PHOENIX
FINANCIAL

Phoenix Financial Services — Disclosures

Document	Disclosures
Entity	Phoenix Financial Services (PHX Financial, Inc.)
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Contents

1. About Phoenix Financial Services

1.1

Phoenix Financial Services is a broker-dealer registered with the U.S. Securities and Exchange Commission ("SEC") and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Our CRD number is **144403**.

1.2

Phoenix Financial Services and PHX Financial, Inc. are the same company. The names "Phoenix Financial Services," "PHX Financial, Inc.," "Phoenix Financial," and "PHX" all refer to that one registered broker-dealer. In these Disclosures, "PHX," "we," "us," and "our" mean that company together with its affiliate **Kese Technologies LLC**.

1.3

Axos Clearing LLC is our clearing firm. It is a separate, unaffiliated company and is not included in "we," "us," or "our."

2. What We Offer

2.1

PHX is a full-service broker-dealer. We effect purchases and sales of securities for customers, including equities, fixed income securities, options, mutual funds, exchange-traded funds, and real estate investment trusts, among others.

2.2

We also offer **private offerings and other alternative investments**, including Pre-IPO shares, secondary-market private equity transactions, and private placements. Access to these is restricted — see section 5 and our **Private Markets Risk Disclosure**.

2.3

Non-registered securities transactions are offered to customers where, among other factors, the investment is suitable for the prospective customer.

2.4

PHX permits margin accounts for retail customers who qualify. Margin involves borrowing against your account, and losses can exceed the amount you deposit. Margin is subject to separate agreements and disclosures, and is not available through every channel.

3. The Relationship — Self-Directed and Non-Discretionary

3.1

Accounts at PHX are non-discretionary. You make the ultimate decision to buy, hold, or sell every investment. We do not exercise discretion over your account.

3.2

Nothing made available through our services is a recommendation or a solicitation to buy or sell any security. Market data, research, news, screening results, watchlists, alerts, commentary, and automated output are provided for informational and educational purposes only.

3.3

Your financial professional may make recommendations to you. When we make a recommendation, we act in your best interest and do not put our interests ahead of yours.

3.4

We do not monitor retail investment accounts. Your financial professional will review your account before making a recommendation. Through our clearing firm you receive trade confirmations and account statements on a monthly or quarterly basis.

3.5

PHX is not an investment adviser and does not act as a fiduciary under the Investment Advisers Act of 1940, unless separately agreed in writing.

3.6

Titles do not indicate advisory capacity. Many financial professionals use titles such as Private Client Group, Financial Consultant, Wealth Manager, or Investment Banking. A firm’s or an individual’s title does **not** mean that they are acting in an advisory capacity.

4. Key Risks

4.1

All investing involves risk, including the possible loss of the money you invest. Not every risk is suitable for every investor.

4.2

Risk	What it means
Market risk	Prices fall as well as rise. You may get back less than you invested, or nothing.

Risk	What it means
Liquidity risk	You may be unable to sell when you want, at the price you want, or at all. This is acute for private market investments — see section 5.
Concentration risk	Holding a large position in one company, sector, or asset class increases the impact of a single adverse event.
Margin risk	Borrowing magnifies both gains and losses. You can lose more than you deposit, and positions may be liquidated without notice to meet a margin call.
Operational and technology risk	Systems, connectivity, and market infrastructure can fail, be delayed, or be degraded, including at times of high volume or volatility.
Cybersecurity risk	Unauthorised access, fraud, and disruption are risks to any financial platform. Protect your credentials and tell us immediately if you suspect a compromise.

4.3

Past performance is not a guarantee or indicator of future results. Diversification does not ensure a profit or protect against loss.

5. Private Market Investments

5.1

Pre-IPO shares, secondary-market private equity, and private placements are **speculative, illiquid, and carry the risk of losing the entire amount invested.** They are not registered with the SEC, and no regulator has reviewed or approved them or the information provided about them.

