of the assets on the date of withdrawal for the pro rata number of days remaining in the quarter. Notwithstanding the above \$100,000 adjustment threshold, Phoenix reserves the right, in its sole discretion, to process or not process fee adjustments when the source and destination of deposits and withdrawals involve a client's other fee-based advisory accounts. For example, a transfer of \$100,000 into a joint IMPAC account funded from two \$50,000 withdrawals from separate Ambassador accounts will have the \$100,000 billed in their joint IMPAC account and each of the Ambassador accounts will be refunded previously assessed fees on the separate \$50,000 withdrawals for the pro rata period remaining in the quarter.

You authorize and direct RJA as Custodian to deduct asset-based fees from your account; you further authorize and direct the Custodian to send a statement of securities, in custody, at least quarterly to you which shows all amounts disbursed from your account, including fees paid to Phoenix. You understand that the account statement will show the amount of the asset-based fee.

The asset-based fees associated with the IMPAC account programs include all execution and clearing charges except: (1) certain dealer-markups and odd lot differentials, transfer taxes, exchange fees mandated by the Securities and Exchange Act of 1934 and any other charges imposed by law with regard to any transactions in the account; and (2) offering concessions and related fees for purchases of public offerings of securities as more fully disclosed in the prospectus.

Your Agreement may be terminated by you or us at any time upon providing notice pursuant to the provisions of your Agreement. In the event of termination of your Agreement, we will refund to you the prorated portion of the fee for the quarter of termination. There is no penalty for terminating your agreement.

There is a minimum initial investment of \$25,000 for IMPAC accounts.

Ambassador. The advisory fees for Ambassador accounts are as follows: (All fees are incremental)

| Account Value | Annual Fee |
|----------------------|-------------------|
| First \$1,000,000 | 2.25% |
| Next \$1,000,000 | 2.00% |
| Next \$3,000,000 | 1.75% |
| Next \$5,000,000 | 1.50% |
| > \$10,000,000 | 1.25% |

The annual asset-based fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. If cash or securities, or a combination thereof, amounting to at least \$100,000 are deposited to or withdrawn from your account on an individual business day in the first two months of the quarter, Raymond James will: (i) assess asset-based fees based on the value of the assets on the date of deposit for the pro rata number of days remaining in the quarter, or (ii) refund prepaid asset-based fees based on the value of the assets on the date of withdrawal for the pro rata number of days remaining in the quarter. No additional asset-based fees or adjustments to previously assessed asset-based fees will be made in connection with deposits or withdrawals that occur during the last month of the quarter unless requested by you. You authorize and direct RJA as Custodian to deduct asset-based fees from your account. You further authorize and direct the Custodian to send a quarterly statement to you which shows all amounts disbursed from your account, including fees paid to Phoenix. You understand that you will be provided a brokerage statement, at least quarterly, showing all amounts disbursed from your account, including the amount of the asset-based fee, the Account Value of the assets on which the fee was based, and the manner in which the fee was calculated.

The asset-based fees associated with this account include all execution and clearing charges except: (1) certain

dealer-markups and odd lot differentials, transfer taxes, exchange fees mandated by the Securities and Exchanges Act of 1934 and any other charges imposed by law with regard to any transactions in the account; and (2) offering concessions and related fees for purchases of public offerings of securities as more fully disclosed in the prospectus.

You may also incur charges for other account services provided by RJA not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or transfers of securities.

RJCS. Clients may negotiate asset-based fee and/or commission rates with their financial advisor, and such a decision is at the discretion of the financial advisor. Factors involved in this negotiation may include the nature and size of the overall client relationship with the financial advisor, the level and type of advisory or other financial services being or expected to be provided, and Raymond James' or its affiliates' policy with respect to discounts. The client understands that unless a lower rate has been negotiated, they should expect that Raymond James or its affiliate(s) will charge fees based upon the applicable standard fee schedule detailed below for each account program. While the asset-based fees are negotiable, the fee schedule's asset-level breakpoints and each applicable incremental fee rate may not be modified in any way.

