

Item 1 –Cover Page

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This brochure provides information about the qualifications and business practices of Philip O. Johnson & Company, Ltd. d/b/a Johnson Financial Advisors. If you have any questions about the contents of this brochure, please contact Philip O. Johnson at 602-242-4000. 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.

Additional information about Johnson Financial Advisors is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for our name Johnson Financial Advisors or our firm CRD number **104621**.

*Registration as an investment advisor does not imply a certain level of skill or training.

Item 2 – Material Changes

Since our last annual amendment was filed in February 2023, changes have been made throughout this brochure including to item 4, among others. Stylistic changes have been made to most if not all Items.

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Item 4 – Advisory Business

Philip O. Johnson & Company, Ltd., doing business as “Johnson Financial Advisors” (“JFA”, “we”, or “us”) is a corporation formed under the laws of the State of Arizona. Philip O. Johnson is the principal owner of JFA. JFA has been incorporated since 1981 and is registered as an investment advisor with the U.S. Securities and Exchange Commission.

General Description of Primary Advisory Services

Following are brief descriptions of our primary services. More detailed descriptions of our advisory services are provided in *Item 5 – Fees and Compensation*.

Financial Planning Services—JFA specializes in providing comprehensive advisory services, especially for pre-retirees and retirees. Financial planning includes assisting individuals or families identify and develop their long-term financial goals. This begins by analyzing information about their current financial situation. A financial plan is then developed which may include cash flow reports, tax projections, net worth statements, risk review, investment goals, as well as retirement planning and projections.

Although JFA does not provide legal or tax advice, we will also review our client’s trust and legal documents to make sure assets are titled properly and that their estate will be distributed according to their wishes. As needed, we will coordinate our efforts with other specialists (such as our client’s tax preparer, accountant, or estate planning attorney) to make sure that the client’s financial affairs are in order.

Wrap-Fee Management Services—We provide advisory services through wrap-fee programs offered by Securities America Inc. (“SAI”), a registered broker-dealer, and Securities America Advisors (“SAA”), a registered investment advisor, which program and services are described in SAA’s disclosures, brochures, and brochure supplements. These management services can be described as acting on the client’s behalf with regard to acquisition, retention, management, and disposition of assets that the client places in their account with JFA. Asset management services may include placing orders for effecting transactions in the account, all designed to help the client achieve their financial goals. Wrap-fee management services are provided on a discretionary basis, that is, without seeking client consent for each transaction.

Asset Management Services—We provide advisory services in the form of asset management services for variable annuities and brokerage accounts not included in the wrap-fee program. JFA manages these accounts on a discretionary basis, the same way it manages the wrap-fee program listed above.

Advisory Services Tailored to Individual Needs of Clients

Our services are always provided based on the individual needs of each client. This means, for example, that our clients are given the ability to impose restrictions on the accounts we manage for them, including specific investment selections and sectors. We believe that, for most investors, it is appropriate to allocate their investment portfolio to various market sectors, as opposed to attempting to pick individual stocks or time the market; this is known as an “asset allocation” strategy. See Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information on JFA’s investment strategies. Asset allocations may include exchange-listed securities, corporate debt securities (other than commercial paper), municipal securities, U.S. government securities, mutual fund shares, exchange traded funds, and other assets. We work with each client on a one-on-one basis through interviews and questionnaires to determine the client’s investment objectives and suitability information.

Client Assets Managed by JFA

JFA provides oversight to approximately \$191,100,000 of investment assets as of December 31, 2023. These assets are as follows: Approximately \$186,100,000 is under direct management by JFA and managed on a discretionary basis and approximately \$5,000,000 is under direct management by JFA and managed on a non-discretionary basis.

