

**Part 2A Appendix 1 of Form ADV: *Wrap Fee Program Brochure***

**Morris Financial Concepts, Inc.**

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**MFC Wrap Fee Program**

03/01/2016

This wrap fee program brochure provides information about the qualifications and business practices of Morris Financial Concepts, Inc. If you have any questions about the contents of this brochure, please contact us at 843-884-6192 or [tucker@mfcplanners.com](mailto:tucker@mfcplanners.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Morris Financial Concepts, Inc also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 114862.

## **Item 2     Material Changes**

This Wrap Fee Program Brochure, dated 03/01/2016, provides you with a summary of Morris Financial Concepts' advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following summarizes new disclosures of our Wrap Fee Program Brochure dated 03/01/2016:

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## **Item 4 Services Fees and Compensation**

### **SERVICES**

Morris Financial Concepts, Inc. is a SEC-registered investment adviser with our principal place of business located in South Carolina. Morris Financial Concepts began conducting business in 2016.

We sponsor the Morris Financial Concept Wrap Fee Program (the "Program"), a wrap fee program. A wrap fee program is an advisory program under which a specified fee or fees not based directly on transactions in the client's account is charged for advisory services, which may include portfolio management or advice concerning the selection of other investment advisers, and the execution of client transactions.

This Wrap Fee Program Brochure is limited to describing the services, fees, and other necessary information clients should consider prior to becoming a client within the Program. For a complete description of the other services and fees offered by our firm, clients should refer to our Form ADV Part 2: Firm Brochure.

You may obtain a copy of our Firm Brochure by contacting us using any of the following methods:

Telephone: 843-884-6192

Email: [info@mfcplanners.com](mailto:info@mfcplanners.com)

### **MODEL PORTFOLIO MANAGEMENT PROGRAM**

Through the Morris Financial Concept Wrap Fee Program program, clients are provided with portfolio management services using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

We manage these advisory accounts on a discretionary basis.

**Types of Securities:** As appropriate to the needs of the client, the following types of securities may be utilized in the client's portfolio:

<b><u>Equities</u></b>	<b><u>Fixed-Income</u></b>	<b><u>Mutual Funds</u></b>	<b><u>Other</u></b>
Listed/OTC	Corporate Bonds	No-load	
Preferred	U.S. Treasuries	Load-Waived	
ADRs	Mortgage-backed	Front-load	
Closed-end funds	Unit Trusts	Money Market	
REITs	Municipal Bonds		
ETFs	Certificates of Deposit		

Because some types of investments involve certain additional degrees of risk, they will only be implemented when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. send quarterly reports to each participating client that state the client's investment model and performance year to date;
2. at least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
3. be reasonably available to consult with the client; and
4. maintain client suitability information in each client's file.

## **Fees**

**How are Fees Charged?** Program fees are charged quarterly in advance. If management begins after the start of a month, Program fees will be prorated accordingly. When authorized by the client, fees will be debited from the account in accordance with the terms set forth in the Total Service Agreement ("TSA").

**What services are covered by the Program fees?** The Program fees pay for our firm's advisory services to clients, brokerage and custodial fees as well as administrative expenses of the Program.

Upon entering into a wrap fee account arrangement with Morris Financial Concepts, Clients can only choose to designate Schwab or Fidelity as their executing broker-dealer. Payments to the broker-dealer for its execution services will be accomplished via the wrap fee charges to the account. Clients should be aware that while we strive to maintain our fiduciary duty to clients at all times, there may be an incentive for us to trade less actively in client accounts because we assume the costs of executing transactions for all accounts within this program.

**What services are not covered by the Program fees?** The Program fees do not include expenses of mutual funds and electronically traded funds such as fund

management fees charged to each fund's investors.

**Other Fees and Expenses.** Clients may incur charges for other account services provided not directly related to the execution and clearing of transactions, including, but not limited to, IRA custodial fees, safekeeping fees, wire transfer fees, interest charges on margin loans, exchange fees, and fees for transfers of securities.

**Additional Information about Program fees.** Under the Program, the participant receives investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified Program Fee. Clients are cautioned that depending on the level of fees charged by the executing broker-dealer, and the amount of portfolio activity in the clients' account, the value of the services provided under this Program may exceed the total cost of such services had they been provided separately. In addition, the Program Fee may be higher or lower than that charged by other sponsors of comparable wrap fee programs. In addition, a disparity in wrap fees may exist between the wrap fees charged to other clients.

## **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to Morris Financial Concepts for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Exchange-Traded Funds.*** Shares of ETFs held in client accounts are bought and sold on an exchange and not, like mutual funds, directly from the fund itself. The price of ETF shares fluctuates in accordance with changes in the net asset value (NAV) per share, as well as in response to market supply and demand. Accordingly, ETF shares may trade at a price which differs from NAV per share of the ETF.

***Grandfathering of Minimum Account Requirements:*** Pre-existing advisory clients are subject to Morris Financial Concepts' minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our

firm's minimum account requirements will differ among clients.

