

**Part 2A of Form ADV: *Firm Brochure***

**Morris Capital Advisors, LLC**

15 Chester Commons  
Malvern, Pennsylvania 19355

Telephone: 610-722-0900  
Email: [dmorris@morriscapitaladvisors.com](mailto:dmorris@morriscapitaladvisors.com)

Web Address:  
[www.morriscapitaladvisors.com](http://www.morriscapitaladvisors.com)

3/16/2018

This brochure provides information about the qualifications and business practices of Morris Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 610-722-0900 or [dmorris@morriscapitaladvisors.com](mailto:dmorris@morriscapitaladvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Morris Capital Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 105890.

## **Item 2      Material Changes**

This item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision (s) based on the nature of the updated information.

### **Item 3      Table of Contents**

Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	7
Item 6	Performance-Based Fees and Side-By-Side Management	11
Item 7	Types of Clients	11
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	11
Item 9	Disciplinary Information	14
Item 10	Other Financial Industry Activities and Affiliations	14
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	15
Item 12	Brokerage Practices	17
Item 13	Review of Accounts	21
Item 14	Client Referrals and Other Compensation	22
Item 15	Custody	23
Item 16	Investment Discretion	23
Item 17	Voting Client Securities	24
Item 18	Financial Information	25

## **Item 4      Advisory Business**

Morris Capital Advisors, LLC is a SEC-registered investment adviser with its principal place of business located in Pennsylvania. The Firm was initially incorporated and began conducting business as Morris Capital Advisors, Inc. in 1994 and was converted to a limited liability company as Morris Capital Advisors, LLC in 2005.

Listed below are the firm's principal shareholders (i.e. those individuals and/or entities controlling 25% or more of this company).

- Daniel Anthony Morris, Portfolio Manager

Morris Capital Advisers engages clients through wrap fee programs, or by direct contract with Single Managed Accounts (“ SMAs”). Morris Capital Advisers also provides discretionary asset management service to a US Registered Investment Company, Manor Investment Funds. Morris Capital Advisers provides both discretionary and non-discretionary portfolio management utilizing firm generated investment allocation models for all clients. These models are also used by our non-discretionary clients to implement their investment strategies.

Our firm provides discretionary portfolio management services to our wrap fee clients, Mutual Funds and SMA portfolios using several distinct investment strategies, and model asset allocation portfolios that are designed to mirror the SMA portfolio strategies. Each of these portfolios and the Mutual Funds that mirror them are designed to meet a particular investment goal.

Morris Capital Advisors, LLC offers the following advisory services to our clients:

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we document the specific investment strategy that the client selects, or we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage the ISS accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum

capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities

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

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

1. on a quarterly basis request that each client provide us any information regarding changes in their financial situation and investment objectives;
2. provide each client an opportunity to discuss whether there have been any changes in any client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
3. be available to consult with the client; and
4. maintain client suitability information in each client's file.

## **MODEL PORTFOLIO MANAGEMENT**

Our firm also provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to invest in a specific asset category using a defined investment style to mirror the investment strategies offered to clients in individual investment accounts.

**The Large-Cap Core** model portfolio invests in large capitalization stocks using a blend of conservative value and growth investment strategies.

**The Large-Cap Growth** model portfolio invests in large capitalization stocks using a conservative growth investment strategy.

**The Small-Cap Growth** model portfolio invests in small capitalization stocks using a conservative growth investment strategy.

**The Equity Income** model portfolio invests in large and small capitalization stocks using a focused income investment strategy.

**The Diversified Income** model portfolio invests in mutual funds, ETF's, REIT's, and MLP's using an income diversification investment strategy.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the stated objectives of the model portfolio investment strategy (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

These model portfolio management services are offered through unaffiliated brokerage or advisor-based investment platforms under separate contract in which Morris Capital Advisers participates.

Unaffiliated Investment Consultants and Financial Advisors use these platforms to offer the model portfolios provided by Morris Capital Advisers and other investment managers to their clients. These consultants and advisors tailor the selection of the model portfolios through personal discussions with the client in which the client's goals and objectives are established. The consultant or advisor determines if the model portfolio is suitable to the client's circumstances, and once they determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account at the individual account level. Clients retain individual ownership of all securities.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter

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

## **MUTUAL FUND PORTFOLIO MANAGEMENT**

Morris Capital Advisors, LLC also provides the same investment services via its portfolio allocation models, to Manor Investment Funds (the "Mutual Funds"), a series of mutual funds registered under the Investment Company Act of 1940.