Item 5 – Fees and Compensation

In addition to the information provided in *Item 4 – Advisory Business*, this section provides details regarding our firm's advisory services along with descriptions of each service's fees and compensation arrangements. The fees charged may be higher or lower than the cost of similar services offered through other registered investment advisors. At no time will fees of more than \$1,200 be charged more than six months in advance. The fees charged for our advisory services depend on the type of services we provide: (1) financial planning services; (2) wrap-fee management services; and (3) asset management services. Because the amount of compensation JFA receives varies based upon the type of services a client uses, JFA has a financial incentive to recommend one supervisory services program over another. This represents a conflict of interest. It is JFA's policy to help clients determine which program will be the most cost-effective for them given their investment style, holdings, and goals.

Financial Planning Fees

Clients who retain us to provide them with financial planning services are charged a flat-fee, which is negotiable, and is agreed upon prior to financial planning services being performed. During an initial financial planning consultation, JFA quotes a fee in writing for development of a financial plan. This fee ranges from a minimum of \$800 to a maximum of \$7,000. This fixed fee is based upon the nature and complexity of the financial planning services to be provided, as well as the estimated number of hours to complete the requested services. Fees to annually review and update that financial plan are quoted in advance.

Financial planning fees are due at the time the client signs a contract for services. Clients may terminate their agreement in writing, without penalty, within five days of executing the agreement. If JFA fails to provide the financial plan within 60 days, or when otherwise agreed, JFA will refund the financial planning fees.

Wrap-Fee Program

JFA generally recommends that its clients enroll in a wrap-fee program offered through Securities America Advisors, Inc. ("SAA"). This program is referred to as:

- **WMP Wealth Management Platform;**

The annual management fee charged for this program will be negotiated with each client, with 2.25% being the maximum annual management fee. SAA retains up to 20 basis points (0.20%) of the annual management fee for these accounts. Fees are charged monthly. Upon termination of a wrap-fee account, any pre-paid, unearned management fees will be calculated and promptly refunded based upon the number of days remaining in the month after the termination date.

New clients wishing to use the asset management services of JFA should have minimum investable assets of \$250,000, although JFA can, and occasionally does, waive this minimum threshold.

JFA sometimes advises clients to invest through third party money managers. Under these circumstances JFA usually receives a portion of the advisory fees paid by the client to the third-party money manager. The amount of compensation we receive for recommending one third-party money manager over another money manager varies. Therefore, JFA has a conflict of interest, because under these circumstances JFA has a financial incentive to recommend one money manager over another. However, money managers' portfolios are selected and recommended based on each individual client's needs, goals and objectives.

No guarantees can be made that the client's financial goals or objectives will be achieved by a third-party money manager (investment advisor or sub-advisor) recommended by us. Further, no guarantees of performance can ever be offered by us.

JFA may invest a portion of the client's assets in mutual funds, exchange traded funds (ETFs) or variable annuities and charge an asset management fee on the assets invested in these securities. Therefore, clients invested in these assets will pay two levels of fees for management of their assets: one directly to us and one indirectly to the managers of the mutual funds, ETFs or variable annuities held in the client's portfolios.

Under wrap-fee programs, some brokerage transactions are included in the price of the management fee. Transactions processed by SAI generally will be cleared through National Financial Services LLC ("NFS") pursuant to a clearing arrangement established by SAI and NFS. SAA has also entered into agreements with various insurance companies that allow for the management and valuation of client variable annuity accounts within SAA's WMP. If a client is enrolled in a wrap-fee program, JFA recommends that all trades be processed by SAI. The cost of the wrap-fee program may be more or less than paying for management and transactions separately, as in a "traditional" fee program, discussed below. Clients should consider whether a wrap-fee program is the right choice for them.

A complete description of SAA's wrap-fee programs and related fees, charges, and termination procedures, including fees or expenses not included in the wrap fee, is provided in SAA's wrap-fee brochures, which are appendices to SAA's Form ADV Part 2A Disclosure Brochure. The appropriate documents will be given to all clients prior to or at the time a wrap-fee program account is established.