For the RJCS programs, the client may elect either an all-inclusive wrap fee or pay a management fee and commissions.

In addition to the management fee, the client will pay a commission on each transaction to their selected broker-dealer. Clients may negotiate commission rates with their financial advisor, and such decision is at the sole discretion of the financial advisor.

Clients may also incur charges for other account services provided by RJA not directly related to the advisory, execution and clearing services provided including, but not limited to, IRA custodial fees, safekeeping fees, and fees for legal or courtesy transfers of securities.

Freedom. The advisory fees for Freedom accounts are as follows: (All fees are incremental)

| Fee-Based Relationship Value | Annual Rate |
|--------------------------------|-------------|
| Up to \$1 million | 2.25% |
| \$1 million up to \$2 million | 2.00% |
| \$2 million up to \$5 million | 1.75% |
| \$5 million up to \$10 million | 1.50% |
| \$10 million and up | 1.25% |

There is a minimum investment of \$50,000 for most Freedom Strategies, with the exception of Retirement Income Solution Strategies which are \$100,000 and Foundation Strategies which may be opened with a \$5,000 minimum investment.

Freedom UMA. The advisory fees for Freedom UMA accounts are as follows: (All fees are incremental)

| Fee-Based Relationship Value | All Strategies | Institutional |
|--------------------------------|----------------------|---------------|
| | Except Institutional | Strategies |
| Up to \$1 million | 2.60% | 2.50% |
| \$1 million up to \$2 million | 2.35% | 2.25% |
| \$2 million up to \$5 million | 2.10% | 2.00% |
| \$5 million up to \$10 million | 1.85% | 1.75% |
| \$10 million and up | 1.60% | 1.50% |

There is generally a minimum investment of \$300,000 for clients to be eligible for the Freedom UMA Program, although the Conservative Balanced, Aggressive and Global Strategies require a minimum investment of \$600,000, and Institutional Consulting Growth, Moderate Growth and Moderate Strategies have an investment minimum of \$2,000,000.

GENERAL INFORMATION ON COMPENSATION

In certain circumstances, fees, account minimums and payment terms are negotiable within reason. Related accounts may be grouped for fee calculations.

Fees are calculated as described above, and not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

All fees paid to Phoenix for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees will generally include a management fee, other fund expenses and a possible distribution fee. Mutual funds purchased by Phoenix Financial for a client account will be executed at NAV. Accordingly, the client should review the prospectus of a mutual fund regarding fees charged by the funds in conjunction with fees charged by Phoenix Financial to fully understand the total amount of fees to be paid by the client, and to thereby evaluate the advisory services being provided.

Phoenix Financial Inc.'s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to Phoenix Financial Inc.'s fee, and Phoenix shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Phoenix considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

IARs of the Adviser may receive other forms of compensation as a part of business activities unrelated to the Firm. These activities may create a conflict for the IAR. However, the Adviser has policies and procedures in place to recognize and appropriately deal with any conflicts that arise between the IAR's multiple capacities. These activities are discussed in *Item 10 Other Financial Industry Activities and Affiliations*.

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

Phoenix does not have performance- based fees or utilize side-by-side management (fees based on a share of capital gains on or capital appreciation of the assets of a client). The only fees charged to Client are noted in *Item 5 Fees and Compensation*, as applicable.

Item 7 Types of *Clients*

Presently Phoenix focuses on providing services mainly to the following types of Clients:

- Individuals
- Retirement plans
- Trusts
- Estates
- Corporations

The Adviser may require a minimum aggregate account balance of \$100,000.00 for account relationships at its sole discretion.

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

Methods of Analysis

Phoenix uses the following methods of analysis in its Client accounts:

- Fundamental
- Charting
- Technical

Fundamental analysis and charting deal with the examination of all the material factors of the security, the company, industry in which the company operates, and the economy while technical analysis and cycles deal with the examination of the supply and demand of the securities as evidenced by market activity.