**ERISA Accounts:** Morris Financial Concepts is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Morris Financial Concepts may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Morris Financial Concepts' advisory fees.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

## **Item 5 Account Requirements and Types of Clients**

### **MINIMUM PROGRAM REQUIREMENTS – TAMMY PLEASE REVIEW CAREFULLY!**

Participation in this program is subject to certain minimum requirements.

To participate in this program one must have a “Total Service Agreement” (“TSA”) with Morris Financial Concepts, Inc. AND pay a minimum of \$8,500 per year in fees OR have a TSA with Morris Financial Concepts, Inc. AND be a member of a Family Billing account that pays a minimum fee of \$8,500 per year.

### **TYPES OF CLIENTS**

Morris Financial Concepts provides advisory services in the Morris Financial Concept Wrap Fee Program Program, where appropriate, to:

- Individuals
- High net worth individuals
- Pension and profit sharing plans (but not the plan participants)
- Trusts
- Estates
- Corporations
- Partnerships



## **Item 6 Portfolio Manager Selection and Evaluation**

### **PORTFOLIO MANAGER SELECTION**

As previously disclosed, all participating clients' assets are managed by advisory personnel of our firm. These individuals must possess, minimally, a college degree and/or appropriate business experience and all required licenses. Please refer to Item 4 for detailed disclosures regarding the portfolio management services we provide to program clients.

### **PORTFOLIO MANAGER PERFORMANCE**

Neither Morris Financial Concepts, Inc. nor any third party reviews portfolio manager performance information and that portfolio manager performance may not be calculated on a uniform or consistent basis between managers.

### **PORTFOLIO PERFORMANCE**

Portfolio performance is reviewed on a quarterly basis by all portfolio managers and compared against a model benchmark. Any outliers are identified and investigated.

### **METHODS OF ANALYSIS AND INVESTMENT STRATEGY**

Investing in securities involves risk of loss that clients should be prepared to bear.

Morris Financial Concepts, Inc. primarily uses mutual funds and Exchange Traded Funds that invest in traditional asset classes (stocks, bonds, and money markets) to build diversified client portfolios. Historical long-term returns of these asset classes are used as approximations for future long-term expected returns.

The primary material risk in MFC's strategy is that historical relationships do not hold in future periods. Past performance does not guarantee future results, but it provides a guide to develop a strategy that is in the client's best interest. The primary material risk in MFC's analysis is in choosing investment companies (mutual funds or ETFs) to represent diverse asset class exposure. In an attempt to mitigate this risk, MFC considers only reputable investment firms and conducts internal due diligence using third party analysts. MFC does not only recommend one type of security or asset class.

## **Item 7    Client Information Provided to Portfolio Managers**

Individuals affiliated with our firm are responsible for developing an initial financial profile of the prospective client. Prior to opening an account, we assist in determining a participant's profile for the Program by obtaining from the participant appropriate information (i.e., investment objectives, risk tolerance, time horizon, and any reasonable restrictions the client wishes to impose upon the management of the account). Initial investment strategy is jointly determined based on an assessment of the information provided by the client.

While we provide the client with periodic reminders, it remains the client's responsibility to advise us of any changes to the information previously provided that might impact the ongoing suitability of any prior determined investment strategy(ies) and/or objectives. We will promptly communicate any reported changes to the client's portfolio manager.

Morris Financial Concepts' client relationship manager will directly contact each wrap fee program client at least annually to setup a meeting with the firm's investment advisor representatives. During this meeting, the investment advisors will verify that there has been no change in the client's financial circumstances and/or investment objectives, and determine whether the client wishes to impose any reasonable restrictions on the management of the account(s). Any such changes or requests are communicated in writing to the client's portfolio manager, who is responsible for implementing appropriate adjustments to the client's portfolio.

## **Item 8    Client Contact With Portfolio Managers**

The client's account representative is available to discuss the management and performance of the client's account and changes in the client's situation which may have an impact on the management of the client's account.

## **Item 9 Additional Information**

### **Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

### **Other Financial Industry Activities and Affiliations**

Clients should be aware that the receipt of additional compensation by Morris Financial Concepts and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Morris Financial Concepts endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

### **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Morris Financial Concepts and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific

provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Morris Financial Concepts' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [tucker@mfcplanners.com](mailto:tucker@mfcplanners.com), or by calling us at 843-884-6192.

Morris Financial Concepts and individuals associated with our firm are prohibited from engaging in principal transactions.

Morris Financial Concepts and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

## **Review of Accounts**

Morris Financial Concepts reviews client accounts no less often than quarterly. More frequent reviews may be triggered in the event of changes in management style or fund closures. Account reviews are conducted by the Chief Investment Officer, and other supervised persons on our Investment Operations team.

At least annually, we meet with the client (either in person or over the phone) to review and update, as necessary, the client's investment profile. However, should there be any material change in the client's personal and/or financial situation, we should be notified immediately to determine whether any review and/or revision of the client's investment profile is warranted.

All clients receive account statements from their custodian on at least a quarterly basis. Additionally, we provide clients with periodic performance measurement summary reports, usually on a quarterly basis.

#### **Client Referrals and Other Compensation - Financial Information**

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Morris Financial Concepts has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Morris Financial Concepts has not been the subject of a bankruptcy petition at any time during the past ten years.