

Disclosure Brochure

March 31, 2015



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a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Burns Wealth Management, Inc. d/b/a Exencial Wealth Advisors ("Exencial Wealth Advisors" or the "Firm"). If you have any questions about the contents of this brochure, please contact Joy Parduhn at (888) 478-1971. 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 Exencial Wealth Advisors is available on the SEC's website at www.adviserinfo.sec.gov.

Exencial Wealth Advisors is an SEC registered investment adviser. Registration does not imply any level of skill or training.

ITEM 2: MATERIAL CHANGES

The last annual update of this brochure was on March 31, 2014. There have been no material changes that have occurred since that update.

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ITEM 4: ADVISORY BUSINESS

Advisory Firm Description

Exencial Wealth Advisors has been in business as a registered investment advisor since 2002 and is wholly owned by John Burns and Jerry Georgopoulos. While this brochure describes the business of Exencial Wealth Advisors, some sections will also describe the activities of "Supervised Persons," which include officers, employees or any others providing investment advice under the Firm's supervision.

Types of Advisory Services

Exencial Wealth Advisors provides its clients with the following services, which are defined in greater detail below.

- Wealth Management
- Financial Planning Consulting
- 401(k)/Retirement Plan Fiduciary
- Executive Services

Before engaging Exencial Wealth Advisors in any services, clients will complete a written agreement with Exencial Wealth Advisors that describes the terms and conditions of the service(s), including fees. In some cases, clients may complete more than one agreement.

Wealth Management Services

The Firm may provide clients with Wealth Management Services which includes management of investment portfolios and a range of financial planning consulting services, such as:

- Designing, implementing, monitoring and maintaining an investment plan detailing the client's risk tolerance, economic assumptions and target asset allocation.
- Advising on specific financial issues.
- Establishing financial goals.
- Reviewing and providing a statement of current financial position.
- Analyzing cash flow.
- Reviewing debt management.
- Coaching or validation in addressing a particular financial topic.

Exencial Wealth Advisors manages all or a portion of each client's assets on a discretionary basis based on an investment strategy tailored to the needs of the client. This strategy includes an asset allocation and specific recommended investments to complete the allocation. Exencial Wealth Advisors may also prepare an investment policy statement. Clients may impose reasonable restrictions on investing in certain securities. Client portfolios being transferred to Exencial Wealth Advisors' management may include cash or securities. After consultation with the client, the Firm may liquidate

transferred securities as part of the investment strategy. This action may subject the client to taxes, transaction fees, or other investment-related costs. If the client wishes to retain existing securities, the client needs to notify Exencial Wealth Advisors.

Upon approval of the strategy by the client, Exencial Wealth Advisors implements and manages the investment portfolio by:

- Selecting specific investments
- Placing trades in the client's account
- Rebalancing the account as necessary
- Regularly monitoring the investments

The Firm primarily allocates client assets among various individual equities or bonds, exchange traded funds ("ETFs"), and mutual funds. Exencial Wealth Advisors may also provide investment advice on other assets a client owns, such as employer-sponsored retirement plans or annuities. When providing this advice, the Firm recommends the allocation of assets and assists the client in executing the details of the allocation. In this case, client assets remain at the retirement plan, insurance company or other custodian.

Exencial Wealth Advisors recommends that clients meet with a representative at least annually to review their specific portfolio. Clients are advised to notify the Firm as soon as possible if their financial situation or investment objectives should change.

Financial Planning Consulting Services

Exencial Wealth Advisors may provide Financial Planning Consulting to clients on a broad range of issues including retirement planning, education funding, tax planning, tax preparation, charitable giving, business succession, risk management, estate planning, financial aspects of divorce, and other services agreed to in writing.

Exencial Wealth Advisors provides specific recommendations to clients who engage the Firm for Financial Planning Consulting. Exencial Wealth Advisors may recommend the services of professionals, including Exencial Wealth Advisors itself, to implement the recommendations. The client retains absolute discretion over all implementation decisions and is under no obligation to act upon any of the recommendations. Clients should be aware that a conflict of interest exists if Exencial Wealth Advisors recommends its own services as part of its recommendations. Financial Planning Consulting clients are advised that it is their responsibility to notify the Firm of changes in their objectives or financial situation.

When performing services to a client, Exencial Wealth Advisors may request information from the client and possibly other professionals such as the client's tax advisor, insurance agent, attorney, etc. When relying on information from others, Exencial Wealth Advisors is not liable for errors in the information provided and is not required to independently verify the information provided.