The potential risks of using Fundamental/Charting are that the IAR is utilizing historical information, which may not predict the future outcome of a security. The potential risks of using Technical/Cyclical are the quality of the information being utilized to support the analysis and no expectation of a change to a cycle.

The Adviser receives research from a variety of sources, including RJA and sources available for public viewing such as:

- Financial newspapers and magazines
- Research materials prepared by others
- Corporate rating services
- Annual reports, prospectuses, filings with the Securities Exchange Commission, and
- Company press releases

Investment Strategies

The Adviser typically employs the following types of investment strategies:

- Long term purchases (held for more than a year)
- Short term purchases (held for less than a year)
- Margin transactions
- Option writing

Clients investing in securities should be aware of the risks involved. Each investment strategy may entail unique risks including the possibility of incurring a loss. In a long term investment strategy, returns may be adversely affected by market downturns or inflation. A short term investment strategy is susceptible to current market volatility. Fees for advice and execution on these securities are based on the total asset value of the account. While a negative amount may show on your statement for a margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where your IAR benefits from the use of margin creating a higher absolute market value and therefore receives a higher fee. The use of margin also results in interest charges in addition to all other fees and expenses associated with the security involved. Margin transactions could be subject to maintenance margin requirements, and margin loans must be repaid regardless of the underlying value of the securities purchased. Options writing has several kinds of risks. An options holder may risk the entire amount paid for the option. An options writer may be assigned the option at any time during which the option is exercisable. Losses in options contracts may be significant.

Phoenix typically recommends the following types of investments:

- Equity securities (exchange listed, over-the-counter, ETFs and foreign issuers)
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposits
- Municipal securities
- Investment company securities (variable life insurance, variable annuities, and mutual fund shares)

- U.S. government securities
- Options contracts on securities

Item 9 Disciplinary Information

Phoenix and its IARs do not have any disciplinary history.

Item 10 Other Financial Industry Activities and Affiliations

The Adviser has five (7) IARs: William W. Farley, Jr., Georgios Livanos, Mark Rhoades, Michele Nettesheim, Michael Jackson, Kelly Ward and Julie Crowe. Certain professionals of Phoenix Financial are Registered Representatives of Raymond James Financial Services, Inc. (RJFS) and licensed agents of various insurance companies as described below:

Securities Brokerage (William W. Farley, Jr., Georgios Livanos, and Mark Rhoades)

Registered Representatives, through their affiliation with RJFS, may receive commissions generated through the buying and selling of securities. In addition, the IA rep may receive fees through RJFS if the client enrolls in the IMPAC or Passport programs (please read specific contract information). The IAR may recommend a third party asset manager who has a direct affiliation with RJFS or a contractual relationship with RJA. RJFS will pay the broker, who is the IAR, fees or commissions as stated in the contract the client signs with that third party manager. The IAR may also receive 12(b)-1 fees on certain mutual funds.

Commission charges may vary depending upon any number of factors, including type of security, purchase or sale, secondary market price, volume of trading, market float, and traded or listed exchange. The Adviser believes that commissions charged by RJFS are competitive with other full service broker-dealers and that they are fair and reasonable. Commissions charged by RJFS, while generally competitive, are not necessarily the lowest in the industry. Brokerage transactions are placed only through RJFS. There is an inherent potential conflict of interest in this arrangement in that Phoenix through its IARs or related persons who are Registered Representatives of RJFS may share in a percentage of the brokerage commissions.

Insurance Broker/Agent (William Farley, Jr., Georgios Livanos, and Mark Rhoades)

Phoenix and its IARs or related persons may have insurance company affiliations from which they receive commissions. Clients are under no obligation to execute recommendations relating to insurance and/or annuity products through the Adviser.

