

Phocas Financial Corporation
Form CRS
MARCH 2022

Phocas Financial Corporation (“Phocas”) is a registered with the Securities Exchange Commission (“SEC”) as an investment advisor. It’s critical that retail investors examine and identify the differences between brokerage and investment advisory firms. Educational information about investment professionals along with information about research firms can be found on <https://www.investor.gov/CRS>. This link gives a thorough overview of financial services firms and professional backgrounds along important client touch points such as costs, fees, conflicts and disciplinary information.

Phocas provides discretionary investment advisory services to institutions, private individuals, other investment advisors, and separately managed accounts. Phocas also provides sub-advisory services to Mutual Funds. As your investment advisor, we have the fiduciary obligation to prioritize your best interests. Phocas specializes in the following strategies:

- U.S. Small Cap Value (“SCV”) equities;
- Real Estate Investment Trusts (“REITs”); and
- Equity Income (“EI”).

Portfolios are designed to meet criteria established by client investment policies and guidelines. Phocas’ goal is to deliver attractive long-term returns with low turnover and moderate risk.

In order to accommodate our clients’ investment objectives, Phocas, at the request of a potential and/or current client, may consider managing strategies other than those listed above.

To enable individual investors to benefit from the expertise we provide to our institutional clients, Phocas is a subadvisor for the AAM/Phocas Real Estate Fund (trading symbol: APRIX) which invests in securitized real estate stocks. It is a “no load” mutual fund offered at Charles Schwab. Please see the Prospectus and Statement of Additional Information for more information.

Our investment advisory service to private individuals includes the following:

- Education with investments, creation of investment portfolios
- Assisting our clients on creating their personalized Investment Policy Statement (“IPS”)- this document governs the administration of the portfolio
- Review of clients’ portfolios, investment strategy, and risk tolerance.
- Rebalancing portfolios on a regular basis so it meets the parameters of the IPS

Additional information on our firm and our services please go to: <https://adviserinfo.sec.gov/>

Wealth Management Solutions

Phocas provides advice to clients regarding their portfolios through a developed personal financial plan requirement and/or risk assessment and only after the completion of a written set of investment objectives, strategy restrictions, and risk tolerance. The financial plan includes an investment strategy and a portfolio design along with a tailored asset allocation proposal. The investment advice we provide has numerous factors such as:

- Risk tolerance
- Financial goals and long-term investment objectives
- Cash flow requirements (such as college tuitions, first home purchases, assisting older family members with senior living/healthcare).
- Asset class selections (the process of balancing risk and return in a portfolio by investing across different asset classes).
- Retirement Accumulation and Distribution Planning
- Estate/Wealth Transfer Planning
- Risk Management/Asset Protection Planning
- Education Planning

Because we are an independent financial advisor who acts as a fiduciary for our clients, we are not tied to any family of mutual funds or investment products. We are 100% fee only and accept no commissions of any kind from anyone. We are always required to have the highest standard of care, and act in the best interests of our clients. Only on a very infrequent basis might we trade securities for a wealth management client at the same time we do our institutional clients. A potential conflict of interest could be if we were to trade a security for our wealth management client at the same time as our institutional clients and the price received by our wealth management client was not as favorable as for the institutional client.

Custodian

We recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets. We are independently owned and operated and not associated with any custodian. Schwab holds client assets in a brokerage account and buy and sell securities when directed by Phocas. Some of the considerations that we considered in choosing a custody are below:

- Reputation, financial strength, and stability
- Scale of available investment products (stocks, bonds, exchange-funds [ETFs], mutual funds, etc.).
- Proficiency in executing, settle and clear trades for our advisory platform.
- Cooperation to negotiate prices associated with commission rates, margin interest rates along with other miscellaneous fees.

We are not affiliated with Schwab. We do not receive any type of compensation for referring clients to Schwab.

Types of Clients

Phocas provides wealth management advisory and financial planning services predominantly to individuals, including business owners, family partnerships, and corporate executives.

Review of Accounts

We provide all our clients with quarterly reports, and our portfolio managers review all accounts on a recurrent basis. Most of our clients' asset mix for investments are made by using mutual funds, exchange traded funds and individual securities. We actively monitor the stock and fixed income markets in order to ensure that our clients' investments are in adherence with the financial goals that have been outlined in their IPS.

All clients are encouraged to meet at least annually with their Phocas portfolio manager to review their portfolios and update financial planning needs and review investment objectives.

Disciplinary Information

Neither we as a firm nor any of our Investment Advisors Representatives has been subject to any disciplinary action as of the date of our Form ADV filed with the SEC.

Client Referrals

We do not receive paid referrals from our existing client base.

Code of Ethics Disclosure

Already referenced in ADV

Individual Client fees

- 0.90% of assets per annum

Asset Level	% of Assets
First \$1,000,000	0.90%
Next \$4,000,000	0.80%
Over \$5,000,000	Negotiable

The fee referenced above is all-inclusive and typically applies for our clients. Phocas has the flexibility to negotiate different fees based upon certain client specific circumstances, such as total amount of assets under management, and other factors. We bill our investment management fees quarterly, in arrears. Our firm does not receive compensation or fees associated to the purchase or sale of securities or other investment products.