



## Form ADV Part 2 – Disclosure Brochure

Effective: May 2020

This Brochure provides information about the qualifications and business practices of Searcy Financial Services, Inc. (“Searcy”). If you have any questions about the contents of this Brochure, please contact us at 913.814.3800.

Searcy is a registered investment adviser registered with the United States Securities and Exchange Commission (“SEC”). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an Investment Adviser does not imply any specific level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Searcy and its advisory persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2 - Material Changes

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On July 28, 2010, the U.S. Securities and Exchange Commission voted unanimously to adopt amendments to Part 2 of Form ADV and related rules under the Investment Advisers Act of 1940 (the "Advisers Act"). The amendments are designed to require a registered investment adviser to provide Clients with a clearly written and meaningful disclosure, in plain English, about the adviser's business practices, conflicts of interest and advisory personnel. The new Form ADV 2 is divided into two parts, *Part 2A* and *Part 2B*.

*Part 2A* of the new Form (the "Firm Brochure") provides information about a variety of topics relating to an adviser's business practices and conflicts of interest. *Part 2B* of the new Form (the "Brochure Supplement") requires an adviser to provide information about certain advisory personnel.

Searcy believes that communication and transparency are the foundation of our relationship and continually strive to provide you with complete and accurate information at all times. We encourage all current and prospective investors to read this Firm Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Annual Update Filing

Since our last annual filing on 03/06/2020, we have the following material changes to report:

- On April 14, 2020 our firm received a Paycheck Protection Program ("PPP") Loan through the SBA in conjunction with the relief afforded from the CARES Act. The firm used the PPP for qualifying payroll, rent and utilities expenses and the firm did not suffer any interruption of service. Our staff have all been retained and continue to work hard to serve the needs of our clients. These loans are eligible for forgiveness, but forgiveness is based on factors such as being used for payroll and overhead of the firm. For more information please refer to Item 18 of our Brochure.

### Future Changes

From time to time, we may amend this Firm Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Firm Brochure or this summary of Material Changes shall be provided to each Client annually or if a material change is made.

At any time, you may view the current Firm Brochure on-line at the SEC's Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>.

To review the firm information for Searcy, click **Investment Adviser Search** in the left navigation menu, select the option for Investment Adviser Firm and enter **105807** (*our firm's CRD number*) in the field labeled "Firm IARD/CRD Number:" This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions.

You may also request a copy of this Firm Brochure at any time, by contacting us at 913.814.3800.

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## Item 4 - Advisory Services

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### A. Firm Information

Searcy Financial Services, Inc. ("Searcy") is a registered investment adviser with the U.S. Securities and Exchange Commission ("SEC"), which is organized as a corporation in the State of Kansas. Searcy has been serving advisory clients since its formation in 1976.

### B. Advisory Services Offered

Searcy provides integrated wealth management including financial planning and investment management services. Details of these services are contained in this Disclosure Brochure.

#### Financial Planning Services

Searcy provides integrated financial planning and consulting services. A financial plan may include a review of a Client's net worth (including assets and liabilities), objectives, risk tolerance, risk capacity, cash flow and expenses, income tax analysis, review and analysis of fringe benefits, retirement forecast and probability analysis, educational funding analysis, estate planning analysis and risk management review. Searcy's approach to providing this service starts with gathering the Client's current financial and subjective information. Searcy assesses the Client's goals, objectives, time horizon, and risk tolerance to compare where the Client is today in relation to the attainment of their stated goals. An integrated financial plan thereafter is prepared to discuss the Client's situation, along with various alternatives for consideration. Throughout the planning processes, the Client will receive education about the alternatives recommended, as applicable.

In performing its services, Searcy requires that the Client provide complete and accurate information and Searcy will not be obligated to verify any information received from the Client or from the Client's other professionals. If requested by the Client, Searcy may recommend the services of other professionals for purposes of implementing the plan. The Client is under no obligation to engage the services of any such recommended professional. The Client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation from Searcy. Moreover, Clients are advised that it remains their responsibility to promptly notify Searcy if there is ever any change in their financial situation.

#### Investment Management Services

Searcy provides continuous, active management of Client investment portfolios. Searcy has developed a client service model that includes discovery, implementation and monitoring components.

