

## **The Burney Company**

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03/7/2012

### **FORM ADV PART 2A BROCHURE**

**This brochure provides information about the qualifications and business practices of The Burney Company. If you have any questions about the contents of this brochure, please contact us at (703) 241-5611. 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 The Burney Company is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for The Burney Company is 106945.**

**The Burney Company is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

### **SUMMARY OF MATERIAL CHANGES**

**The Burney Company's Brochure (ADV Part 2A) has been updated with the following material changes that have occurred since the last annual update of our brochure on 03/30/2011.**

*Item 4: Advisory Business.* The amount of assets managed (AUM) has increased from approximately \$750MM to approximately \$800MM

*Item 10: Other Financial Industry Activities and Affiliations.* The Burney Company no longer has any employee who is a registered-representative of a broker-dealer.

To obtain a copy of The Burney Company Brochure (ADV Part 2A) or Privacy Policy, please visit our website at [www.burney.com](http://www.burney.com) and select "About Us" or you may contact your portfolio manager to mail you a hard copy. Portfolio managers can also provide you a copy of their individual brochure supplements that contains information regarding the financial advisor and their employees.

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## **Advisory Business**

Form ADV Part 2A, Item 4

**A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).**

The Burney Company is an equity research and investment management firm that seeks to maximize long-term returns through the use of proprietary fundamental/quantitative techniques and analysis. Founded in 1974 by Brig. General John C. Burney who pioneered work in this area beginning in the early 1950s, Burney has expanded from its Falls Church headquarters to offices around the country.

The principal owners of the company are General Burney and his wife, Mary Burney.

**B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.**

The Burney Company provides investment advisory services and portfolio management mostly for individual investors but will also service the portfolios of small businesses, pension and profit sharing plans, trusts, estates, and charitable organizations. Domestic equities, by far, constitute the primary type of investment, though, at the client's direction, non-equity investments are used to create income, provide stability, and enhance portfolio diversity.

The Burney Company's proprietary stock selection process is the foundation upon which Burney investment advice rests. It is used by itself or in conjunction with the Size (large-cap, mid-cap, or small-cap stocks) and Style (value or growth) Analysis principles of Nobel Laureate William Sharpe. Sharpe discovered and proved that Size and Style are important variables in determining an equity portfolio's return.

Over the long-term, Small-Cap stocks have outperformed Large-Cap stocks. However, this return advantage is not consistent, as Large-Cap stocks periodically enjoy long periods (typically 3-6 years) of superior return. Burney's Size/Style Responsive (SSR) investment strategy exploits this by adjusting portfolios to capture the opportunities available during both Large- and Small-Cap market phases.

Similarly, Value stocks have delivered higher returns; however, cycles (typically 18 - 30 months long) periodically occur where the reverse is true. SSR captures the opportunities available during both Value and Growth market phases.

Since The Burney Company is not a financial planning company, Burney does not offer asset allocation or market timing advice.

**C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.**

While equities provide the greatest long-term return opportunity, non-equity allocations are used to create income, provide stability and enhance portfolio diversity. Bonds, Preferred Stocks, Real Estate Investment Trusts (REITs) and International Equities are the major diversifying assets. However, how much to allocate to each is much more than just a function of age. Temperament, investment experience, income requirements and an investor's true time horizon (investing for themselves vs. their heirs) are integral. Burney does not exercise discretion or offer asset allocation advice, but will execute other than all equity investment plans when directed to do so by a client.

Clients may place limitations on which securities may be purchased for their accounts. For example, liquor or nuclear power companies may be prohibited.

Some clients elect to have their portfolios managed as clones of the company's master portfolio. In such cases, securities bought and sold mirror the transactions in the master portfolio. There is no discretion to vary from the master portfolio without client consent.

Our Customized Portfolios and the Burney Master Portfolio combine a strategic perspective on Size and Style with Burney's world-class stock selection methodology. The Master Portfolio provides a classic value-oriented approach, while a customized portfolio is more adaptive to each client's specific situation. Both offer a history of client satisfaction.

**D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.**

Some clients of The Burney Company are involved in "wrap fee" arrangements that they have arranged with brokers. Wrap fees include brokerage commissions, custodial charges, portfolio management, performance reporting, and monitoring. Wrap fee accounts are managed in the same manner as other Burney Company accounts, and these clients have the same access to their Portfolio Managers as all other clients. Wrap fees paid to brokerages range from 2% to 3% of assets under management. The Burney Company receives its standard management fee from the total. The Burney Company has clients involved in wrap fee arrangements with Wells Fargo Advisers, Advest, Morgan Stanley Smith Barney, Heritage West Securities, UBS Financial Services, Raymond James Financial, Rauscher Pierce Refsnes, Inc., FSC Security, Merrill Lynch, and Nations Financial Group, Inc.