Asset Management Fees

The majority of JFA's client accounts are in Wrap-Fee programs (described above). A few accounts (such as variable annuities not managed under SAA's WMP program) are charged a fee based on a set percentage of the assets they place under our management. These clients will incur additional fees associated with transactions in the account, as discussed more fully below. This fee structure is sometimes called a "traditional" management fee structure. The management fee charged is negotiable, with the 2.25% being the maximum fee.

All fees for this service are billed quarterly, in advance. The quarterly fee is based on the total value of the investments being monitored on the last business day of the previous calendar quarter and the quarterly fee is considered due the first business day of the quarter. Fees for less than a full calendar quarter will be prorated.

Advisory fees will be refunded in full if the client cancels the asset management or wrap-fee management services agreement within five business days. Thereafter, the client may terminate the relationship at any time; in which case any pre-paid unearned management fees will be calculated and refunded based on the number of days remaining in the billing cycle after the termination date.

Clients using asset management services incur brokerage and other transaction costs such as custodian fees or mutual fund expenses. Any such fees will be disclosed to the client on the monthly brokerage statements received by the client from the custodian.

Additional Compensation

If clients choose to implement JFA's recommendations, then our personnel will receive commissions from the purchase or sale of securities, insurance, or annuities in their separate capacities as registered representatives of SAI and/or an insurance agent. This presents a conflict of interest in that it gives JFA's

personnel an incentive to recommend investment products based on the compensation received, rather than based on a client's needs. JFA's policy is to put the client's interest ahead of the interest of its personnel.

For some clients, depending on their goals, our associated persons recommend investments in mutual fund products. Load and no-load mutual funds pay annual distribution charges sometimes referred to as 12b-1 fees to the broker representative who sells them. If SAI receives any 12b-1 fees on advisory accounts, those fees are immediately reimbursed back to the client account. JFA does not receive any 12b-1 fees on advisory accounts.

If you have a brokerage account that is not associated with an advisory account at JFA, then it is not an account with JFA notwithstanding that one of our associated persons is identified as the SAI representative for that brokerage account, in their separate capacities as representatives of SAI. These accounts are SAI accounts and are governed by the brokerage firm's agreements and disclosures, and not JFA's agreements or disclosures. Any additional compensation these accounts generate to the registered representatives will be disclosed by the brokerage firm and its forms.

Item 6 – Performance-Based Fees and Side-By-Side Management

JFA does not charge or accept performance-based fees.

Item 7 – Types of Clients

JFA generally provides investment advice to the following types of clients:

- Individuals
- High-Net Worth Individuals
- Trusts, estates, or charitable organizations

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

JFA has different minimum investment amounts generally required depending on the type of advisory services a client requests; minimum account sizes are provided in Item 5 under the descriptions of the various advisory-service programs and their related fees.

Methods of Analysis

JFA uses a variety of methods for analyzing assets and formulating investment advice including the following:

Cyclical. Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins.

Fundamental. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is about using real data to evaluate a security's value.

Technical. A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Investment Strategies

JFA generally uses long-term investment strategies when managing client assets and/or providing investment advice. To this end, our recommended investment time frames are generally three to five years. However, changes within the portfolio will be made as needed. Diversification is recommended to help reduce risk.

Risk of Loss

Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Past performance is not indicative of future results. Therefore, clients should never assume that future performance of any specific investment or investment strategy will be profitable. Further, different types of investments carry varying degrees of risk. Clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Some of the material risks associated with our investment strategies are:

- Market Risk. Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This risk effects most publically traded assets, like corporate bonds, municipal bonds, mutual fund shares, and other assets. This is also referred to as systemic risk.
- Equity (stock) Market Risk. Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If clients held common stock, or common stock equivalents, of any given issuer, they would generally be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- ETF and Mutual Fund Risk. When investing in an ETF or mutual fund, clients will bear additional expenses based on their pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Management Risk. Clients' investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Risk of Default. When investing in annuities, life insurance products, commercial paper, debt instruments (bonds), or equities (stocks) there is a risk that the companies or entities issuing or selling those assets will go into default or otherwise not pay as required. While diversification may reduce this risk, it cannot be fully eliminated.