- *Client Discovery* - Entering into an advisory agreement with Searcy will begin a process of Client discovery. Searcy seeks to uncover a Client's investment objectives, their tolerance and capacity for risk, as well as other issues. Searcy will also collect information concerning the Client's financial status, and assets, among other things.
- *Portfolio Design and Implementation* - Upon completion of this investment profile information, Searcy will implement an investment plan for the Client and select an investment portfolio. Searcy will typically invest Client assets into its risk-based portfolio models. These models, depending on a variety of factors, will consist of exchange-traded funds, stocks, individual bond positions, and/or mutual funds.
- *Investment Monitoring and Maintenance* - Searcy will continuously monitor investment portfolios to ensure that the portfolio meets the guidelines set forth in the investment policy statement agreed upon by the Client. Further, Searcy monitors each Client portfolio in order to ensure they are invested in accordance with Searcy's firm-wide investment guidance and economic outlook.

It is the Client's responsibility to notify Searcy promptly of any change to the information provided by the Client, including any change to any investment objectives, risk tolerance, investment time horizon, and any investment

policies, guidelines or reasonable restrictions. Searcy will honor Client restrictions unless those restrictions impair Searcy's ability to manage Client assets.

Accounts are typically managed on a discretionary basis. Searcy may offer non-discretionary services as well. For more on Searcy's discretionary authority, please see Item 16 below.

**Prior to rendering investment management services, Searcy will ascertain, in conjunction with the Client, the Client's financial situation, risk tolerance, and investment objective(s).**

#### Retirement Plan Consulting

Searcy will work with business Clients to develop, design and implement a retirement savings plan for its employees. Searcy provides objective financial advice to plan sponsors and senior management regarding issues involving benefit plan options, wealth accumulation strategies for employees and participant education. Searcy will evaluate a sponsor's current plan and recommend changes and/or implementation solutions, if necessary. Searcy may also provide consulting regarding new plans for companies that have not previously offered retirement plan benefits.

### **C. Client Account Management**

Searcy offers several service levels. Clients may select a service model which suits their needs and budget. Each service level requires both financial planning and investment management. Clients may engage Searcy for planning only, however, an investment management agreement must always be accompanied by a planning agreement.

#### Platinum Service Level – Financial Planning and Consulting

The Platinum service level is intended to be all-inclusive in nature. The fee covers a detailed Personal Financial Plan, ongoing consultation for any matter that may arise, and quarterly review meetings. Each quarter will typically focus on a portion of the financial plan with the intent to review and update the entire plan as needed over the course of each year. The retainer fee allows for ongoing and as-needed consultation pertaining to the financial plan or any other matter affecting the Client's personal finances.

At the Platinum level service, the services that are not included in the planning retainer are as follows: fiduciary assessments and consulting, small business/practice consulting, and divorce planning. This list is subject to change as new service offerings are added. These additional planning services are offered on an hourly and/or per project basis. There is a 24-month initial engagement agreement for this level of service with an automatic calendar quarter renewal thereafter.

#### Platinum Service Level – Investment Management

The Platinum service level is intended to be all inclusive. Searcy Financial Services, Inc. will review and charge a fee for all investments regardless of where they are held and who manages them.

#### Gold Service Level – Financial Planning and Consulting

The Gold service level is intended to cover the basic components of a Personal Financial Plan, a meeting to discuss vision and goals, prioritize goals, and gather data, a meeting to review the Personal Financial Plan, and semi-annual update meetings thereafter. The following services are included at the Gold service level:

- Getting to know you and data collection meeting
- Identification of personal and financial goals
- Assist Client in preparing net worth statement and cash flow (budget) statement
- Retirement (financial freedom) planning (*updated every 3 years*)
- Education planning (*updated every 3 years, if applicable*)
- Investment planning and portfolio design
- Risk management (insurance review)
- Estate planning review

For all services that are not listed as included services, the standard hourly fee applies. Examples may include: additional meetings, special projects or research, gathering data for and/or meetings with other advisers, multiple year financial projections or balance sheet, cash flow and tax forecasts along with written financial statement footnotes. There is a 12-month initial engagement agreement for this level of service with an automatic calendar quarter renewal thereafter.

#### Gold Service Level – Investment Management

This annual fee shall be prorated and paid quarterly, in advance, based upon the market value of the Assets on the last business day of the previous quarter. Assets such as employer sponsored retirement plans or 529 plan accounts may be held with various custodians, which may or may not be directly under Searcy Financial's management. At the Gold service level, Searcy Financial will review and charge a fee for all such investments listed on the Investment Policy Statement, and corresponding Addenda, regardless of where they are held.