Morris Capital Advisors, LLC serves as the investment manager to the Mutual Fund, and continuously manages the fund assets based on the investment goals and objectives as outlined in the Mutual Fund's prospectus.

Interested investors should refer to the Mutual Fund's prospectus and Statement of Additional Information ("SAI") for important information regarding objectives, investments, time-horizon, risks, fees, and additional disclosures. These documents are available on-line at [www.manorfunds.com](http://www.manorfunds.com) or [www.morriscapitaladvisors.com](http://www.morriscapitaladvisors.com).

Prior to making any investment in the funds, investors and prospective investors should carefully review these documents for a comprehensive understanding of the terms and conditions applicable for investment in the Mutual Funds.

## **AMOUNT OF MANAGED ASSETS**

As of 12/31/2017, we were actively managing \$164,652,941 of clients' assets on a discretionary basis plus \$68,878,543 of clients' assets on a non-discretionary basis.

### **Item 5 Fees and Compensation**

#### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES**

The annualized fee for Investment Supervisory Services is typically charged as a percentage of assets under management, according to the following schedule:

For portfolios invested in individual equity securities:

1.250% annually on assets up to \$250,000

1.125% annually on assets from \$250,000 to \$500,000

1.000% annually on assets over \$500,000.

For portfolios invested in the Diversified Income Strategy of mutual funds, ETF's, REIT's, and MLP's:

0.25% annually on assets under management.

For portfolios invested in individual bonds, or mutual funds:  
0.625% annually on assets under management.

A minimum of \$150,000 of assets under management is required for this service, with a lower minimum of \$50,000 for the Diversified Income Strategy. This account size may be negotiable under certain circumstances. Morris Capital Advisors, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

***Limited Negotiability of Advisory Fees:*** Although Morris Capital Advisors, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

## **MODEL PORTFOLIO MANAGEMENT FEES**

Our annual fees for Model Portfolio Management Services are based upon a percentage of assets under management and generally range from 0.25% to 0.75%, contingent upon the model portfolio strategy and the offering investment platform.

Individual clients are invoiced in arrears at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter. Fees on accounts managed for periods of less than a full quarter will be prorated based on the actual number of days managed.

***Limited Negotiability of Advisory Fees:*** Although Morris Capital Advisors, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, and reporting, among other factors. The specific

annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

## **MUTUAL FUND PORTFOLIO MANAGEMENT FEES**

Morris Capital Advisors, LLC charges an asset-based fee for this service. The fee arrangement, termination, and refund policies are described in the Mutual Fund's prospectus and Statement of Additional Information ("SAI").

Portfolio management clients of our firm who also invest in mutual funds offered through Manor Investment Funds, Inc. will pay only those fees charged to investors by the Mutual Fund, i.e., the value of the client's investment in the Mutual Fund is excluded from our quarterly portfolio management fee calculation.

## **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination, fees on accounts managed for periods of less than a full quarter will be prorated based on the actual number of days managed, and any prepaid, unearned fees will be promptly refunded.

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

***Wrap Fee Programs and Separately Managed Account Fees:*** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may

include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services.

Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

We will review with clients any separate program fees that may be charged to clients.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

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

Therefore, our firm's minimum account requirements will differ among clients.

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

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

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

## **Item 6 Performance-Based Fees and Side-By-Side Management**

Morris Capital Advisors, LLC does not charge performance-based fees.

## **Item 7 Types of Clients**

Morris Capital Advisors, LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Investment companies(including mutual funds)
- Pension and profit sharing plans(other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above
- State or municipal government entities
- Other

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along

with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Quantitative Analysis.** We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

**Qualitative Analysis.** We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk is using qualitative analysis is that our subjective judgment may prove incorrect.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or

less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

***Risk of Loss.*** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

***Risks Related to Regulation.*** Laws and regulations affecting our business change from time to time, and we are currently operating in an environment of significant regulatory reform, both in the U.S. and globally. We cannot predict the effects, if any, of future legal and regulatory changes on our business or the services we provide.

