



FIRST PACIFIC

F I N A N C I A L

Disclosure Brochure

FIRST PACIFIC FINANCIAL

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This brochure provides information about the qualifications and business practices of First Pacific Financial, Inc. (hereinafter "First Pacific Financial" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC's website at www.adviserinfo.sec.gov. The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

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MATERIAL CHANGES

Item 2

In this Item, First Pacific Financial is required to discuss any material changes that have been made to the brochure since the firm's 03/17/2020 annual amendment.

- Item 18 Receipt of a Paycheck Protection Program ("PPP") loan through the U.S. Small Business Administration, which was part of the economic relief provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- Item 12 Disclosed the use of additional custodian, Performance Trust Capital Partners, LLC.
- Item 12 First Pacific Financial has identified "Flourish Cash", a service offered by Stone Ridge Securities LLC, a registered broker-dealer and FINRA member, as a potential alternative to money market and sweep accounts for some Clients.

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ADVISORY BUSINESS

Item 4

First Pacific Financial offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to First Pacific Financial rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with First Pacific Financial setting forth the relevant terms and conditions of the advisory relationship (the "Advisory Agreement").

First Pacific Financial has been registered as an investment adviser since August 2016 and is owned by Todd Engblom-Stryker, Darren Farrell, and Adam Wishard.

While this brochure generally describes the business of First Pacific Financial, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on First Pacific Financial's behalf and is subject to the Firm's supervision or control.

Financial Planning and Consulting Services

First Pacific Financial offers clients a broad range of financial planning and consulting services, which may include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Manager Due Diligence

While each of these services is available on a stand-alone basis, certain of them may also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

In performing these services, First Pacific Financial is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by First Pacific Financial under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising First Pacific Financial's recommendations and/or services.

Wealth Management Services

First Pacific Financial provides clients with wealth management services which includes a broad range of comprehensive financial planning and consulting services as well as discretionary management of investment portfolios.

First Pacific Financial primarily allocates client assets among various mutual funds and exchange-traded funds ("ETFs") in accordance with their stated investment objectives. Less frequently, the Firm will allocate assets among individual debt and equity securities.

Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios. Clients may engage First Pacific Financial to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, First Pacific Financial directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

First Pacific Financial tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. First Pacific Financial consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify First Pacific Financial if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if First Pacific Financial determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

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Retirement Plan Consulting Services

First Pacific Financial provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and may include any or all of the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning & Benefits
- Investment Selection
- Plan Fee and Cost Analysis
- Plan Committee Consultation
- Fiduciary and Compliance
- Participant Education

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by First Pacific Financial as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of First Pacific Financial's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

As of December 31, 2019, First Pacific Financial had a total of \$683,174,366 in discretionary assets under advisement.

\$0 of the total is in non-discretionary qualified plan assets under advisement

FEES AND COMPENSATION

Item 5

First Pacific Financial offers services on a fee basis, which includes fixed fees, as well as fees based upon assets under management.

Financial Planning and Consulting Fees

First Pacific Financial charges a fixed fee for providing financial planning and consulting services under a stand-alone engagement. These fees are negotiable, but generally range from \$1,500 to \$15,000, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, First Pacific Financial may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and First Pacific Financial generally requires one-half of the fee payable upon execution of the Advisory Agreement. The outstanding balance is generally due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

Wealth Management Fees

First Pacific Financial offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee varies in accordance with the following blended fee schedule:

PORTFOLIO VALUE	BASE FEE
First \$100,000	1.25%
Next \$400,000	1.00%
Next \$2,500,000	0.75%
Next \$7,000,000	0.50%
Above \$10,000,000	0.50%*

* Where assets are above \$10,000,000, clients will be charged 0.50% from the first dollar.

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The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by First Pacific Financial on the last day of the previous billing period. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value and added or subtracted from the next fee calculation. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), First Pacific Financial may negotiate a fee rate that differs from the range set forth above.

Retirement Plan Consulting Fees

First Pacific Financial generally charges as fixed project-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. These fees vary, based on the scope of the services to be rendered, and may be a negotiated fixed fee or an annual asset-based fee. The fee will depend on the complexity and amount of services to be provided as well as the individuals providing the services.

Fee Discretion

First Pacific Financial may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

Additional Fees and Expenses

In addition to the advisory fees paid to First Pacific Financial, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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. The Firm's brokerage practices are described at length in Item 12, below.

