Form CRS – Form ADV Part 3A
Phillips Ray Capital Management, Inc. - Relationship Summary
March 10, 2022

Phillips Ray Capital Management, Inc. is registered with the Securities and Exchange Commission as an investment adviser. Registration does not imply a certain level of skill or training. Brokerage and investment advisory services and fees differ, and it is important for you to understand the difference. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

RELATIONSHIPS AND SERVICES

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

We offer investment advisory services to retail investors. This means that we invest your assets to help you achieve your investment goals. As part of our standard services, we monitor the investments in your account on an ongoing basis and communicate with you periodically (but no less than annually) through telephone, email, and in person meetings. We offer advisory accounts that are both discretionary and non-discretionary accounts. A discretionary account allows us to buy and sell investments in your account, without asking you in advance. For non-discretionary accounts, the retail investor makes the ultimate decision regarding the purchase or sale of investments. We invest in stocks, bonds, and other securities including mutual funds and securities on foreign exchanges. To open an account, we generally require a minimum account size of $250,000. <u>For additional information, please refer to our Form ADV Part 2A.</u>

Conversation Starters
<u>Ask our financial professionals these key questions about our investment services and accounts.</u> • Given my financial situation, should I choose an investment advisory service? Why or why not? • How will you choose investments to recommend to me? • What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT

• *What fees will I pay?*

If you open an investment advisory account with us, you will be charged a fee based on the amount of assets in your account. Accordingly, the more assets that are in your account, the more you will pay in fees. This may create an incentive for us to encourage you to increase the assets in your account. The fees are charged quarterly in arrears. Additionally, you will pay transaction-based fees when the Firm buys and sells an investment for you, including commissions paid to broker-dealers for buying or selling investments. You will also pay fees to a broker-dealer or bank that holds your assets (called "custody"). You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. <u>Additional detailed information of all fees you pay can also be found in your investment advisory agreement.</u>

Conversation Starters
<u>Ask our financial professionals these key questions about the impact of fees and costs on investments.</u> • 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?

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

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what that means:

Proprietary or Personnel Trading: We may use the same strategy for our personal investment accounts that we do for your investment advisory accounts. However, we are generally prohibited from buying or selling any securities in our personal accounts on the same that day that any client has a pending "buy" or "sell" order in that same security.

Client Referrals: If we refer you to an individual or another entity for investment services, we may receive a referral fee from that individual or entity. This creates an incentive for us to recommend them to you. However, we will always clearly disclose to you whether we are being paid a referral fee.

For additional information about any conflicts of interest, please refer to our Form ADV Part 2A.

Conversation Starters
Ask our financial professionals these key questions about conflicts of interests. • How might your conflicts of interest affect me, and how will you address them?

• *How do your financial professionals make money?*

Our financial professionals are compensated in the following ways: Cash compensation in the form of an annual salary, plus a variety of incentives that may include a percentage of fees based upon your total assets or a percentage of any performance-based fees based upon capital gains or capital appreciation of your assets. While we have various controls to ensure that investments are being made in accordance with your agreed risk preferences, performance-based fee arrangements may create an incentive for us to recommend investments that are riskier or more speculative than would be the case absent an incentive or performance-based arrangement.

DISCIPLINARY HISTORY

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

No. Please visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starters
Ask our financial professionals these key questions about our disciplinary history. • As a financial professional, do you have any disciplinary history? For what type of conduct?

ADDITIONAL INFORMATION

We encourage you to seek out additional information about our investment advisory services and to request a copy of this relationship summary by contacting Brian Phillips, our Chief Compliance Officer, at (817) 338-4223 or by email at bphillips@phillipsray.com. Please also see our Form ADV Part 1A and Part 2A Brochure on adviserinfo.sec.gov or Investor.gov or any brochure supplement a financial professional provides.

Conversation Starters
Ask our financial professionals these key questions about contacts and complaints. • Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer? • Who can I talk to if I have concerns about how this person is treating me?