**E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.**

The Burney Company's total discretionary assets under management are approximately \$806,000,000 as of January 31, 2011. Each Portfolio Manager manages his/her own accounts. There are no non-discretionary assets.

## ***Fees and Compensation***

Form ADV Part 2A, Item 5

**Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.**

Management fees are based on the market value of assets under management at the end of the quarter. Annual rates, charged quarterly, are:

Account value to \$500,000.....1.1%  
On additional value over \$500,000.....0.9%

Fees are payable after the end of each quarter in which services are provided. It is the choice of the client as to whether fees will be deducted from client's assets or whether the client will receive a bill. Fees are negotiable. The client may terminate services at any time by written notification.

PMs may assess additional fees for voting proxies and writing options contracts. These fees may be fixed or variable, but at no time may the annual rate for all services exceed 1.25% of the market value of assets under management.

Upon his approval, a client will be assigned to another Portfolio Manager if his own Portfolio Manager retires or becomes incapacitated. In such a case, there would be no change in fees or the management of the account.

The client's assets will be maintained at a brokerage selected by the client. Each broker has fees that will be incurred for trades.

While the client selects the brokerage, we are sometimes asked to suggest one. Suggestions are based on the broker's commission rates, accuracy and responsiveness in effecting transactions, clarity of monthly statements, and proximity of the broker to the client. Reasonableness of commissions is determined by comparing the rates of various brokerages. All transactions for a given client are executed through the broker selected by the client. Clients who select a broker not suggested by us may be charged higher commission rates than those clients selecting one of our recommended brokers.

Please see the section on "Brokerage Practices" for further information.

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

Form ADV Part 2A, Item 6

**If you or any of your supervised persons accepts performance-based fees, disclose this fact.**

Not applicable.

## ***Types of Clients***

Form ADV Part 2A, Item 7

**Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.**

The Burney Company mostly provides investment advice to individuals; however, we also serve pension and profit sharing plans, trusts, estates, and charitable organizations. The minimum account size is \$50,000.

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

Form ADV Part 2A, Item 8

**A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.**

### **Overview**

Though most material information is "efficiently" embedded in the price of a stock, the market makes systematic pricing errors that can be identified and exploited using quantitative techniques. Employing proprietary methods developed over the past half century, Burney analyzes a factor library containing over a thousand descriptors of a company's Growth, Valuation, Profitability, Safety, and Technical attributes. Factors associated with excess return are used in analytical models that score stocks based on their excess return potential.

Our Customized Portfolios and the Burney Master Portfolio combine a strategic perspective on Size and Style with Burney's world-class stock selection methodology. The Master Portfolio provides a classic value-oriented approach, while a customized portfolio is more adaptive to each client's specific situation. Both offer a history of client satisfaction.

### **Customized Portfolios**

Customized Portfolios may be constructed using The Burney Company's proprietary stock selection process by itself or in conjunction with the Size and Style Analysis principles of Nobel Laureate William Sharpe. Sharpe discovered and proved that Size and Style are important variables in determining an equity portfolio's return.

Over the long-term, Small-Cap stocks have outperformed Large-Cap stocks. However, this return advantage is not consistent, as Large-Cap stocks periodically enjoy long periods (typically 3-6 years) of superior return. Burney's investment strategy exploits this by adjusting portfolios to capture the opportunities available during both Large- and Small-Cap market phases.

Similarly, Value stocks have delivered higher returns; however, cycles (typically 18 - 30 months long) periodically occur where the reverse is true. Burney's investment strategy captures the opportunities available during both value and growth market phases.

### **The Burney Master Portfolio**

The Master Portfolio combines a traditional approach to investing with a focus on solid, undervalued stocks. Established at the company's founding in October 1974, its stellar long-term performance is the result of the consistent application of Burney's proprietary analytical methods.

The Burney Master Portfolio was established to provide a measure of investment performance. It was initiated with the first ten stocks purchased for clients after the company's founding in October 1974. For the

Master Portfolio, an assumed \$10,000 was invested in each of ten stocks on the day and at the price per share that each stock was first purchased for a client. Sales for the Master Portfolio were recorded when actual sales were executed for the client portfolios. Proceeds from sales were reinvested for the Master Portfolio in the same securities selected for client portfolios. This method of matching an actual client account transaction with a virtual transaction in the Master Portfolio remains the same. We offer clients the option to have their portfolios managed to replicate the Master Portfolio.