Mr. Farley, Mr. Livanos, and Mr. Rhoades spend approximately 20% of their time on the above activities.

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

From time to time employees of Phoenix may own securities or mutual funds that are also recommended to clients. Because of this commonality of interest, Phoenix Financial has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Phoenix Financial must acknowledge the terms of the Code of Ethics annually, or as amended.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Phoenix will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Phoenix and its clients.

Phoenix's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Michele Nettesheim at (919) 929-4448.

Item 12 Brokerage Practices

The Adviser currently uses Raymond James as its custodian. Additionally, IARs are registered representatives of RJFS and will recommend RJFS to advisory clients for plan implementation and brokerage services. These individuals are subject to FINRA Conduct Rule 3280 that restricts them from conducting securities transactions away from RJFS. Therefore, clients are advised that such IARs are limited to conducting securities transactions through RJFS. It may be the case that RJFS charges a higher fee than another broker charges for a particular type of service, such as transaction fees. Clients may utilize the broker dealer of their choice and have no obligation to purchase or sell securities through RJFS. However, if the client does not use RJFS, the IAR will reserve the right not to accept the account.

The custodian may have their own fee and cost schedules they are entitled to as a custodian of the account. These fees and costs are completely independent of the Adviser, and the Adviser does not receive any portion of these collected costs. Please see *Item 5 Fees and Compensation* for these costs.

RJA, as the custodian, is obligated to seek best execution for all trades; however, better executions may be available via another broker/dealer based on a number of factors including volume, order flow, and market making activity. By executing transactions with the above custodian, it is not guaranteed that a client will receive the most favorable execution of their trades, which in turn may cost clients more money.

Phoenix continuously reviews the accuracy, timeliness and execution of trades processed through RJFS. The Adviser selected RJFS for client account custody and trade processing due to accessibility, electronic trading, efficient and professional service, technical support, and timely reporting to clients. In addition, client funds are fully covered through the excess SIPC coverage maintained by RJFS. RJFS prohibits the Adviser from utilizing any other broker-dealer for client custody or securities trading. The Adviser periodically assesses the quality and value of the services offered by broker-dealers other than RJFS to assure that RJFS service and cost is fair and reasonable.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Phoenix's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. The Adviser will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

The Adviser's IARs and related persons may receive research information through its broker-dealer affiliation on securities, market, and economic conditions. Raymond James does not impose surcharges on clients for research. However, Raymond James does seek to do investment banking and other business with some companies covered by its research. Raymond James complies with all securities laws and regulations to manage these potential conflicts of interest. Additionally, Raymond James does not require that IARs or related persons recommend any securities to clients.

It is Phoenix's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Phoenix Financial will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Phoenix has no soft dollar arrangements.

Item 13 Review of Accounts

The review process only includes those clients who have entered into an investment advisory contract with Phoenix Financial, Inc. Client accounts are reviewed regularly by an investment committee which includes William W. Farley, Jr., Georgios Livanos, Mark Rhoades, Michael Jackson and Michele Nettesheim. A monthly review may include balancing an account from the instructions received from the client. Portfolios in the aggregate are reviewed monthly for rates of return on individual issues.

The primary responsibility for client reviews is with William W. Farley, Jr., President and Chief Compliance Officer of Phoenix Financial, Inc. Other registered reps are employed who are responsible for handling daily trading and confirmations. In addition, other IARs prepare reports on a weekly or monthly basis that are used in the review process. Phoenix utilizes sophisticated computer systems for assisting in the monitoring process. This system prepares reports allowing Phoenix to analyze statistics about a client's portfolio.

Clients receive a confirmation of each transaction and periodic statements from their broker-dealer. Phoenix will issue additional updates or reports at the client's request.

Item 14 *Client Referrals and Other Compensation*

From time to time Phoenix and/or Raymond James may receive compensation in the form of sponsorship fees for seminars, meetings or conferences from product sponsors such as limited partnerships, mutual funds, insurance companies and annuity sponsors. Such sponsorship fees generally entitle the sponsor to an allotted presentation to IARs of the Adviser.