#### Silver Service Level – Financial Planning and Consulting Services

The Silver service level is a la carte service for Clients who require little planning. However, some basic planning is necessary for all Clients of Searcy Financial Services, Inc. At minimum, Clients utilizing the Silver level service agree to the following:

- Getting to know you and data collection meeting (one-time)
- Identification of personal and financial goals
- Assist Client in preparing net worth statement and cash flow (budget) statement
- One retirement (financial freedom) analysis
- Investment planning and portfolio design
- Meeting to review initial plan and periodic updates are required in subsequent years
- A mandatory review/update meeting once per year

This annual fee shall be prorated and paid quarterly, in advance. If engagement is terminated, the portion of the \$1,500 minimum annual fee not yet paid will still be due. The minimum planning fee includes 5 hours of service: meeting preparation, meeting and meeting follow up and related services. The hours do not rollover into a new year, so we encourage clients to utilize those hours by meeting with us annually. Any time accrued over and above those 5 hours is subject to billing at our hourly rate. There is a 12-month initial engagement agreement for this level of service with an automatic calendar quarter renewal thereafter.

#### Silver Service Level – Investment Management

This annual fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter.

### **D. Wrap Fee Programs**

Searcy does not place Client assets into a wrap fee program. For Clients in which an Independent Manager performs investment management services, Searcy provides account supervision, asset allocation and Client account management.

### **E. Assets Under Management**

As of December 2019, the most recent date for which such calculations are available, Searcy manages the following assets:

Discretionary Assets	\$268,675,461
Non-Discretionary Assets	\$2,968,048
<b>Total</b>	<b>\$271,643,509</b>

## Item 5 - Fees and Compensation

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The following paragraphs detail the fee structure and compensation methodology for investment management and financial planning services. Each Client shall sign an Investment Management Agreement and Financial Planning Agreement that details the responsibilities of Searcy and the Client.

### A. Fees for Advisory Services

#### Planning and Consulting Services

Searcy's fee for planning and consulting services varies based on the service level selected by the Client. Typically, fees are a fixed dollar amount. The fee may include the preparation and presentation of a financial plan, as described in the Client Agreement, as appropriate. A Client may elect to move between service levels once the initial term of the current service level has been met.

At the Adviser's discretion, and with signed agreement of both parties, Searcy may waive the minimum initial term for existing Clients moving between levels of service.

Financial Planning and Consulting service levels are based on the following schedule.

Service Level	Components	Annual Fee
Platinum	All	\$10,000
Gold	Core	\$5,000
Silver	A la carte	\$1,500 (plus \$300/hr for >5 hrs)

#### Investment Management Services

Searcy's fee for planning and consulting services varies based on the service level selected by the Client. Fees may also vary according to the amount of assets managed by Searcy. Typically, fees are a fixed percentage of the assets under management. This fee includes all investment recommendations and portfolio implementation, unless the Client contract states otherwise. Investment Management Fees will generally adhere to the following schedule.

Service Level	Assets	Annual Fee
Platinum	All	0.60%, with a \$15,000 minimum
Gold	Under \$3,000,000	0.75%, with a \$5,000 minimum
Gold	Over \$3,000,000	\$22,500 + 0.50% x the portfolio balance in excess of \$3,000,000
Silver	Under \$1,000,000	1.00% with a \$5,000 minimum
Silver	\$1,000,000 to \$2,000,000	\$10,000 + .75% x the portfolio balance in excess of \$1,000,000
Silver	Over \$2,000,000	\$17,500 + .50% x the portfolio balance in excess of \$2,000,000

Searcy advisory fees may be negotiated at the sole discretion of Searcy. All securities held in a portfolio managed by Searcy will be independently valued by the Custodian. Searcy will not have the authority or responsibility to value portfolio securities.

Certain legacy Clients may pay fees on a substantially different scale than other Clients. These long-term legacy Clients have the option of continuing under their old fee program or engaging Searcy under a new program. Under no circumstances will Clients acquired in year 2009 and after, be offered the former fee schedule.



## **B. Fee Billing**

### Planning and Consulting Services

The annual planning fee shall be prorated and paid monthly or quarterly, in advance. The Platinum service level requires a 24-month initial engagement period. The Gold and Silver service levels carry a 12-month initial engagement period. All agreements renew every quarter after the initial period.

The initial planning fee for each service level will be due at the time signed engagement agreements are received and will be for one full quarter of the annual minimum planning fee even if future billing will be done on a monthly basis. Subsequent to receiving the signed engagement agreement, a prorated invoice will be sent to the client in order to convert the billing to a calendar quarter cycle to streamline the billing process.

Hourly Clients are presented with an estimate of hours to complete a project. Half the fee is due upon engagement, with the balance due according to the Client Agreement. Clients will receive an invoice for services.