5.2

Access is restricted to investors who meet the SEC's **Accredited Investor** criteria **and** Phoenix's own stricter requirement of a **net worth exceeding $2.2 million, excluding primary residence.** Meeting the SEC's criteria does not by itself qualify you.

5.3

Read our Private Markets Risk Disclosure before investing in any of these, together with the offering documents for the specific investment. The offering documents govern.

5.4

These investments are not held in your brokerage account at Axos Clearing LLC, and SIPC protection of that account should not be assumed to extend to them. See sections 8 and 9.

6. Fees and Costs

6.1

We are compensated primarily through commissions charged on a per-transaction basis. A commission may be a fixed dollar amount, a markup added to the purchase price, or a markdown deducted from the sale price.

6.2

FINRA Rule 2121 includes the 5% Guideline as the traditional benchmark for maximum equity transaction compensation. **Our retail commissions are typically lower** and generally equal:

Product	Commission
Equities, ETFs, Unit Investment Trusts, mutual funds	**3.5%**
Options	**4%**
Fixed income	**2%**

Commissions may be discounted case by case, and generally will not exceed these rates except in limited circumstances — the price of the security, the amount invested, the difficulty of execution, or the complexity of the strategy.

6.2a

We generally charge a firm minimum commission of $49 per transaction. On a small transaction that minimum is a higher percentage of the amount invested than the rates above.

6.3

Fixed income transactions are typically executed as riskless principal transactions, where PHX applies a markup on purchases or a markdown on sales relative to the prevailing market price.

6.4

Private market investments carry different fees, which may include a placement agent fee and a management fee. PHX may act as principal underwriter in some of its investment banking offerings. Refer to the offering document, including any Private Placement Memorandum, for a full explanation.

6.5

Additional charges assessed by PHX or by our clearing firm may include wire transfer fees, account transfer fees, stock reorganisation fees, account maintenance fees, margin interest, ticket charges, and postage and handling. Charges may also apply to inactive accounts or to illiquid positions.

6.6

You will pay fees and costs whether you make or lose money on your investments. Fees and costs reduce any amount of money you make over time. Make sure you understand what you are paying.

6.7

Our full Fee Schedule sets out all of this in detail — see that document, or **www.phoenixinc.com/fees**, or call **(212) 776-4187**. A paper copy is available on request. **Commissions and service fees may be changed upon 30 days' prior written notice.**

6.8

Axos Clearing LLC may charge additional commissions and fees for clearance or any other service furnished to you, at its then prevailing rates. Those are separate from ours.

7. Conflicts of Interest

7.1

The way we make money creates conflicts with your interests. You should understand them and ask us about them, because they can affect the recommendations we make. They include:

- **Transaction-based compensation.** PHX and its registered representatives are paid commissions and fees on each transaction, so more transactions result in higher costs to you and higher revenue to us.
- **Third-party payments.** PHX receives payments from third parties and has an incentive to recommend investments that carry those payments, even where other options have lower costs or better performance.
- **Proprietary and affiliate products.** PHX and its representatives receive payments from products issued, sponsored, or managed by PHX affiliates, which creates an incentive to recommend them.
- **Underwriting.** PHX may act as principal underwriter in some investment banking offerings and earn compensation in that capacity.
- **Supervisory compensation.** Certain supervisors and principals receive a percentage of the client fees and costs generated by the representatives they oversee.

7.2

Ask your financial professional: *how might your conflicts of interest affect me, and how will you address them?*

8. Clearing and Custody — Axos Clearing LLC

8.1

We are a fully disclosed broker-dealer. We do not hold your funds or securities.

8.2

Axos Clearing LLC — a separate, unaffiliated firm, member FINRA and SIPC, CRD 117176, of 15950 West Dodge Road, Suite 300, Omaha, NE 68118 — carries your account and provides clearing, settlement, and custody.

8.3

Axos holds your publicly traded investments and your cash. It maintains the books and records for your brokerage account and issues your **account statements and trade confirmations**, which are the governing record of your account.