At the client's written direction, options may be used in the management of client assets. Covered calls may be sold to generate income and/or puts may be bought to protect position or portfolio downside. Clients must acknowledge an appropriate disclosure of the risk and reward implications including the fact that either option strategy will decrease expected return. Options will not be used in an attempt to time the market. Options are to be used either in a consistent, strategic manner in the case of covered calls or to allay a specific client concern in the case of puts.

We wish to point out that past performance is not a guarantee of future results and that there can be no assurance that the performances of personally tailored portfolios will equal that of the Master Portfolio. In fact, portfolios with significant fixed income and money market investments have under-performed the Master. Furthermore, clients with personally managed portfolios do not own the same stocks that comprise the Master because some Master stocks may not fit the investment objectives and risk tolerance of the client.

**B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.**

The Burney Company mostly manages all equity portfolios, which are subject to stock market volatility. The Company also actively manages portfolios so there is a risk of tracking errors as we tilt portfolios with respect to size and style (SSR). The average position holding period is 1 to 3 years. See also explanation above in section 8.A.

**C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.**

Not applicable.



## ***Disciplinary Information***

Form ADV Part 2A, Item 9

**If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.**

Not applicable.

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

Form ADV Part 2A, Item 10

**If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.**

The Burney Company does not have any employee who is a registered-representative of a broker-dealer.

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

Form ADV Part 2A, Item 11

**A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.**

The Burney Company believes employees must maintain the company's excellent reputation for integrity, honesty, trustworthiness, and professionalism that has been part of the company since its inception in 1974. The Burney Company maintains that it is essential that, in all aspects of our investment management services, we scrupulously maintain the highest standards of moral principles and values. The interests of the client are always paramount and this obligation is inherent in fulfilling our fiduciary responsibilities.

The Burney Company Code of Ethics is fully integrated into the Company Standard Operating Procedures (SOP). Therefore, observing the Code and maintaining the highest ethical standards requires strict adherence to the SOP's provisions. The SOP contains expectations on (1) responsibilities of the Portfolio Manager to the Client, (2) Investments for Clients, (3) SEC Disclosure Requirement, (4) Responsibilities of Key Personnel, (5) Privacy and Safeguarding of Client Information, (6) Personal Transactions, (7) Personal Holdings, (8) Acknowledgements, (9) Insider information, (10) Reports to Clients, and (11) Compliance Procedures.

We will provide a copy of our code of ethics to any client or prospective client upon request.

**B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

Not applicable.

**C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.**

The company and officers and portfolio managers of the company may buy or sell the same securities that they buy or sell for their clients. Our policy is that Portfolio Managers buy after buying for clients and sell after selling for clients. They are required to disclose their personal transactions at the end of each quarter when employee transactions are compared with those of the clients to ensure adherence to the company's personal trading policy.

The foregoing regarding personal transactions is part of the company's Code of Ethics.

**D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

See note in 11.C.

## ***Brokerage Practices***

Form ADV Part 2A, Item 12

**A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).**

**Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.**

Advisor participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services, which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program. (Please see the disclosure under Item 14. below.)

As part of its fiduciary duties to clients, the firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Adviser or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Adviser's choice of TD Ameritrade for custody and brokerage services, but has no effect on our "best execution" responsibility. This company agrees to comply with the applicable requirements of the Advisers Act Rule 204-3 (the "Brochure Rule") and applicable, similar state requirements.

While the client selects the brokerage, we are sometimes asked to suggest one. Suggestions are based on the broker's commission rates, accuracy and responsiveness in effecting transactions, clarity of monthly statements, and proximity of the broker to the client. Reasonableness of commissions is determined by comparing the rates of various brokerages. All transactions for a given client are executed through the broker selected by the client. Clients who select a broker not suggested by us may be charged higher commission rates than those clients selecting one of our recommended brokers.

When a broker refers a client, brokerage fees will be as arranged between the broker and the client. All transactions for the client are directed to the referring broker. This may result in the client being charged higher fees than other Burney clients.

**B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.**

Orders for the purchase and sale of securities are sometimes aggregated. This procedure has no effect on our recommendations regarding the selection of brokers, all clients are eligible to participate in aggregated trades, and such trades have no effect on commissions.

When orders for clients' accounts are aggregated and less than the total number of shares in the block trade are purchased or sold at the price specified, allocations are made to clients' accounts on a random basis. No client is favored over another.

## ***Review of Accounts***

Form ADV Part 2A, Item 13

**A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.**

Emphasis is on the review of stocks held by clients. Stocks are analyzed bi-weekly by the company's analytical group. The major purpose of reviews is to compare market prices with values as determined by our analyses. These analyses are provided to the company's portfolio managers and are used by them to structure clients' portfolios in accordance with company policies and clients' instructions. Portfolio managers formally review each account quarterly, when a report is prepared for each client and performance results are calculated.