### Investment Management Services

Fees are a fixed percentage of assets under management, based upon account value on the last day of the prior quarter. Fees for investment management services vary depending on the level of service selected and the amount of assets to be managed. Clients are invoiced quarterly, in advance, for advisory services. For new client relationship accounts opened during the quarter, fees will be prorated from the date of the client engagement to the end of the quarter, in arrears, and for the full upcoming quarter, in advance, based on the value of the assets under management with Searcy at the end of the quarter.

Investment management fees will be automatically deducted from the Client account[s] by the Custodian when possible. Searcy shall send a quarterly invoice to the Custodian indicating the amount of the fees to be deducted from the Client Account. The amount due is calculated by applying the annual rate in the table above to the total assets under management with Searcy at the end of each quarter. Each billing will be for a single quarter, paid in advance of the quarter. Clients will receive independent statements from the Custodian no less frequently than quarterly. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility.

Any fees not able to be deducted from the Client account(s) by the Custodian will be billed by invoice sent directly to the client and are due and payable upon receipt. Payments may be by check, ACH or credit card.

Certain retirement plans may be billed quarterly, in arrears, based upon an average daily account value for the period due to recordkeeping platform limitations. In such instances, the engagement agreement will spell out the billing arrangement, whether in advance or in arrears, and whether based on the account value as of quarter-end or an average daily balance of the plan's assets.

## **C. Other Fees and Expenses**

TD Ameritrade, Inc. ("TD Ameritrade"), does not charge transaction fees for U.S. listed equities and exchange traded funds.

Clients may incur certain fees or charges imposed by third parties, other than Searcy, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the Custodian and executing broker-dealer. The Investment Management Fee charged by Searcy is separate and distinct from these Custodian and execution fees. In addition, all fees paid to Searcy for Investment Management Services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. The Client should review the fees charged by the fund(s), their custodian and Searcy to fully understand the total fees to be paid.



#### **D. Advance Payment of Fees and Termination**

As noted above, Searcy is generally compensated for its services in advance of each quarter for investment management services to be provided. Clients may request to terminate their Investment Management Agreement with Searcy, in whole or in part, by providing written notice at least 30 days prior to the end of the current quarter. The Client shall be responsible for Investment Management Fees up to and including the effective date of termination, which is determined to be the final day of the quarter in which the client provided notice, assuming notice was received, and we confirmed receipt of notice, at least 30 days prior to the end of the quarter. At Searcy's discretion, we may agree to terminate with less than 30 days notice prior to quarter end assuming the assets do not remain under our management past the end of the quarter. The Client's Investment Management Agreement with Searcy is non-transferable without Client's written approval.

#### **E. Compensation for Sales of Securities**

Searcy does not receive commissions or any compensation for securities transactions in any Client account.

### **Item 6 - Performance-Based Fees**

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Searcy does not charge performance-based fees for its investment advisory services. The fees charged by Searcy are as described in Item 5 - Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

Searcy does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options for its Clients.

### **Item 7 - Types of Clients**

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Searcy may provide services to a variety of Client types. Clients may include:

- Individuals, High Net Worth Individuals, Personal Trusts and Estates - Private investors, investing personal assets
- Retirement Plans - Generally organized as a trust, investing the pooled assets of plan participants
- Corporations - Taxable entities organized for a specific business purpose, investing cash reserves
- Foundations and Not-for-Profit Entities - Private foundations and grant-making public charities
- Other Financial Service Firms - Typically other investment advisers for whom Searcy provides operational support

The relative percentage each Client type currently represents is available on Searcy's Form ADV Part 1. The actual mix of types of Clients changes over time based upon market conditions, business plans and other factors. Searcy does not specialize in, or actively seek, any given Client type. Searcy is committed to providing services to qualified investors, regardless of legal or corporate status.

Searcy provides customized services to meet the unique needs of each Client. Additional details are contained in Item 4 - Advisory Services.

## Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

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### A. Methods of Analysis

#### Determine Client's Risk Tolerance

Upon execution of an engagement agreement, Searcy may hold several data gathering meetings with the Client to determine their goals and their risk tolerance. The Client's time horizon and liquidity needs are an imperative part of deciding a Client's risk level. Once a conclusion has been reached, an asset allocation is applied to the Client's portfolio; i.e. conservative, moderate, moderately aggressive or aggressive.

#### Portfolio Design

Searcy believes in a diversified portfolio and spreads risk across various sectors, countries and market capitalizations; i.e. large cap, mid-cap, small cap, international, emerging markets, commodities (oil, precious metals, energy, agriculture, industrial metals), real estate, healthcare, energy, financials, etc.