If clients act upon IAR advice and chooses to use one of RJFS's affiliates as a money manager, custodian or to purchase insurance, the Adviser or its IAR may receive compensation in the form of commissions from the affiliate. If a client chooses to use an IAR in his individual capacity as an insurance agent, the individual IAR will receive a commission. Additionally, if a client purchases a mutual fund containing a 12b-1 fee, the Adviser and the IAR may receive such fee. For advisory accounts, mutual fund 12b-1 fees are credited back to the applicable client's account on a quarterly basis, as explained in *Item 5 Fees and Compensation*.

Phoenix may have the opportunity to receive traditional "non-cash benefits" from RJFS such as customized statements; receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk servicing RJFS's advisors exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client accounts; access to an electronic communication network for client order entry and account information; access to mutual funds which generally require significantly high minimum initial investments or those that are otherwise only generally available to institutional investors; reporting features; receipt of industry communications; and perhaps discounts on business-related products.

RJFS may also provide general access to research and perhaps discounts on research products. Any research received is used for the benefit of all clients. Phoenix has no written or verbal arrangements whereby it receives soft dollars.

As part of its fiduciary duties to clients, Phoenix endeavors at all times to put the interests of its investment advisory clients first. Clients should be aware, however, that the receipt of economic benefits by the Adviser or its related persons in and of itself creates a potential conflict of interest.

Phoenix does not pay for or receive compensation for client referrals.

Item 15 Custody

The Adviser does not have custody of client's assets or funds.

#

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client investment assets. Phoenix urges you to carefully review such statements and compare such official custodial records to the account statements or documents that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 Investment Discretion

The Adviser may have discretion in some clients' accounts. Phoenix may only have discretion in an account with written permission from the client. If a client wants to grant discretion in his/her account, the client will give discretion in writing via an investment advisory contract.

Phoenix usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Phoenix observes the investment policies, limitations and restrictions of the clients for which it advises.

Investment guidelines and restrictions must be provided to Phoenix Financial, Inc. in writing.

Item 17 Voting *Client* Securities

Phoenix does not take any action or render any advice with respect to voting of proxies. Clients should receive their proxy materials from the custodian or transfer agent. However, in the event the Adviser receives such material, it will forward all proxy materials to clients. Furthermore, the Adviser will not advise clients on how to vote their proxies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. The Firm will not determine if securities held by the client are subject to a pending or resolved class action lawsuit. It will not evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the Firm will not initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Item 18 Financial Information

Phoenix Financial has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Furthermore, it does not have custody of clients' assets nor does it seek prepayment of \$1,200 or more six (6) months or more in advance.

Part 2B of Form ADV: *Brochure Supplement*

Item 1 Cover Page

Phoenix Financial, Inc.
100 Europa Dr, Ste 390
Chapel Hill, NC 27517
(919) 929-4448
www.pfinx.com
March 30, 2018

Firm Brochure Supplement for:
William W. Farley, Jr., Georgios Livanos, Mark Rhoades, Julie
Crowe, Kelly Ward, Michele Nettesheim and Michael Jackson

This brochure supplement provides information about Phoenix's Investment Adviser Representatives that supplements the Phoenix Financial, Inc. brochure. You should have received a copy of that brochure. Please contact us at 919-929-4448 if you did not receive Phoenix Financial, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Phoenix's Investment Adviser Representatives is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Educational Background and Business Experience

William W. Farley, Jr. MBA

Year of Birth: 1948

Educational Background:

University of North Carolina at Chapel Hill, BA History

University of North Carolina at Chapel Hill, MBA

Business Background:

Phoenix Financial, Inc. President and Chief Compliance Officer 1988 – Present

Raymond James Financial Services, Inc. Registered Representative and Registered Principal 1988 - Present