**B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.**

Reviews are conducted on other than a periodic basis upon a client's request.

**C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.**

A monthly summary of each account is provided by the brokerage administering that account.

The portfolio manager provides a written quarterly report to the client citing the management fee charged, the value of the assets upon which the fee is based, and the fee schedule.

## ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

**A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.**

As disclosed under Item 12. above, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor 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): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; 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 account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

Advisor may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, Advisor may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Advisor and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise Advisor and has no responsibility for Advisor's management of client portfolios or Advisor's other advice or services.

Advisor pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to Advisor ("Solicitation Fee"). Advisor will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by Advisor from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired Advisor on the recommendation of such referred client. Advisor will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

Advisor's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, Advisor may have an incentive to recommend to clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, Advisor has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Advisor's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

Registrant (Lowell Pratt, President of The Burney Company) serves on the TD AMERITRADE AdvisorDirect Leadership Council ("Council"). The Council meets in person on average one or two times per year and conducts periodic conference calls on an as needed basis. Investment advisors are appointed to serve on the Council for two-year terms by TDA Institutional senior management. An investment advisor may serve longer than two years if appointed to additional terms by TDA Institutional senior management. At times, Council members are provided confidential information about TDA Institutional initiatives. Council members are required to sign confidentiality agreements. TD AMERITRADE, Inc. ("TD AMERITRADE") does not compensate Council members. However, TD AMERITRADE pays or reimburses Registrant for the travel, lodging and meal expenses Registrant incurs in attending Council meetings. The benefits received by Registrant or its personnel by serving on the Council do not depend on the amount of brokerage transactions directed to TD AMERITRADE. Clients should be aware, however, that the receipt of economic benefits by Registrant or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Registrant's recommendation of TD AMERITRADE for custody and brokerage services.

Advisor, through its affiliates, compensates Tony Hardesty, Jeff Albright, and Matthew Etter for developing and converting client referrals. The terms and potential conflicts of interests follow those of Advisor's referral agreement with TD Ameritrade.

**B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.**

Advisor may receive client referrals through WiserAdvisor for a fee of \$75 per referral.

## ***Custody***

Form ADV Part 2A, Item 15

**If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.**

The Burney Company has custody of client funds only by virtue of its ability to deduct management fees directly from client accounts. Clients will receive account statements from the broker-dealer, bank, or other qualified custodian and clients should carefully review those statements. For those clients who receive account statements from Burney Portfolio Managers, we encourage you to compare our listing of your holdings with those on the Brokerage statements.

## ***Investment Discretion***

Form ADV Part 2A, Item 16

**If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).**

The Portfolio Managers of the Burney Company obtain a Limited Power of Attorney (LPOA) from each new client that gives them discretionary authority to manage securities. The client directs the total amount to be invested in securities. Clients may place limitations on which securities may be purchased for their own accounts. For example, liquor or nuclear power companies may be prohibited. Burney does not offer asset allocation advice but will execute other than all equity investment plans when directed to do so by the client.

## ***Voting Client Securities***

Form ADV Part 2A, Item 17

**A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.**

The Burney Company has authority to vote securities for a limited number of existing client accounts. It will not accept authority to vote securities on existing accounts currently not voted nor on new accounts unless specifically directed in writing to do so by the client. There are no conflicts of interests between our clients and The Burney Company (including those of our affiliates, directors, officers, and employees). In any event, our fiduciary duty is to always place our client's best interests before our own.

Limitations on Our Responsibilities:

- Limited Value

We may abstain from voting a client proxy if we conclude that the effect on client's economic interests or the value of the portfolio holding is indeterminable or insignificant.

- Unjustifiable Costs

We may abstain from voting a client proxy for cost reasons (e.g. costs associated with voting proxies of non-U.S. securities). In accordance with our fiduciary duties, we weigh the costs and benefits of voting proxy proposals relating to foreign securities and make an informed decision with respect to whether voting a given proxy proposal is prudent. Our decision takes into account the effect that the vote of our clients, either by itself or together with other votes, is expected to have on the value of our client's investment and whether this expected effect would outweigh the cost of voting.

A client for whom we are responsible for voting proxies may obtain information from us on voting policies, procedures, etc. by written request.

Clients for whom The Burney Company does not vote securities will receive their proxies directly from their custodian and may contact their portfolio manager in writing, by email, or by phone with questions about a particular solicitation.

## ***Financial Information***

Form ADV Part 2A, Item 18

The Burney Company does not have any financial impairment that precludes it from meeting its contractual commitments to clients.