Searcy primarily utilizes fundamental and cyclical analysis methods in developing investment strategies for its Clients. Searcy obtains research and information from numerous sources, including financial media companies, the custodian, various investment managers, prospectuses, shareholder reports, press releases and other available information. Searcy reviews economic trends, industry data and/or information regarding specific investments in constructing and managing portfolios. The Adviser also utilizes information obtained from regulatory releases, the Internet, and information provided at conferences in developing its strategies.

Searcy generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Searcy will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. Other factors may also affect the length of time that a position is held (i.e., volatility, change in management, unfavorable news, opportunity costs). At times, Searcy may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class and/or changing macroeconomic conditions.

### B. Investment Strategies

**Exchange Traded Funds ("ETFs"):** An ETF is a type of Investment Company (usually, an open-end fund or unit investment trust) whose primary objective is to achieve the same return as a particular market index. The vast majority of ETFs are designed to track an index, so their performance is close to that of an index mutual fund, but they are not exact duplicates. A tracking error, or the difference between the returns of a fund and the returns of the index, can arise due to differences in composition, management fees, expenses, and handling of dividends. ETFs benefit from continuous pricing; they can be bought and sold on a stock exchange throughout the trading day. Because ETFs trade like stocks, you can place orders just like with individual stocks - such as limit orders, good-until-canceled orders, stop loss orders etc. They can also be sold short. Traditional mutual funds are bought and redeemed based on their net asset values ("NAV") at the end of the day. ETFs are bought and sold at the market prices on the exchanges, which resemble the underlying NAV but are independent of it. However, arbitrageurs will ensure that ETF prices are kept very close to the NAV of the underlying securities. Although an investor can buy as few as one share of an ETF, most buy in board lots. Anything bought in less than a board lot will increase the cost to the investor. Anyone can buy any ETF no matter where in the world it trades. This provides a benefit over mutual funds, which generally can only be bought in the country in which they are registered.

One of the main features of ETFs are their low annual fees, especially when compared to traditional mutual funds. The passive nature of index investing, reduced marketing, and distribution and accounting expenses all contribute to the lower fees. However, individual investors must pay a brokerage commission to purchase and sell ETF shares; for those investors who trade frequently, this can significantly increase the cost of investing in

ETFs. That said, with the advent of low-cost brokerage fees, small or frequent purchases of ETFs are becoming more cost efficient.

**Equity Securities:** Equity securities represent an ownership position in a company. Equity securities typically consist of common stocks. The prices of equity securities fluctuate based on, among other things, events specific to their issuers and market, economic and other conditions. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices. There may be little trading in the secondary market for particular equity securities, which may adversely affect our firm's ability to value accurately or dispose of such equity securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of equity securities. Investing in smaller companies may pose additional risks as it is often more difficult to value or dispose of small company stocks, more difficult to obtain information about smaller companies, and the prices of their stocks may be more volatile than stocks of larger, more established companies. Clients should have a long-term perspective and, for example, be able to tolerate potentially sharp declines in value.

**Mutual Funds:** A mutual fund is a company that pools money from many investors and invests that money in a variety of differing security types based on the objectives of the fund. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares are the fund's per share net asset value ("NAV") plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads). Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades. With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or your investment adviser. Investors can also monitor how a stock's price changes from hour to hour – or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which is calculated daily after market close.

The benefits of investing through mutual funds include: (a) Mutual funds are professionally managed by an investment adviser who researches, selects, and monitors the performance of the securities purchased by the fund; (b) Mutual funds typically have the benefit of diversification, which is an investing strategy that generally sums up as "Don't put all your eggs in one basket." Spreading investments across a wide range of companies and industry sectors can help lower the risk if a company or sector fails. Some investors find it easier to achieve diversification through ownership of mutual funds rather than through ownership of individual stocks or bonds; (c) Some mutual funds accommodate investors who do not have a lot of money to invest by setting relatively low dollar amounts for initial purchases, subsequent monthly purchases, or both; and (d) At any time, mutual fund investors can readily redeem their shares at the current NAV, less any fees and charges assessed on redemption.

Mutual funds also have features that some investors might view as disadvantages: (a) Investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs. Depending on the timing of their investment, investors may also have to pay taxes on any capital gains distributions they receive. This includes instances where the fund performed poorly after purchasing shares; (b) Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades; and (c) With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or your investment adviser. Investors can also monitor how a stock's price changes from hour to hour – or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which the fund might not calculate until many hours after the investor placed the order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

When investors buy and hold an individual stock or bond, the investor must pay income tax each year on the dividends or interest the investor receives. However, the investor will not have to pay any capital gains tax until the investor actually sells and makes a profit. Mutual funds, however, are different. When an investor buys and holds mutual fund shares, the investor will owe income tax on any ordinary dividends in the year the investor receives or reinvests them. Moreover, in addition to owing taxes on any personal capital gains when the investor sells shares, the investor may have to pay taxes each year on the fund's capital gains. That is because the law requires mutual funds to distribute capital gains to shareholders if they sell securities for a profit, and cannot use losses to offset these gains.