401(k)/Retirement Plan Fiduciary Services

At the beginning of the relationship, the client chooses whether Exencial Wealth Advisors will manage its accounts under Section 3(21) or 3(38) of the Employee

Retirement Income Security Act ("ERISA"). Under Section 3(21), Exencial Wealth Advisors only gives investment recommendations to a plan sponsor who then has the discretion to take or disregard the advice. In this case, Exencial Wealth Advisors is a fiduciary with regard to the information it provides to the plan. That is significantly different from Section 3(38) which provides that a plan sponsor can delegate the responsibility and liability of selecting and monitoring investments to the Firm. The plan sponsor effectively hands over authority to Exencial Wealth Advisors to make investment decisions. In this case, Exencial Wealth Advisors is presumed by definition to have actual discretion and control over the plan's assets and management and is a plan fiduciary.

As part of this service offering, Exencial Wealth Advisors meets with plan sponsors to determine the investment goals of the plan. Exencial Wealth Advisors will assist in developing an investment policy statement that is consistent with the plan document by:

- Listing criteria for selection of investment vehicles, procedures and timing of performance monitoring
- Providing analysis and advice in order to assist plan fiduciaries in their decision-making processes
- Making recommendations for funds to plan sponsors which may or may not be enacted (ERISA 3(21)); or making final fund selections for availability to participants (ERISA 3(38))
- Ongoing monitoring of plan investment options, maintenance of a "watch list" when appropriate, and making recommendations regarding the replacement or addition of investment choices
- Consulting regarding compliance with the plan document and ERISA requirements
- Educating participants regarding the plan
- Monitoring of the record keeper and trustee to ensure they are performing the functions in their service agreements
- Consulting to ensure notices to participants are properly and timely delivered

Executive Services

The Firm is often hired by companies for the benefit of their corporate executives. The company may pay the Firm to provide these executives:

- Tax planning and preparation, including tax returns
- Estate planning
- Insurance planning
- Employee benefit analysis
- Retirement planning
- Quarterly written statements

The Firm provides Executive Services recipients with quarterly statements of net worth, stock option charts, tax projections, tax returns, estate planning flow charts, insurance sufficiency models and retirement cash flow models. In addition, some of these

executives may wish to hire the Firm to provide Wealth Management Services, which are outlined above. The individuals pay for these services directly.

Client Assets Under Management

As of February 28, 2015, the Firm managed \$1,223,522,213 in discretionary assets and \$203,685,353 in non-discretionary assets for a total of \$1,427,207,566.

ITEM 5: FEES AND COMPENSATION

Exencial Wealth Advisors offers its services to clients on a fee basis.

Wealth Management Fees

Exencial Wealth Advisors provides Wealth Management Services to clients for a fee based upon a percentage of the market value of the assets under management. This fee is generally 1% annually, but may be higher or lower depending upon the size of the client's portfolio and the services to be provided. Exencial Wealth Advisors may charge a lower fee based on other factors such as anticipated additional assets, related accounts, pre-existing client, *pro bono* activities, etc. The fee will be fully disclosed to clients in writing before the engagement begins. The fee is charged quarterly, in advance, based upon the market value of assets on the last day of the previous quarter as valued by the custodian. Management fees shall be prorated for each capital contribution and withdrawal of \$100,000 or more made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. When a relationship begins during a quarter, the first fee is charged upon investing the assets. Upon termination of any account, any prepaid fees will be refunded promptly.

Clients may incur certain charges imposed by custodians, broker-dealers and other third parties such as brokerage commissions, transaction fees, custodial fees, exchange fees, deferred sales charges, odd-lot differentials, margin interest, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

When the Firm recommends a mutual fund or ETF for a client's account, three separate fees may be charged to the client, either directly or indirectly. The first fee is the Firm's management fee where the fund is included in the asset base for the quarterly fee calculation. The second is the set of internal fees charged by the investment company for the fund's investment management, marketing, administration and marketing assistance. These internal expenses are disclosed in each fund's prospectus which is provided to each client by the custodian. (This set of fees also applies to any money market fund purchased in the client's account.) The third fee may be a transaction fee which is assessed by the custodian for its service of providing access to a universe of fund families through one account. To avoid such fees a client would be required to open a separate account with each individual mutual fund company instead of using the custodian recommended by Exencial Wealth Advisors, which would also negatively affect the Firm's ability to deliver its services efficiently. Not all fund trades enacted by Exencial Wealth Advisors incur this transaction fee. When recommending funds for client portfolios, Exencial Wealth Advisors seeks to only recommend no-load funds.

Financial Planning Consulting Fees

Financial Planning Consulting fees may be set on an hourly or a fixed basis. Financial Planning Consulting fees are generally \$250 on an hourly basis or range from \$2,500 to \$15,000 on a fixed basis. If a client engages Exencial Wealth Advisors for Financial Planning Consulting, and then retains Exencial Wealth Advisors for Wealth Management Services, Exencial Wealth Advisors may reduce the management fee based on some or the entire amount paid for Financial Planning Consulting.

