

# Physicians Financial Services, Inc.

## Form CRS Relationship Summary – March 29, 2024

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### Introduction

Physicians Financial Services, Inc. (“we” or “our” or “us”) is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser. Brokerage and investment advisory services and fees differ and that it is important for the retail investor (“you” or “client”) to understand the differences. Free and simple tools are available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

### Q. What investment services and advice can you provide me?

Physician Financial Services, Inc. offers investment advisory services to retail investors. We offer the following three principal services to clients: Wealth Planning and Analysis Service, Internal Money Management, and External Money Management.

The Wealth Planning and Analysis Service is a financial planning service where our firm analyzes data supplied by the client and prepares a financial plan with recommendations for the client. The client retains discretion on whether the recommendations provided by our firm and whom to utilize in implementing any recommendations. We do not monitor clients’ investments on an ongoing or continuous basis; we do not limit our advice with respect to types of investments; and do not have any minimums or requirements to receive this service.

Internal Money Management is where we select and/or recommend individual securities on behalf of clients. Assets can be managed on a discretionary or non-discretionary basis. Discretionary authority enables us the ability to buy and sell securities on behalf of the client without prior consent subject to any account restrictions imposed by the client. For accounts managed on a non-discretionary basis, the client retains ultimate decision-making authority regarding the purchase or sale of investments recommended by us. Client accounts are monitored on a quarterly basis if not more frequently as needed. We have not established any minimum requirements for this service. We limit our management services to stocks, bonds, and mutual funds and we do not invest in initial public offerings on behalf of clients.

External Money Management is where our firm refers clients to third party managers. The third party manager typically manages accounts on a discretionary basis, which allows the manager to buy and sell securities without obtaining the client’s prior consent. We do not offer account monitoring services. The third party manager has its own review process. Any limitations as to investment offerings and account minimums and other requirements are established by the third party manager and can be found by reviewing their Form ADV.

### Additional information

More detailed information about our investment advisory business and client types are included in Items 4 and 7 of our Form ADV Part 2A (“Brochure”).

### Conversation Starter

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

### Q. What fees will I pay?

Clients will be assessed a fixed flat fee or an hourly charge for the Wealth Planning and Analysis Service. For Internal Money Management, we charge annual fees, payable quarterly in arrears, based on a percentage of assets under management. For External Money Management, clients will incur an asset management fee comprised of a fee from Physician Financial Services, Inc., the external manager, and the custodian. For both

Internal Money Management and External Money Management, clients may be subject to fees, such as commission, transaction-related fees for securities trades, etc., from the broker-dealer/custodian maintaining your account as well as fund operating fees charged by mutual funds owned.

#### Additional Information

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce the amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. More information about fees are disclosed in Item 5 of the ADV Part 2A (“Brochure”).

#### Conversation Starter

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

#### **Q. What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?**

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means. 1) We have an incentive to recommend third party managers for whom we may receive more compensation than we would otherwise by recommending. We mitigate this conflict by negotiating fees with clients and ensure our recommendation of third party managers are in the best interest of the client. 2) Employees of our firm have an incentive to trade ahead of clients. We have adopted Code of Ethics preventing such activity and require employees’ personal trades to be placed either at the same time client trades are placed or until after all clients’ trades have been executed for the day.

#### Conversation Starter

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

#### **Q. How do your financial professional make money**

Our financial professionals are compensated based on investment advisory fees collected from clients, our firm’s only source of revenue. These fees are based on the amount of client assets in the case of money management services and based in part on the time and complexity of financial planning whether charged an hourly fee or a fixed fee. Con. T. McDonald is the owner of our firm and is entitled to any profits of the entity. Financial professionals may receive additional compensation for activities performed outside of our firm.

#### **Q. Do you or your financial professionals have legal or disciplinary history.**

No. Investors may visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research our firm, and our financial professionals.

#### Conversation Starter

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

#### **Additional Information**

For additional information about us and our services, please visit the SEC’s Investment Adviser Public Disclosure Program site, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), or our web site, [www.physiciansfs.com](http://www.physiciansfs.com). You may also contact us for information, including a copy of the relationship summary, by calling (919) 863-2355.

#### Conversation Starter

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