### **C. Risk of Loss**

**Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Searcy will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.**

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Adviser shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Adviser of any changes in financial condition, goals or other factors that may affect this analysis.

Searcy primarily employs investment strategies that do not involve any significant or unusual risk other than domestic and international equity and fixed income market risks. The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. Please remember that different types of investments involve varying degrees of risk, including the possible loss of principal and that past performance may not be indicative of future results. Therefore, it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies undertaken by Searcy) will be profitable.

#### Margin Agreements

We regularly establish non-qualified accounts with the ability to utilize margin. We do this as a courtesy to Clients, allowing them another option for dealing with unforeseen circumstances and short-term loan situations that would otherwise require an immediate partial liquidation of an investment account.

It is not our intent to utilize margin as a leveraging mechanism in an attempt to increase portfolio returns. However, there may be instances where utilizing margin may make sense from a planning perspective. In instances where margin is utilized as an intentional portfolio management strategy, we will notify Clients in writing.

#### Alternative Investments

Searcy provides advice to certain accredited investors relative to prospective investments in private investment limited partnerships, or other similar entities, such as hedge funds, funds of hedge funds, private equity funds and venture capital funds. These funds are offered in accordance with Regulation D of the Securities Act of 1933. Investment in these types of investments is limited to certain accredited investor Clients.

Alternative investment due diligence is similar to mutual fund due diligence, outlined above. However, given the relatively unregulated nature of these investments, additional emphasis is placed on operational aspects to ensure the independent oversight of the fund being analyzed.

As noted above, Searcy generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Searcy will typically hold all or a portion of a security for more than a year, but for adjustments made for purposes of rebalancing the portfolio. At times, Searcy may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class and/or changing macroeconomic conditions.

**Searcy attempts to minimize risk and generally does not recommend investing in initial public offerings (IPO's), options, futures, warrants, derivatives, master limited partnerships, exchange traded notes (ETN's), hedge funds or funds of hedge funds, viatical agreements, life settlements, life settlement-backed securities (death bonds), senior settlements, private placements, unregistered securities, promissory notes, or any transaction involving real property, tangible property or tangible personal property.**

## Item 9 - Disciplinary Information

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Searcy and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any adviser or service provider in which you partner. Background information is available on the Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>.

To review the firm information for Searcy, click **Investment Adviser Search** in the left navigation menu, select the option for Investment Adviser Firm and enter **105807** (*Searcy's CRD number*) in the field labeled "Firm IARD/CRD Number:". This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions.

**There are no legal, regulatory or disciplinary events involving Searcy or any of its employees.**

## Item 10 - Other Financial Activities and Affiliations

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Searcy owns a subsidiary adviser called Allos Investment Advisors, LLC ("Allos"). Allos is also a registered investment adviser with the U.S. Securities and Exchange Commission. Searcy provides portfolio management and operational support to Allos and its Clients. Some advisory staff of Searcy may serve advisory and/or management roles at Allos.

To review information on Allos, you may also visit the Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>. Enter **155541** (*Allos's CRD number*) in the field labeled "Firm IARD/CRD Number:". This will provide access to Form ADV Parts 1 and 2 for Allos.

Certain advisory persons and/or Searcy are licensed insurance agents. Advisory Persons and/ or Searcy do not offer insurance products to clients. Insurance licenses are maintained in order to stay abreast of the insurance markets and be able to provide knowledgeable advice as it relates to our ability to offer integrated financial planning and consulting services.

Mr. Searcy serves as a member of the external Certification Review Committee for fi360. The committee is comprised of 5-7 credential holders who hear appeals from candidates for the AIF®, AIFA® and PPC™ designations whose applications have been denied, hear appeals from current designees who may be in noncompliance and review complaints brought forth against candidates. Mr. Searcy is reimbursed for reasonable travel expenses related to this activity. This activity consumes less than 10% of Mr. Searcy's time and Mr. Searcy is not compensated for this activity.



## Item 11 - Code of Ethics, Participation in Client Transactions & Personal Trading

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### A. Code of Ethics

Searcy recognizes that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client.

At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, Searcy has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Searcy has a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. Searcy requires all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. All related persons of Searcy are required to report violations of the code of ethics to the chief compliance officer. Searcy and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients.