Item 9 – Disciplinary Information

There are no disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Brokerage Activities

Phil Johnson, President of JFA, and Marcus Johnson, Vice-President, are engaged in professions other than giving investment advice. They sell securities and insurance products to clients for commissions.

Phil Johnson is a Registered Principal and Marcus Johnson is a Registered Representative with Securities America, Inc. ("SAI"), a full-service broker-dealer based in Omaha, Nebraska, member FINRA/SIPC. Through SAI, Phil and Marcus Johnson deal primarily with mutual funds and variable annuities. They are permitted to also transact business in listed or OTC stocks cleared by SAI pursuant to a clearing arrangement established with NFS. When placing securities transactions through SAI in this capacity, they earn sales commissions in non-advisory accounts. (See Item 5 – Fees and Compensation)

Insurance Sales

Phil Johnson and Marcus Johnson are licensed to sell annuities and life and health insurance with various companies for commissions. These insurance products are independent of the other services they provide and represent only 1% of their professional time and compensation. Because Phil Johnson and Marcus Johnson receive commissions for those sales, they have a financial incentive to recommend such transactions, which constitutes a conflict of interest.

Third-Party Advisors

As described in *Item 4 – Advisory Business* and *Item 5 – Fees and Compensation*, JFA has formed relationships with independent, third-party money managers that it sometimes recommends to clients. When we refer clients to a third-party money manager, we receive a portion of the management fee charged by the third-party money manager. Therefore, we have a conflict of interest in that we will only recommend third-party money managers that agree to compensate JFA by paying us a portion of the management fees.

Other Affiliations

JFA has no other affiliations or material relationships with related persons.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Summary

JFA has a Code of Ethics that enforces policies designed to avoid the misuse of material nonpublic information. We (or our personnel) buy or sell securities or have an interest or position in a security for our personal accounts that we also recommend to clients. As these situations represent a conflict of interest, it is our policy that no advisory representative shall prefer his own interest to that of the advisory client. Supervised persons may not trade ahead of any client or trade in a way that would cause the supervised person to obtain a better price than the price a client would obtain. All associated persons and employees are required to disclose all holdings and trading activities, which are reviewed on a regular basis by the principal of the firm. A copy of our Code of Ethics is available to current clients upon request.

Privacy Policy Statement

We are committed to safeguarding the confidential information of our clients. We hold all personal information provided to us in the strictest confidence. These records include all personal information that we collect from our clients or receive from other firms in connection with any of the financial services we provide. We also require other firms that we deal with to restrict the use of client information. Our Privacy Policy will be delivered to a client when our advisory services are engaged and can also be requested by our clients at any time.

Item 12 – Brokerage Practices

Best Execution

All client transactions are effected through Securities America in Phil Johnson's and Marcus Johnson's separate capacities as registered principal and representative of SAI. SAI has a wide range of approved securities products for which SAI performs due diligence prior to selection. Our advisor representatives are required to adhere to these products when implementing securities transactions through SAI. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker-dealer.

Although JFA does not allow the use of other custodians or broker-dealers, it must still use reasonable diligence to make certain that best execution is obtained for clients when implementing any transactions. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, JFA must make a reasonable determination that the conditions surrounding the transaction execution are in the best interests of clients.

JFA exercises reasonable due diligence to make certain that best execution is obtained for all clients when implementing any client transaction by considering the back-office services, technology and pricing of services offered. JFA performs periodic reviews to determine that the relationship with SAI and NFS is still in the best interests of JFA's clients.

Not all advisors require clients to use a particular brokerage firm. By directing brokerage to SAI, JFA may not be able to achieve the most favorable execution of client transactions which may cost clients money.

Soft Dollar

JFA has not entered into any soft dollar agreements with any broker-dealer.