***Risks Related to Technology and Cyber Security.*** We and our clients depend heavily on telecommunication, information technology and other operational systems, whether ours or those of others (such as custodians, financial intermediaries, transfer agents and other parties to which we or they outsource the provision of services or business operations). These systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond our or their control. Further, despite implementation of a variety of risk management and security measures, our information technology and other systems, and those of others, could be subject to physical or electronic break-ins, unauthorized tampering or other security breaches, resulting in a failure to maintain the security, availability, integrity and confidentiality of data assets. Technology failures or cyber security breaches, whether deliberate or unintentional, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our clients and could result in, among other things, financial loss, reputational damage, regulatory penalties or the inability to transact business.

***Reliance on Key Management Personnel -*** The success of the investment strategies of Morris Capital Advisors, LLC will depend, in substantial part, upon the skill and expertise of Daniel Anthony Morris. The death, disability or departure of Mr. Morris may adversely affect our business and performance.

***Credit Risk.*** Credit risk could impact the value of specific stock or bond investments, or an entire industry sector, if investors become concerned about the ability of creditors to continue debt service on an ongoing basis. Credit risk is the chance that the issuer of a bond will default on its promise to pay interest and or principal at maturity. Credit ratings are an attempt to assess this risk.

Generally, the lower a bond's credit rating the higher the interest the bond must pay to attract investors and compensate them for taking additional risk.

***Inflation Risk.*** Inflation is the impact of rising prices over time. It has the effect of reducing the future value of financial assets due to decreased purchasing power. For an investor to be better off, such investor's portfolio must increase in value

faster than the rate of inflation. Inflation, and investors' expectation of future inflation, also effects the current value of portfolio investments. If investors expect inflation to rise in the future they will demand a higher return to compensate for the increase. This will force the price of fixed income securities lower, raising yields.

The increase in yields will increase the financing costs for companies, thereby reducing earnings. The reduction in earnings could then lead to lower stock prices.

***Interest Rate Risk.*** If interest rates increase the value of portfolio investments could decline as the market adjusts to the reduced demand for stock and long term bond investments. The potential for fluctuations in bond prices is primarily due to changes in interest rates. Bonds with longer maturities have greater interest rate risk than bonds of shorter maturities.

***Market Risk.*** In the event of a general market decline, the value of the Funds could decline even if the manager has moved to a defensive position. The values of investments may change, and possibly decrease, perhaps severely, in response to fluctuations in the stock market generally.

## **Item 9          Disciplinary Information**

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

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

## **Item 10        Other Financial Industry Activities and Affiliations**

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

### ***Mutual Fund:***

Morris Capital Advisors, LLC previously disclosed in "Advisory Business" (Item 4) and "Fees and Compensation" (Item 5) of this brochure that our firm is the investment adviser to Manor Investment Fund, an investment company registered under the Investment Company Act of 1940. We are related to the Mutual Fund through common control. Please refer to these items for a detailed explanation of this relationship and important conflict of interest disclosures.

For additional information, the Fund Prospectus and Statement of Additional Information are available on-line at: [www.manorfunds.com](http://www.manorfunds.com) or

www.morriscapitaladvisors.com. Prospective investors should review these documents carefully before making any investment in the Mutual Fund.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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

Morris Capital Advisors, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

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

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

### **Gift & Entertainment Policy**

Our employees may occasionally give or receive gifts, meals or entertainment of moderate value, subject to compliance with applicable laws and regulations and rules of self-regulatory organizations. Morris Capital Advisors has adopted a policy to address the conflicts of interest related to gifts and entertainment, such as the appearance of having given or received something of value that influenced our business decisions or the business decisions of our clients. The policy requires the reporting and preclearance of gifts, meals and entertainment given or received which exceed certain thresholds. In addition, our employees are prohibited from soliciting the receipt of gifts, meals or entertainment. Senior management periodically reviews summaries of gifts and entertainment activity to detect trends of abuse, conflicts of interest, or possible violations of the policy

A copy of our Code of Ethics is available to our advisory clients and prospective clients. To request a copy send an email to [dmorris@morriscapitaladvisors.com](mailto:dmorris@morriscapitaladvisors.com), or call us at 610-722-0900.

As previously disclosed in this brochure, Morris Capital Advisors, LLC is the investment adviser to an affiliated mutual fund. Please refer to "Advisory Business" (Item 4) and "Fees and Compensation" (Item 5) for a detailed explanation of this relationship and important conflict of interest disclosure.

In addition, access persons of our firm are required to report all personal securities transactions conducted in our affiliated mutual fund(s).