Our firm provides investment advice to assets affected by the Department of Labor ("DOL") Fiduciary Rule for a level fee. As such, we abide by the Impartial Conduct Standards as defined by the DOL. To comply with these standards, our firm and our advisors give advice that is in our clients' best interest, charge no more than reasonable compensation (within the meaning of ERISA Section 408(b)(2) and Internal Revenue Code Section 4975(d)(2), and make no misleading statements about investment transactions, compensation, conflicts of interest, and any other matters related to investment decisions.

As a level-fee fiduciary, we maintain a non-variable compensation structure that is provided on the basis of a fixed percentage of the value of assets or a set fee that does not vary with the particular investment recommended, as opposed to a commission or other transaction based fee.

Searcy has written its Code of Ethics to meet and exceed regulatory standards. To request a copy of our Code of Ethics, please contact us at (913) 814-3800.

### B. Material Interests

Neither Searcy nor any related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest.

As a fee-only registered investment adviser ("RIA"), Searcy does not have a broker-dealer relationship and has no incentive to sell securities products of any kind to its Clients.

### **C. Personal Trading**

Related persons of Searcy may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

### **D. Conflicts of Interest**

Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts will be block traded along with client accounts, and if they are not included in a block trade, our related persons will always trade personal accounts last.

## **Item 12 - Brokerage Practices**

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### **A. Recommendation of Custodian[s]**

Searcy does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services. The Client will select the broker-dealer or custodian (herein the "Custodian") to safeguard Client assets and authorize Searcy to direct trades to this Custodian as agreed in the Investment Management Agreement. Further, Searcy does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where Searcy does not exercise discretion over the selection of the Custodian, it may recommend the custodian[s] to Clients for execution and/or custodial services. Clients are not obligated to use the Custodian recommended by Searcy. Searcy will not charge any additional fees for using a Custodian not recommended by Searcy. However, there may be additional fees or costs charged by the Custodian. Searcy may recommend a Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and location of the Custodian's offices.

Searcy participates in the TD Ameritrade Institutional program and typically recommends to Clients that they establish their brokerage account[s] at TD Ameritrade Institutional ("TD Ameritrade"). TD Ameritrade is a division of TD Ameritrade, Inc., member FINRA/SIPC/NFA. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment Advisers services, which include custody of securities, trade execution, clearance and settlement of transactions. Searcy receives some benefits from TD Ameritrade through its participation in the program. Searcy considers a number of factors in selecting and/or recommending brokers and custodians for its Clients' accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided. Searcy is not affiliated with, or related to, TD Ameritrade. It is important to note that TD Ameritrade eliminated transaction fees for U.S. listed equities and exchange traded funds.

Although not a material consideration when determining whether to recommend that a Client utilize the services of a particular broker-dealer/custodian, Searcy may receive, without cost (and/or at a discount) support services and/or products, certain of which assist Searcy to better monitor and service Client accounts maintained at such institutions. Included within the support services that may be obtained by Searcy may be investment-related research, pricing information and market data, software and other technology that provide access to Client account data, compliance and/or practice management-related publications, discounted or gratis consulting



services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Searcy in furtherance of its business operations.

As indicated above, certain of the support services and/or products that may be received may assist Searcy in managing and administering Client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

As part of its fiduciary duties to clients, Searcy endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefit by Searcy or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Searcy's choice of TD Ameritrade for custody and brokerage services. Searcy's Clients do not pay more for investment transactions effected and/or assets maintained at TD Ameritrade as result of this arrangement. There is no corresponding commitment made by Searcy to TD Ameritrade or any other entity to invest any specific amount or percentage of Client assets in any specific mutual funds, ETFs, securities or other investment products as result of the above arrangement.

- 1) **Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an adviser enters into an agreement to place security trades with the broker in exchange for research and other services. Searcy does not participate in soft dollar programs sponsored or offered by any broker-dealer. However, in an effort to keep our clients informed as to the services we offer and the various financial products we utilize, our employees may attend conferences or events subsidized by product providers. These events/trips are educational in nature, and are not dependent upon the use of any specific products. While a conflict of interest may exist given that these events/trips are at least partially funded by product sponsors, we will always adhere to our fiduciary duties in selecting appropriate investments for our clients.
- 2) **Brokerage Referrals** - Searcy does not receive any compensation from TD Ameritrade or any other entity in connection with the recommendation for establishing a brokerage account.
- 3) **Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where Searcy will place trades within the established account[s] at the Custodian designated by the Client. Further all Client accounts are traded within their respective brokerage account[s]. The Adviser will not engage in any principal transactions (i.e., trade of any security from or to the Adviser's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the Custodian, Searcy will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated Custodian.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Searcy will execute its transactions through an unaffiliated broker-dealer selected by the Client. Searcy may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

## Item 13 - Review of Accounts

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### A. Frequency of Reviews

Accounts are monitored on an ongoing basis by Searcy for adherence to investment strategy and Client Objective[s]. Investment management and supervision over the securities contained in the Client's portfolio are performed on an ongoing basis by Searcy and/or the Independent Manager[s], as applicable.