Licenses Held:

FINRA Series 7, 24, 51 and 63

NASAA Series 65

Life, Accident, and Health Insurance for State of North Carolina

To be a Registered Representative and Registered Principal with Raymond James Financial Services, Inc., Mr. Farley has General Securities Registered Representative (Series 7), Registered Principal (Series 24), and Municipal Fund Principal (Series 51) licenses. He also holds the Series 65 (Uniform Investment Adviser Law exam) registration for Investment Adviser Representatives and life, accident, and health insurance license from North Carolina. All of these licensures require the successful passing of examinations and ongoing continuing education.

Georgios Livanos

Year of Birth: 1960

Educational Background:

Farleigh Dickinson University, BS Business Administration

Business Background:

Phoenix Financial, Inc. Investment Adviser Representative 2016 - Present

Raymond James Financial Services, Inc. Registered Representative 2016 – Present

Smith Barney Morgan Stanley Investor Adviser Representative 2000 – 2016

Wells Fargo Advisors Investment Adviser Representative 1993 – 2000

Licenses Held:

FINRA Series 7, 31 and 63

NASAA Series 65

To be a Registered Representative of Raymond James Financial Services, Inc., Mr. Livanos has a General Securities Registered Representative (Series 7) license. He also holds the Series 31 (Futures Managed Funds exam), Series 63 (Uniform Securities Agent State Law exam) and Series 65 (Uniform Investment Adviser Law exam) registrations for Investment Adviser Representatives. All of these licensures require the successful passing of examinations and ongoing continuing education.

Mark Rhoades, CFP®

Year of Birth: 1968

Educational Background:

Florida State University, BA Finance

Business Background:

Phoenix Financial, Inc. Investment Adviser Representative 2016 - Present

| | | |
|--|---------------------------------|----------------|
| Raymond James Financial Services, Inc. | Registered Representative | 2016 – Present |
| Smith Barney Morgan Stanley | Investor Adviser Representative | 2006 – 2016 |

Licenses Held:

FINRA Series 7 and 63

NASAA Series 65

To be a Registered Representative of Raymond James Financial Services, Inc., Mr. Rhoades has a General Securities Registered Representative (Series 7) license. He also holds the Series 63 (Uniform Securities Agent State Law exam) and Series 65 (Uniform Investment Adviser Law exam) registrations for Investment Adviser Representatives. All of these licensures require the successful passing of examinations and ongoing continuing education.

The CFP® (Certified Financial Planner) designation can only be obtained by achieving and complying with several requirements. These current requirements include having at least a bachelor's degree, three (3) years of full time relevant work experience, pass a rigorous examination, complete continuing education, and meet the CFP Board's ethics standards.

Julie Crowe

Year of Birth: 1965

Educational Background: San Diego State University, BA Humanities

Business Background:

| | | |
|--|---------------------------------|----------------|
| Phoenix Financial, Inc. | Registered Representative | 2018 - Present |
| Raymond James Financial Services, Inc. | Investor Adviser Representative | 2018 – Present |
| Charles Schwab & Co., Inc. | Investor Adviser Representative | 2010-2018 |

Licenses Held:

FINRA Series 7, 9, 10 and 63

NASAA Series 65

To be a Registered Representative of Raymond James Financial Services, Inc., Ms. Crowe has a General Securities Registered Representative (Series 7) license. She also holds the Series 9 & 10 (General Securities Sales Supervisor), Series 63 (Uniform Securities Agent State Law exam) and Series 65 (Uniform Investment Adviser Law exam) registrations for Investment Adviser Representatives. All of these licensures require the successful passing of examinations and ongoing continuing education.