8.4

Private market investments are not held in that brokerage account. They are held under separate arrangements, may be reported separately or not at all on your Axos statements, and may be valued on a different basis or not at all. If you are unsure how a particular holding is held or reported, ask us before you invest.

8.5

You may request online access to the **Axos Clearing Investor Portal**. Information about Axos Clearing LLC is available at **www.axosclearing.com**, and its registration and disciplinary history can be checked on FINRA BrokerCheck under CRD number 117176.

8.6

Axos maintains its own business continuity arrangements and its own agreements with you. Those agreements govern the matters they cover.

9. Account Protection — SIPC

9.1

Your brokerage account is carried by Axos Clearing LLC, a member of **SIPC**.

9.2

SIPC protects against the failure of a brokerage firm, within statutory limits, by covering the custody obligation for missing securities and cash. Information about SIPC, including the limits of coverage, is available at **www.sipc.org**.

9.3

SIPC does not protect against a decline in the market value of your investments. If an investment falls in value, or becomes worthless, that is an investment loss and SIPC does not cover it.

9.4

Do not assume SIPC protection extends to private market investments. SIPC protection attaches to the brokerage account at Axos. Private market investments are held under separate arrangements — see section 8.4 and our Private Markets Risk Disclosure. **Nothing protects you against the business failure of a private company you have invested in.**

9.5

For the coverage limits and any additional protection applicable to accounts carried by Axos, contact us or refer to the disclosures provided by Axos.

10. Order Routing — SEC Rule 606

10.1

SEC Rule 606 requires broker-dealers that route customer orders in equity and option securities to make available quarterly reports describing their routing practices, identifying the significant venues to which customer orders were routed, and disclosing the material aspects of their relationships with those venues.

10.2

PHX routes 100% of its order flow to Axos Clearing LLC. Axos makes the routing decisions for those orders, without regard to the identity of the introducing broker, and routes them to selected market makers and exchanges for execution.

10.3

PHX does not receive payment for order flow from Axos.

10.4

Current and historical order routing reports are available at **https://phoenixinc.com/account-disclosures/** or on request.

11. Customer Identification Program

11.1

To help the government fight the funding of terrorism and money laundering, federal law requires financial institutions to obtain, verify, and record information identifying each person who opens an account.

11.2

When you open an account we are required to collect your name, date of birth, address, and an identification number:

- **U.S. persons:** a taxpayer identification number — a Social Security number or employer identification number.
- **Non-U.S. persons:** a taxpayer identification number, passport number and country of issuance, alien identification card number, or other government-issued identification showing nationality, residence, and a photograph.

We may also ask to see your driver's licence or other identifying documents. An entity — a corporation, partnership, trust, or other legal entity — may need to provide additional information such as its principal place of business, local office, employer identification number, certified articles of incorporation, government-issued business licence, partnership agreement, or trust agreement.

11.3

Rules of the U.S. Department of the Treasury, the SEC, FINRA, and the New York Stock Exchange also require you to provide most of this information, and may require additional information such as your net worth, annual income, occupation, employment information, investment experience and objectives, and risk tolerance.

11.4

If you do not provide the information requested, or if your identity cannot be verified, we may be unable to open an account or carry out transactions for you, and we may have to close an account already opened.

12. Third-Party Information and Contributors

12.1

Market data, company information, research, news, and commentary made available through our services are **supplied by third parties**, including data providers, issuers, and selling shareholders. We do not author, prepare, edit, or verify that information, and we do not endorse or approve it.

12.2

Some content is supplied by third-party contributors and analysts, who may be compensated for it. **The views expressed by a contributor are their own.** They are not the views or recommendations of PHX, they are not endorsed by us, and neither PHX nor the contributor is liable for decisions you make on the basis of them.

12.3

Content of this kind is **educational and informational only** and is not a recommendation to buy, sell, or hold any security. Any suggested price, level, or range is not advice and does not reflect actual trading by PHX or its affiliates. If you are interested in a security discussed, **contact your PHX representative**, who can assess your particular situation.