Direct Fee Debit

Clients generally provide First Pacific Financial with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to First Pacific Financial. Alternatively, clients may request to have First Pacific Financial send a separate invoice for direct payment. The Firm will only provide this option in limited circumstances in the sole discretion of the Firm.

Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to First Pacific Financial's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients may withdraw account assets on notice to First Pacific Financial, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. First Pacific Financial consults with its clients about the options and implications of transferring securities as necessary. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

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PERFORMANCE-BASED FEES AND SIDE-BY SIDE MANAGEMENT

Item 6

First Pacific Financial does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets) nor provide side-by-side management for performance-based and other types of fees.

TYPES OF CLIENTS

Item 7

First Pacific Financial offers services to individuals, pension and profit sharing plans, trusts, estates and charitable organizations. There are no minimum account values or fees for any of [Firm's] services. However, [Firm] reserves the right to decline or terminate any account that the adviser feels is not a proper fit for the services provided.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Item 8

Methods of Analysis and Investment Strategies

First Pacific Financial maintains investment portfolios that are constructed of individual securities, mutual funds, and exchange-traded funds (ETFs). Portfolios are developed using asset class return assumptions and historical asset class correlations weighted to maximize the potential expected return for a given level of downside risk. The components of the portfolios are selected through the application of a series of quantitative and qualitative screens, related to a fund's people (managers, if applicable), process, philosophy, and performance.

Quantitative factors measured include:

- Performance using rolling returns of varying time periods
- Volatility analysis over varying rolling time periods
- Asset base and composition
- Costs
- Annual turnover ratio of underlying securities within a fund

The intent of this analysis is to isolate managers who have exhibited an ability – on a risk adjusted basis – to outperform peers and benchmark indexes over full market cycles. Preference is given to managers with track records of preserving principal in challenging markets.

Qualitative factors considered include:

- Specialization/focus
- Investment philosophy and methodology rigor
- Tenure, breadth, and depth of fund managers
- Manager and staff personal investment/commitment to the funds they manage
- Firm culture and stewardship
- Portfolio cash; inflows and outflows
- Transparency and communication
- Regulatory status and reputation

Managers are monitored for performance versus peers and benchmarks, changes in investment philosophy, key employee turnover, and adherence to the investment style for which they were selected.

An investor is matched to a portfolio strategy based on their goals and objectives within the context of income and growth needs and expectations, time horizon, temperament, other sources of income, and other assets and liabilities (and their positioning). An investment policy statement is used to specify portfolio strategy and components, as well as to outline how the portfolio will be managed and measured.

The basic tenets under which client portfolios are managed include the following:

- Strategic asset allocation with diversification of holdings and asset classes can potentially reduce the risk over the long-term
- Adhering to needs-based investment planning, where each investor's unique allocation is based on the needs of the specific investor
- Investing for the long-term (preferably longer than ten years) is critical to investment success because it allows the long-term characteristics of the asset classes to surface

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- Modest tactical shifts to investment allocations may be employed based on economic or investment conditions
- Active or passive management may be utilized with the advisor's discretion, with consideration given to the expense versus performance advantage
- Regular rebalancing to target allocations forces selling at high prices and buying at low prices and can add value over time
- First Pacific Financial does not invest directly in options or futures contracts, borrow on margin to buy additional securities, or sell "short." However, the Firm is not opposed to its professional fund managers employing these strategies as part of a normal ongoing management or risk-reduction strategy.

Risk of Loss

All investment programs have certain risks that are borne by the investor. First Pacific Financial's investment approach constantly keeps the risk of loss in mind. For example, investors may face the following investment risks:

Unsystematic Risks

These are risks uniquely related to a specific investment. It is also known as "diversifiable risks," as, at least theoretically, unsystematic risks may be significantly reduced by diversifying between different investments.

Systematic Risks

These are risks related to a broad universe of investments. These risks are also known as non-diversifiable risks as diversification within the system will not provide risk reduction if the entire system loses value (i.e. the S&P 500 in a bear market or a diversified portfolio of high quality bonds in a rising interest rate environment).

Interest-rate Risk

Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Reinvestment Risk

This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Credit Risk

The return on fixed income investments (e.g., bonds, preferred stock) is dependent on the issuer of the security meeting its commitment to make agreed upon payments. Credit risk is the risk that the issuer does not meet the obligation.

Inflation Risk

Also known as "purchasing power risk." When any type of inflation is present, a dollar today will not buy as much as a dollar in the future, because purchasing power is eroding at the rate of inflation. Fixed payment securities (e.g., CDs, bonds, preferred stock) are particularly sensitive to inflation risk.