Kelly Ward

Year of Birth: 1972

Educational Background: Florida Atlantic University, BA Finance

Business Background:

| | | |
|--|---------------------------------|----------------|
| Phoenix Financial, Inc. | Registered Representative | 2016 - Present |
| Raymond James Financial Services, Inc. | Registered Representative | 2016 – Present |
| Smith Barney Morgan Stanley | Investor Adviser Representative | 1999 – 2018 |

Licenses Held:

FINRA Series 7, 9, 10 and 63

NASAA Series 65

To be a Registered Representative of Raymond James Financial Services, Inc., Ms. Ward has a General Securities Registered Representative (Series 7) license. She also holds the Series 9 & 10 (General Securities Sales Supervisor), Series 63 (Uniform Securities Agent State Law exam) and Series 65 (Uniform Investment Adviser Law exam)

registrations for Investment Adviser Representatives. All of these licensures require the successful passing of examinations and ongoing continuing education.

Michele Nettesheim, CPA, CFP®

Year of Birth:1967

Educational Background:

University of North Carolina at Chapel Hill, BA International Studies

University of North Carolina at Chapel Hill, Masters in Accounting

Business Background:

| | | |
|--|-----------------------------------|----------------|
| Phoenix Financial, Inc. | Investment Adviser Representative | 2004 - Present |
| Raymond James Financial Services, Inc. | Registered Representative | 2005 – Present |

Licenses/Certifications Held:

FINRA Series 7 and 63

NASAA Series 65

Certified Public Accountant

Certified Financial Planner

To be a Registered Representative of Raymond James Financial Services, Inc., Ms. Nettesheim has a General Securities Registered Representative (Series 7) license. She also holds the Series 63 (Uniform Securities Agent State Law exam) and Series 65 (Uniform Investment Adviser Law exam) registrations for Investment Adviser Representatives. All of these licensures require the successful passing of examinations and ongoing continuing education.

In order to obtain a CPA (Certified Public Accountant) designation, a person must earn an accounting degree, gain several years of experience as an accountant, pass a rigorous CPA and ethics examination, and commit to ongoing professional development.

The CFP® (Certified Financial Planner) designation can only be obtained by achieving and complying with several requirements. These current requirements include having at least a bachelor's degree, three (3) years of full time relevant work experience, pass a rigorous examination, complete continuing education, and meet the CFP Board's ethics standards.

Michael D. Jackson, Chartered Financial Analyst

Year of Birth: 1973

Educational Background:

University of North Carolina at Chapel Hill, BS Business Administration
Wake Forest University, MBA

Business Background:

| | | |
|--|---|----------------|
| Phoenix Financial, Inc. | Investment Adviser Representative (IAR) | 2016 – Present |
| Raymond James Financial Services, Inc. | Registered Representative (RR) | 2016 – Present |
| Thompson, Davis & Company, Inc. | RR and IAR | 2015 – 2016 |
| Hambledon, LLC | Managing Principal and IAR | 2013 – 2015 |
| Franklin Street Partners | RR and IAR | 2004 – 2013 |

Licenses Held:

FINRA Series 4, 7 and 63
NASAA Series 65

To be a Registered Representative of Raymond James Financial Services, Inc., Mr. Jackson has a General Securities Registered Representative (Series 7) license. He also holds the Series 4 (Registered Options Principal), Series 63 (Uniform Securities Agent State Law exam) and Series 65 (Uniform Investment Adviser Law exam) registrations for Investment Adviser Representatives. All of these licensures require the successful passing of examinations and ongoing continuing education.

Professional Designation Held:

Chartered Financial Analyst (CFA)

The Chartered Financial Analyst (CFA) designation is issued by the CFA Institute, formerly known as the Association for Investment Management and Research (AIMR). The CFA Program is a graduate-level program for investment specialists such as securities analysts, money manager, and investment advisers. To become a CFA charterholder, an individual must have at least four years of acceptable professional experience in the investment decision-making process, must pass three sequential, six-hour examinations. Each of the 3 course level exams must be passed and each course level is a self-study program involving approximately 250 hours of study time. There are no continuing education requirements to maintain the CFA designation. CFA charterholders must commit to abide by and annually reaffirm adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 90,000 CFA charterholders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

High Ethical Standards

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

Global Recognition

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

Comprehensive and Current Knowledge

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit www.cfainstitute.org.