### B. Causes for Reviews

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify Searcy if changes occur in his/her personal financial situation that might adversely affect his/her investment plan.

Additional reviews may be triggered by material market, economic or political events.

### C. Review Reports

The Client will receive brokerage statements no less than quarterly from the Trustee or Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s].

## Item 14 - Client Referrals and Other Compensation

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### A. Compensation Received by Searcy

Searcy does not receive securities commissions or other compensation from product sponsors, broker dealers or any un-related third party in connection with investment management services provided to Clients.

As disclosed under Item 12, Searcy participates in TD Ameritrade's institutional customer program and Searcy may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Searcy's participation in the program and the investment advice given to its Clients, although Searcy receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations, research related products and tools, consulting services, access to a trading desk serving Searcy's Client accounts, access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts), the ability to have advisory fees deducted directly from Client accounts, access to an electronic communications network for Client order entry and accounts, discounts on compliance, marketing, research, technology, and practice management products or services provided to Searcy by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Searcy's related persons. Some of the products and professional services made available by TD Ameritrade may benefit Searcy but not directly benefit the client. These products or services may assist Searcy in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available are intended to help Searcy manage and further develop its

business enterprise. The benefits received through participation in the program do not depend on the amount or type of brokerage transactions directed to TD Ameritrade.

## **B. Client Referrals from Solicitors**

If a Client is introduced to Searcy by either an unaffiliated party or by an employee of Allos, Searcy may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the investment management fees earned by Searcy, and shall not result in any additional charge to the Client. If the Client is introduced to Searcy by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship. If Searcy subsequently contacts or is contacted by the prospective Client, Searcy shall provide each prospective Client with a copy of Searcy' Form ADV 2 (the written disclosure statement also known as the "Brochure") and a copy of the solicitor's written disclosure document and a statement to the Client disclosing the terms of the solicitation arrangement between Searcy and the solicitor, including the compensation to be received by the solicitor from Searcy.

## **Item 15 - Custody**

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Representatives of our firm have client account login credentials to Client self-directed retirement accounts, the ability to disburse funds to colleges from 529 plan accounts, and access to certain client banking information for ACH or credit card billing. As such, our firm is deemed to have custody. The client funds and securities of which our firm has custody over are verified by surprise examination at least once during each calendar year by an independent public accountant ("IPA") registered with the Public Company Accounting Oversight Board ("PCAOB"), at a time that is chosen by the accountant without prior notice or announcement to our firm and that is irregular from year to year. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with the account custodian:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## **Item 16 - Investment Discretion**

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Searcy generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Searcy. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Management Agreement containing all applicable limitations to such authority. All discretionary trades made by Searcy will be in accordance with each Client's investment objectives and goals.

## Item 17 - Voting Client Securities

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Searcy does not accept proxy voting responsibility for any Client. Therefore, although Searcy may provide investment advisory services relative to Client investment assets, Searcy Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Client's investment assets. Searcy and/or the Client shall correspondingly instruct the Custodian of the assets to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets.

## Item 18 - Financial Information

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Neither Searcy, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise.

On April 14, 2020 our firm received a Paycheck Protection Program ("PPP") Loan through the SBA in conjunction with the relief afforded from the CARES Act. Our firm has previously withstood dramatic drops in revenue in part by cutting headcount, reducing salaries, and/or freezing salaries. In the event of a prolonged contraction in the market and the economy during the COVID-19 pandemic, we didn't want to find ourselves in a similar position. PPP is intended to assist our firm with maintaining our business in response to the COVID-19 pandemic by providing low-interest loans for business essentials such as payroll. The firm used the PPP for qualifying payroll, rent and utilities expenses and the firm did not suffer any interruption of service. Our staff have all been retained and continue to work hard to serve the needs of our clients. These loans are eligible for forgiveness, but forgiveness is based on factors such as being used for payroll and overhead of the firm.

Searcy is not required to deliver a balance sheet along with this brochure as the firm does not collect advance fees for services to be performed six months or more in advance. Searcy charges fees for only the immediate quarter for which it will provide services. Please see Item 5 - Fees and Compensation for additional information.