Referral Relationships

JFA has established relationships with investment advisors not affiliated with JFA, through which JFA considers advising clients to use other investment advisors' management programs. When acting in this capacity, JFA receives a portion of the advisory fee paid by the client to the other investment advisors.

JFA advises clients to invest through SAA, a registered investment advisor firm through SAA's Managed Opportunities' wrap-fee program. SAA works with Envestnet, a registered investment advisor, and other sub-advisors when managing client assets. We do not recommend other advisors to clients unless the other advisors are registered, or exempt from registration, as investment advisors in that client's state of residence. In addition, SAA shares advisory fees with each other and with other sub-advisors providing services to the client.

Representatives of JFA are annually invited to attend educational conferences offered by Securities America Advisors at no (or at a reduced) cost to the representative. This represents a conflict of interest in that JFA has an incentive to maintain a relationship with SAA.

Block Trading Policy

Transactions implemented by JFA for client accounts are effected independently. However, under circumstances disclosed by SAI it combines multiple clients' orders into a single order for execution. This process is referred to as "aggregating" orders. Clients should review their brokerage agreement with SAI

and its public disclosures for more information regarding how, and under what circumstances, SAI aggregates orders and how it allocates the purchase or sale of aggregated orders.

Item 13 – Review of Accounts

Account Reviews and Reviewers

Account assets managed on a discretionary basis are monitored periodically by the President or Vice President of JFA, no less than quarterly.

Financial planning clients who do not have accounts monitored by JFA are encouraged to have their financial plans updated by JFA annually, or whenever a significant change in the client's financial or personal circumstances occurs.

Statements and Reports

JFA provides statements to wrap-fee or asset management clients at least quarterly. Clients will receive statements at least quarterly from the investment company, broker-dealer or clearing firm at which their account is maintained. Asset management clients will also receive a quarterly consolidated investment monitoring account summary from JFA.

JFA urges clients to compare statements received from JFA with those statements received directly from the custodian. Client should direct inquiries or concerns regarding their account reports or statements, including performance reports, to JFA or to the account custodian.

Clients investing through a wrap-fee program offered by SAA have additional access to their account statements on SAA's website, as disclosed in SAA's disclosure brochures, which are available from SAA.

Item 14 – Client Referrals and Other Compensation

JFA does not directly or indirectly compensate any person for client referrals.

Item 15 – Custody

The custody of all client funds and securities will be maintained by NFS, insurance companies, or other qualified custodians. At no time will JFA act as custodian of clients' accounts or have direct access to the client's funds and/or securities.

Clients will receive account statements from the qualified custodian(s) of their assets. We strongly encourage clients to compare account statements from JFA with those from their custodian(s) and report any potential discrepancies to us, or the custodian(s) promptly.

Under clients' account agreements they direct SAI to calculate the advisory fees due to JFA and deliver fee deduction instructions to the account custodian. In the event that the custodian does not deduct fees from a client's account, JFA will send the client an invoice itemizing JFA's advisory fee quarterly or monthly as per the account agreement.

Item 16 – Investment Discretion

Clients generally grant JFA discretionary authority in writing in their advisory agreement. Upon receiving written authorization from the client, JFA will manage the client's assets on a discretionary basis through the asset management services, wrap-fee management services, or outside money managers services described more fully above, in Item 4.

Clients may place reasonable limitations on the discretionary power granted to our firm so long as the limitations are specifically set forth in, or included as an attachment to, the advisory agreement. Clients may, for example, place reasonable restrictions on the types of investments that may be purchased in their account.

However, clients participating in SAA's wrap-fee programs should review the applicable wrap-fee brochure for a description of the discretionary authority required for that program. If a client wishes to restrict discretionary authority beyond what the specified wrap-fee program allows, the client should discuss his or her options with JFA.

Item 17 – Voting Client Securities

JFA and its associated persons will not vote proxies on behalf of clients. Clients are instructed to read through the information provided with the proxy document and make a determination based on the information provided. Clients will be solely responsible for all proxy voting decisions.

Item 18 – Financial Information

JFA does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.