12.4

The accuracy, completeness, and timeliness of third-party information are not guaranteed. See our **Data Disclaimer**.

13. Automated and AI-Generated Output

13.1

Some information in our services is produced by automated, algorithmic, or artificial-intelligence tools rather than written by a person, and some of that output is supplied by third parties rather than produced by us.

13.2

Automated output may be inaccurate, incomplete, or outdated, is not reviewed by a financial professional before it is displayed, and is not personalised investment advice. Verify it independently before acting on it.

13.3

See our **AI Tools Risk Disclosure** for the full description of these tools and their limits.

14. Communications We Send You

14.1

We may send you emails, push notifications, text messages, and other communications about your account, our services, and market or investment topics.

14.2

Commentary distributed by email or notification is educational and informational only, is not personalised investment advice, and is subject to the same limits as any other information described in these Disclosures.

14.3

You can unsubscribe from marketing communications at any time using the unsubscribe link in the message or the notification settings in the app. You will continue to receive communications about your account and communications we are required to send you.

14.4

We do not send investment instructions or requests for credentials by email, text, or social media, and we will never ask you for your password. If you receive a message purporting to be from us that asks for credentials or payment, do not respond — contact us at (212) 776-4187.

15. No Tax or Legal Advice

15.1

PHX does not provide tax advice or legal advice. Nothing in our services, communications, or documents is tax or legal advice.

15.2

The tax treatment of an investment depends on your circumstances and may change. **Consult your own tax and legal advisers** before investing, and particularly before investing in private market securities, which can have complex tax consequences.

15.3

You are responsible for providing accurate tax information to us and for the tax consequences of your transactions. See the tax certification obligations in our **Terms and Conditions**.

16. Business Continuity

16.1

FINRA Rule 4370 requires each member firm to maintain a business continuity plan, and we do. See our **Business Continuity Plan Statement** for what the plan addresses, how to reach us during a disruption — including our secondary telephone number and our clearing firm's direct line — and how to request the full plan.

17. Where Our Services Are Offered

17.1

Our services are offered to U.S. residents. The information provided through our website, our applications, or any communication containing a link to them **is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation, or which would subject Phoenix Financial Services or its affiliates to any registration requirement within that jurisdiction or country.**

17.2

Nothing in our services constitutes a solicitation or offer by Phoenix Financial Services or its affiliates to buy or sell any securities, options, or other financial instruments, or to provide any investment advice or service, in any jurisdiction where doing so would be unlawful.

17.3

Nothing in our services should be regarded as a representation of future performance. **Past performance is not indicative of future performance.**

18. Research Our Firm and Our Professionals

18.1

Free tools are available to research our firm and our financial professionals:

- **investor.gov** — the SEC's free search tool, and educational materials about broker-dealers, investment advisers, and investing
- **www.finra.org** — FINRA BrokerCheck
- **https://phoenixinc.com/account-disclosures/** — our own disclosures, including information about your financial professional

18.2

Your primary contact is your registered representative. If you have concerns about your registered representative, or need additional information, contact **PHX's Compliance Department at (212) 776-4187.**

18.3

Ask your financial professional: *do you have any disciplinary history, and for what type of conduct?*

19. Related Documents

Read these Disclosures together with:

- **Client Relationship Summary**
- **Terms and Conditions**
- **Privacy Policy**
- **Data Disclaimer**
- **AI Tools Risk Disclosure**
- **Private Markets Risk Disclosure**
- **Cookie Policy**
- **Fee Schedule**
- **Business Continuity Plan Statement**

Where these Disclosures conflict with the Terms and Conditions, the **Terms and Conditions govern.** Where either conflicts with an offering document for a specific investment, **the offering document governs that investment.**

20. Contact Us

Phoenix Financial Services 100 Wall Street, 10th Floor New York, NY 10005

Telephone: (212) 776-4187 Email: contact@phoenixinc.com Website: www.phoenixinc.com Legal documents: www.phoenixinc.app/legal Account disclosures: https://phoenixinc.com/account-disclosures/