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

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In

addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

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

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases using a random fill allocation, with each account paying the average price. Our employee accounts will be included in the random fill allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information

- received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
  4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
  5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
  6. We have established procedures for the maintenance of all required books and records.
  7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
  8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
  9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
  10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
  11. Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12 Brokerage Practices**

Morris Capital Advisors, LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Morris Capital Advisors, LLC will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Morris Capital Advisors, LLC will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Morris Capital Advisors, LLC's block trading policy and procedures are as follows:

1. Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Morris Capital Advisors, LLC, or our firm's order allocation policy.
2. The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
3. The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Morris Capital Advisors, LLC to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
4. Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
5. If the order 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 either pro rata among the participating client accounts in accordance with the initial order ticket, by random fill, or by other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
6. Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
7. If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
8. Morris Capital Advisors, LLC's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

9. Funds and securities for aggregated orders are clearly identified on Morris Capital Advisors, LLC's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
10. No client or account will be favored over another.

Morris Capital Advisors, LLC may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Morris Capital Advisors, LLC is independently owned and operated and not affiliated with Schwab.

Schwab provides Morris Capital Advisors, LLC with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit Morris Capital Advisors, LLC but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;

- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, record keeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Morris Capital Advisors, LLC. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel.

In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Morris Capital Advisors, LLC has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like Morris Capital Advisors, LLC in conducting business and in serving the best interests of our clients but that may also benefit us.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables Morris Capital Advisors, LLC to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent

research companies, as selected by Morris Capital Advisors, LLC (within specified parameters). Morris Capital Advisors, LLC does not currently use these research and brokerage services to manage accounts for which we have investment discretion.

Morris Capital Advisors, LLC may also receive additional services from Fidelity. Without this arrangement, we might be compelled to purchase the same or similar services at our own expense. Morris Capital Advisors, LLC does not currently receive any additional services from Fidelity.

As a result of the opportunity to receive such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of Morris Capital Advisors, LLC's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of services from a particular broker- dealer, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while Morris Capital Advisors, LLC will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Morris Capital Advisors, LLC and Fidelity are not affiliated.

### **Item 13      Review of Accounts**

#### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least

quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by:  
Daniel A. Morris, Portfolio Manager  
Joseph T. Doyle, Jr., Portfolio  
Manager

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

### **INVESTMENT SUPERVISORY SERVICES ("ISS") MODEL PORTFOLIO MANAGEMENT SERVICE**

**REVIEWS:** While the underlying securities within Model Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly.

Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio. More frequent reviews may be triggered by material changes in variables such as the market, political, or economic environment.

These accounts are reviewed by:  
Daniel A. Morris, Portfolio Manager  
Joseph T. Doyle, Jr., Portfolio Manager

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings. These reports will also remind the Investment Consultant or Financial Advisors to notify us if there have been changes a client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.

### **MUTUAL FUND PORTFOLIO MANAGEMENT**

**REVIEWS:** Morris Capital Advisors, LLC continually reviews and monitors the Mutual Fund's holdings in accordance with the investment objectives as detailed in the Fund Prospectus.

**REPORTS:** Clients should refer to the Fund Prospectus for information regarding regular reports to the fund by Morris Capital Advisors, LLC.

## **Item 14 Client Referrals and Other Compensation**

Morris Capital Advisors, LLC's typically does not engage solicitors or to pay related or non-related persons for referring potential clients to our firm. If Morris Capital Advisors does engage solicitors it will comply with Rule 206(4)-3 Cash Payments for Solicitors, which requires that Morris Capital Advisors, LLC receives from the client, prior to, or at the time of, entering into any written or oral investment advisory contract with such client, a signed and dated acknowledgment of receipt of the investment adviser's written disclosure statement and the solicitor's written disclosure document.

It is Morris Capital Advisors, LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Our firm does not have actual or constructive custody of client accounts.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17      Voting Client Securities**

We vote proxies for all client accounts; however, a client always has the right to vote proxies directly. The client can exercise this right by instructing us in writing to not vote proxies in your account.

We will vote proxies in the best interests of clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Morris Capital Advisors, LLC by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct

us to vote a proxy in a particular manner, clients should contact Morris Capital Advisors, LLC by telephone, email, or in writing.

A client can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. A client can also instruct us on how to cast your vote in a particular proxy contest by contacting us at Morris Capital Advisors, LLC, 15 Chester Commons, Malvern, PA 19355.

## **Item 18      Financial Information**

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

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

Morris Capital Advisors, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.