Item 3 Disciplinary Information

Neither Mr. Farley, Mr. Livanos, Mr. Rhoades, Ms. Crowe, Ms. Ward, Ms. Nettesheim nor Mr. Jackson have any disciplinary history.

Item 4 Other Business Activities

Securities Brokerage

Mr. Farley, Mr. Livanos, Mr. Rhoades, Ms. Crowe, Ms. Ward, Ms. Nettesheim, and Mr. Jackson are Registered Representatives with Raymond James Financial Services, Inc., and may be paid fees and/or commissions on securities transactions. All commissions are disclosed to clients. However, Phoenix is solely responsible for all investment advice rendered to clients.

Insurance Broker/Agent

Mr. Farley, Mr. Livanos, and Mr. Rhoades may have insurance company affiliations from which they receive commissions. Clients are under no obligation to execute recommendations relating to insurance and/or annuity products through Phoenix.

For more information regarding other financial industry activities and affiliations of Phoenix Financial, Inc. or its IARs, please consult the *Firm Brochure*.

The Broadview Group (Georgios Livanos and Mark Rhoades)

The Broadview Group LLC is a North Carolina Partnership owned by Georgios Livanos and Mark Rhoades. The purpose of the Broadview Group is to allow Livanos and Rhoades to conduct commission based business through their affiliation with Raymond James Financial Services, Inc. ("RJFS"). Certain products that are only offered through their affiliation with RJFS charge a commission versus a fee to the client. Those earnings are held within the Broadview Group. This arrangement allows Broadview to pay expenses the partnership incurs in providing services to their clients, including staff salaries, occupancy costs and other items associated with the operation of their business. Livanos and Rhoades received a Transition Assistance Loan/Bonus and a repayable loan from RJFS to offset expenses incurred in their move to Phoenix Financial.

Phoenix Financial, Inc. has no ownership interest in the Broadview Group. Phoenix Financial, Inc. does supply facilities and services to Rhoades and Livanos. They use the Broadview Group to reimburse Phoenix Financial for those services. Livanos and Rhoades are both registered representatives of Raymond James Financial Services, Inc.

As employees, Livanos and Rhoades also offer investment services and discretionary money management through Phoenix Financial. They are compensated directly by Phoenix Financial for those services to their clients.

Item 5 Additional Compensation

From time to time Mr. Farley, Mr. Livanos, or Mr. Rhoades may receive compensation in the form of sponsorship fees for seminars, meetings or conferences from product sponsors such as limited partnerships, mutual funds, insurance companies and annuity sponsors. Such sponsorship fees generally entitle the sponsor to an allotted presentation to IARs of Phoenix.

If clients act upon IAR advice and choose to use one of RJFS's affiliates as a money manager, custodian or to purchase insurance, the IAR may receive compensation in the form of commissions from RJFS. If a client chooses to use an IAR in his individual capacity as an insurance agent or broker, the IAR will receive a commission directly. Additionally, if a client purchases a mutual fund, the IAR may receive ongoing commissions for servicing the account as broker.

As part of its fiduciary duties to Clients, Phoenix endeavors at all times to put the interests of its investment advisory clients first. Clients should be aware, however, that the receipt of economic benefits by Phoenix or its related persons in and of itself creates a potential conflict of interest.

Item 6 Supervision

As the owner of Phoenix Financial, Inc. Mr. Farley is ultimately responsible for any advice he renders to clients. He is also responsible for the supervision of all of Phoenix's IARs and employees, including Mr. Livanos, Mr. Rhoades, Ms. Crowe, Ms. Ward, Ms. Nettesheim and Mr. Jackson. Any questions regarding the supervision of advisory activities can be directed to him at (919) 929-4448.