Market Risk

The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Currency Risk

Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also called exchange rate risk.

First Pacific Financial "manages" the risk by working with the client to define: 1) How much risk is needed to accomplish client objectives – required risk. 2) How much risk can the client afford to take – capacity risk. 3) How much risk does the client prefer to take – emotional tolerance. The investor is then matched to a portfolio. Client fact finding, education, and ongoing discussions are all essential elements to matching an investor to an appropriate portfolio.

DISCIPLINARY INFORMATION

Item 9

First Pacific Financial has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Item 10

Licensed Insurance Agents

Some of the Firm's Supervised Persons maintain insurance licenses with the applicable state insurance commission. However, Supervised Persons are not authorized to sell insurance products, or receive any commissions or additional compensation for the sale of insurance products to clients of First Pacific Financial.

Amy Volz and Samuel Skaggs are investment adviser representatives and will be consulting with First Pacific Financial during the transition of clients from Verdant Money.

CODE OF ETHICS

Item 11

First Pacific Financial has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its associated persons.

In adopting its Code of Ethics, the Firm recognizes that it, and its associated persons, owe a fiduciary duty to client accounts and must (1) at all times place the interests of clients first; (2) conduct personal securities transactions in a manner consistent with its Code of Ethics and avoid any abuse of a position of trust and responsibility; and (3) adhere to the fundamental standard that should not take inappropriate advantage of their positions. In addition, associated persons must report any violations of the Code of Ethics to the Firm's Chief Compliance Officer.

All associated persons of the Firm must comply with the Code of Ethics. In particular, it is unlawful for the Firm any associated person, by use of the mail or any means or instrumentality of interstate commerce, directly or indirectly:

- To employ any device, scheme or artifice to defraud any client or prospective client of the Firm;
- To engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon any client or prospective client of the Firm; or
- To engage in any fraudulent, deceptive, or manipulative practice.

In addition, Firm personnel are prohibited from, among other things, engaging in the following activities:

- Performing any activities that are not otherwise authorized to perform under Firm policies, the Compliance Manual or the Rules;
- Failing to disclose conflicts of interests;
- Recommending securities or investment products outside the Investment Parameters of the client;
- Permitting their personal investments or affiliations to influence advice to a client;
- Failing to notify the Chief Compliance Officer immediately about, or attempting to settle, any client complaints on their own;
- Signing a client's name to any document, even if the client gives permission to do so;
- Accepting money from a client as additional compensation for investment advisory services offered;
- Borrowing money, loaning to, or otherwise accepting investment from a client without prior consent from the Chief Compliance Officer;
- Making discretionary trades for a client who has not given the Firm written authority to make such trades;
- Advertising their services or those of the Firm without prior approval of the Firm;
- Raising money for charitable or political organizations without prior approval from the Firm;
- Becoming employed with another company or serving as a director of another company without prior approval from the Firm; and
- Giving gifts to clients or receiving gifts from clients without prior approval from the Chief Compliance Officer.

The Firm's Code of Ethics also contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information and the trading of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of the Firm's personnel (called "access persons") to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm's associated persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable

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impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no access person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the access person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by open-end mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more open-end mutual funds.

Clients and prospective clients may contact First Pacific Financial to request a copy of its Code of Ethics.

BROKERAGE PRACTICES

Item 12

Recommendation of Broker-Dealers for Client Transactions

First Pacific Financial generally recommends that clients utilize the custody, brokerage and clearing services of Schwab Advisor Services™ ("Schwab") or Performance Trust Capital Partners, LLC, for investment management accounts.

Factors which First Pacific Financial considers in recommending a *Schwab* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab* enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Schwab* may be higher or lower than those charged by other Financial Institutions.

The commissions paid by First Pacific Financial's clients to *Schwab* comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where First Pacific Financial determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. First Pacific Financial seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

In certain cases, First Pacific Financial has the discretionary authority to pick a non-related broker (other than a Client's current Custodian), to execute a fixed income trade. Each trade placed at a broker other than a Client's selected Custodian will cost the Client up to \$25.00, which is charged by the Custodian to settle the trade and will be assessed to the Client's account. This is in addition to any mark-up or markdown that is paid to the broker/dealer First Pacific Financial selects to buy or sell the security. Clients must qualify for prime brokerage to participate in these transactions. To qualify for prime brokerage transactions, Clients must maintain a minimum account value of \$100,000 or more and sign the appropriate prime brokerage paperwork with the Custodian. First Pacific Financial uses this discretionary authority to trade away from the Custodian when purchasing or selling fixed income securities only. This will not be used in all cases. Reasonable restrictions on this authority are imposed, as described above.

Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, the Client may be required to sign an additional agreement, and additional fees are likely to be charged.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist First Pacific Financial in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because First Pacific Financial does not have to produce or pay for the products or services.

First Pacific Financial periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

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Flourish Cash

First Pacific Financial has identified “Flourish Cash”, a service offered by Stone Ridge Securities LLC, a registered broker-dealer and FINRA member, as a potential alternative to money market and sweep accounts for some Clients. In many cases Flourish Cash offers higher yields and greater FDIC insurance than the average cash account. Please be aware that while First Pacific Financial can introduce Flourish Cash and co-brand with Flourish Cash, First Pacific Financial is not affiliated with Stone Ridge Securities LLC. First Pacific Financial will not provide any advisory or brokerage services for your Flourish Cash account. First Pacific Financial does not charge a management fee for this service or receive compensation from Flourish Cash or Stone Ridge Securities LLC.

Software and Support Provided by Financial Institutions

First Pacific Financial receives without cost from *Schwab* computer software and related systems support, which allow First Pacific Financial to better monitor client accounts maintained at *Schwab*. First Pacific Financial receives the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Custodian. The software and support is not provided in connection with securities transactions of clients. The software and related systems support may benefit First Pacific Financial, but not its clients directly. In fulfilling its duties to its clients, First Pacific Financial endeavors at all times to put the interests of its clients first. Clients should be aware, however, that First Pacific Financial's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services.

Specifically, First Pacific Financial may receive the following benefits from Custodian:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

Directed Brokerage

The client may direct First Pacific Financial in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to “batch” client transactions for execution through other Financial Institutions with orders for other accounts managed by First Pacific Financial (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, First Pacific Financial may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Trade Aggregation

Transactions for each client generally will be effected independently, unless First Pacific Financial decides to purchase or sell the same securities for several clients at approximately the same time. First Pacific Financial may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among First Pacific Financial's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which First Pacific Financial's Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. First Pacific Financial does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when such account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares will be reallocated to other accounts (this will be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations will be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions will be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares will be allocated to one or more accounts on a random basis.

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Brokerage for Client Referrals

First Pacific Financial does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

REVIEW OF ACCOUNTS

Item 13

Account Reviews

First Pacific Financial monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's Investment Committee with the support of other qualified staff. All investment advisory clients are encouraged to discuss their needs, goals and objectives with First Pacific Financial and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time to time or as otherwise requested, clients may also receive written or electronic reports from First Pacific Financial and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from First Pacific Financial or an outside service provider.

CLIENT REFERRALS AND OTHER COMPENSATION

Item 14

The Firm does not currently provide compensation to any third-party solicitors for client referrals.

CUSTODY

Item 15

Custody is disclosed in Form ADV because First Pacific Financial has authority to transfer money from client account(s), which constitutes a standing letter or authorization (SLOA). Accordingly, First Pacific Financial will follow the safeguards specified by the SEC rather than undergo an annual audit.

In addition, the Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize First Pacific Financial to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to First Pacific Financial. As discussed in Item 13, First Pacific Financial may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from First Pacific Financial.

INVESTMENT DISCRETION

Item 16

First Pacific Financial is often given the authority to exercise discretion on behalf of clients. First Pacific Financial is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. First Pacific Financial is given this authority through a power-of-attorney included in the agreement between First Pacific Financial and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). First Pacific Financial takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and

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- When transactions are made.

VOTING CLIENT SECURITIES

Item 17

First Pacific Financial generally does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

FINANCIAL INFORMATION

Item 18

First Pacific Financial is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- On April 16, 2020, First Pacific Financial received a Paycheck Protection Program ("PPP") loan from the U.S. Small Business Administration to support operations due to economic uncertainty resulting from the Coronavirus Disease 2019 ("COVID-19"). While the economic impact of COVID-19 on First Pacific Financial's ongoing operations have not impaired First Pacific Financials' ability to meet contractual commitments to clients, receipt of the PPP loan assisted to ensure that recently hired, non-advisory employees would not need to be furloughed. The proceeds of First Pacific Financial's PPP Loan are being used in accordance with forgiveness guidelines.
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.