**Part 2B of Form ADV: *Brochure Supplement***

Daniel Anthony Morris  
304 Albermarle Grove  
West Chester, PA 19380  
610-722-0900

Morris Capital Advisors, LLC

Malvern, Pennsylvania 19355

3/16/2018

This brochure supplement provides information about Daniel Anthony Morris that supplements the Morris Capital Advisors, LLC brochure. You should have received a copy of that brochure. Please contact Daniel A. Morris if you did not receive Morris Capital Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Daniel A. Morris is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Full Legal Name: Daniel Anthony Morris Born: 1954

Education

- St. Vincent College; BA, Economics; 1976
- Drexel University; MS, Investments; 1981

Business Experience

- Morris Capital Advisors, LLC; Portfolio Manager; from 12/1994 to Present
- Consistent Asset Management Company, Inc.; Portfolio Manager; from 1/1987 to 12/1994

**Item 3      Disciplinary Information**

Daniel Anthony Morris has no reportable disciplinary history.

**Item 4      Other Business Activities**

A. Investment-Related Activities

1. Daniel Anthony Morris is not engaged in any other investment-related activities.
2. Daniel Anthony Morris does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

B. Non-Investment Related Activities

Daniel Anthony Morris is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.

**Item 5      Additional Compensation**

Daniel Anthony Morris does not receive any economic benefit from a non-advisory client for the provision of advisory services.

**Item 6      Supervision**

Supervisor: Daniel A. Morris

Title: President

Phone Number: 610-722-090

Part 2B of Form ADV: *Brochure Supplement*

John Russell Giles  
115 Turnberry Drive  
Avondale, PA 19311  
610-722-0900

Morris Capital Advisors, LLC

Malvern, Pennsylvania 19355

3/16/2018

This brochure supplement provides information about John Russell Giles that supplements the Morris Capital Advisors, LLC brochure. You should have received a copy of that brochure. Please contact Daniel A. Morris if you did not receive Morris Capital Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about John Russell Giles is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Full Legal Name: John Russell Giles Born: 1957

Education

- University of Delaware; BS, Business Administration; 1979

Business Experience

- Morris Capital Advisors. LLC; Director of Marketing; from 6/2005 to Present
- Wilmington Trust Company; Senior Vice President; from 1/1995 to 6/2005
- Consistent Asset Management Company; Vice President; from 5/1990 to 1/1995

**Item 3 Disciplinary Information**

John Russell Giles has no reportable disciplinary history.

**Item 4 Other Business Activities**

A. Investment-Related Activities

1. John Russell Giles is not engaged in any other investment-related activities.
2. John Russell Giles does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

B. Non Investment-Related Activities

John Russell Giles is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.

**Item 5 Additional Compensation**

John Russell Giles does not receive any economic benefit from a non-advisory client for the provision of advisory services.

**Item 6 Supervision**

Supervisor: Daniel Morris

Title: President

Phone Number: 610-722-0900

**Part 2B of Form ADV: *Brochure Supplement***

Joseph Thomas Doyle, Jr.  
674 Malin Road  
Newtown Square, PA 19073  
610-722-0900

Morris Capital Advisors, LLC  
Malvern, Pennsylvania 19355

3/16/2018

This brochure supplement provides information about Joseph Thomas Doyle Jr. that supplements the Morris Capital Advisors, LLC brochure. You should have received a copy of that brochure. Please contact Daniel A. Morris if you did not receive Morris Capital Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Joseph Thomas Doyle, Jr. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Full Legal Name: Joseph Thomas Doyle, Jr. Born: 1959

Education

- George Washington University; BA, Economics; 1981
- The Wharton School, University of Pennsylvania; MBA, Finance; 1985

Business Experience

- Morris Capital Advisors, LLC; Portfolio Manager; from 8/2005 to Present
- 1838 Investment Advisors; Chief Investment Officer; from 8/1985 to 12/2004

**Item 3 Disciplinary Information**

Joseph Thomas Doyle Jr. has no reportable disciplinary history.

**Item 4 Other Business Activities**

A. Investment-Related Activities

1. Joseph Thomas Doyle Jr. is not engaged in any other investment-related activities.
2. Joseph Thomas Doyle Jr. does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

B. Non Investment-Related Activities

Joseph Thomas Doyle Jr. is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.

**Item 5 Additional Compensation**

Joseph Thomas Doyle Jr. does not receive any economic benefit from a non-advisory client for the provision of advisory services.

**Item 6 Supervision**

Supervisor: Daniel A. Morris

Title: President

Phone Number: 610-722-0900