Clients choosing Financial Planning Consulting will enter into a written agreement with Exencial Wealth Advisors setting forth the terms and conditions of the engagement. Generally, Exencial Wealth Advisors requires one-half of the Consulting Services fee when the agreement is executed. The balance is generally due upon completion of the services, which occurs within a six-month period, assuming the client provides required information in a timely manner.

Executive Services Fees

The Executive Services fee is negotiated on an annual basis with the sponsoring corporation and is paid by the corporation to Exencial Wealth Advisors annually, in advance.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Fees must be disclosed that are based on performance (such as a share of the capital gains or capital appreciation), or side-by-side management (which is when some clients pay fees based on performance while others pay fees based on assets under management).

Exencial Wealth Advisors does not charge any performance-based fees or engage in side-by-side management.

ITEM 7: TYPES OF CLIENTS

Exencial Wealth Advisors provides investment advice and manages wealth management accounts for high net worth individuals, pension and profit sharing plans, trusts, estates, municipalities, corporations and business entities.

Minimum Account Size and/or Fees

For new clients, Exencial Wealth Advisors generally has a minimum annual fee of \$7,500 for Wealth Management Services. This minimum fee may make Exencial Wealth Advisors' Wealth Management Services impractical for clients with less than \$750,000 under the Firm's management. Exencial Wealth Advisors, in its sole discretion, may accept clients with smaller portfolios based on factors such as anticipated additional assets, related accounts, *pro bono* activities, etc. Exencial Wealth Advisors may aggregate the portfolios of family members to meet the minimum portfolio size.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

Exencial Wealth Advisors' primary method of analysis is a fundamental analysis of an investment's price, its expected income and returns, and applicable risks.

Exencial Wealth Advisors does this by evaluating the current market prices and/or expected return for broad asset classes such as bonds, real estate and stocks. The figures for each asset class are then compared to the figures of other asset classes. In addition, Exencial Wealth Advisors will compare the current figures to historical data where available in order for Exencial Wealth Advisors to view the numbers with a broader perspective. When the price of an investment appears low or attractive relative to its expected return, risks or other alternatives, Exencial Wealth Advisors often may place greater emphasis on that investment in recommended portfolios. This analysis may, for example, lead Exencial Wealth Advisors to emphasize stocks over real estate or certain types of stocks over other types of stocks. Emphasizing lower priced investments over higher priced investments is sometimes termed "value investing." Although Exencial Wealth Advisors believes that buying assets at what appear to be relatively attractive values will provide higher expected returns over time, the value of these investments may decline and it may take months or years for an investor to be rewarded for such a strategy. Conversely, asset classes that appear to be expensive can perform well and become even more expensive, and during these cycles value investing may underperform broad market averages. This form of investing best serves those willing to invest for the long term.

When managing individual stocks, the Firm performs an ongoing fundamental analysis of a company's management structure and performance, earnings, new products and services, as well as the company's market and position amongst its competitors. This analytical process is called the SELECT plan, and entails consideration of the following qualities for each potential investment:

- **Shareholders** (How does the company regard its shareholders?)
- **Environment** (Does it focus on the environment?)
- **Leadership** (Is its leadership visionary?)
- **Employees** (How does it treat its employees?)
- **Customers** (How are customers regarded?)
- **Time** (Is it effective over time?)

Investment Strategies

Exencial Wealth Advisors uses an asset allocation strategy in managing its clients' assets allocating among the following asset classes:

Fixed Income/Alternative Investment Component
Equity Component
Cash

This allocation may be also be implemented using individual equities or bonds, ETFs, mutual funds and annuity sub-accounts and other diversified investment strategies. Investment decisions are made collectively by the Investment Committee.

When providing clients with Wealth Management Services, Exencial Wealth Advisors prepares an evaluation of each client's economic situation. Exencial Wealth Advisors pays particular attention to the amount and timing of all expected cash flows (such as education and living expenses, pension and social security income, and charitable and family gifting). Once these cash flows have been estimated, Exencial Wealth Advisors establishes a cash flow timeline. Exencial Wealth Advisors uses this timeline to determine the amount and frequency in which clients will need to withdraw from their investments. The cash flow timeline is a primary factor in determining Exencial Wealth Advisors' recommendations for the allocation and investment of client funds. The recommended investment allocation may be subjected to a *Monte Carlo* analysis, which is a class of computational algorithms that rely on repeated random sampling to compute results, so that Exencial Wealth Advisors may estimate the likelihood that the allocation will meet the client's needs and goals over time. Exencial Wealth Advisors also assesses how investments may perform under various conditions and risks such as high inflation/decline of the US dollar, rising interest rates and market volatility.

The *fixed income/alternative component* is typically more conservatively invested for less volatility and is often used to provide cash to clients when they need to take withdrawals from their accounts. Because the component is positioned to take less volatility risk, it generally produces lower returns. Exencial Wealth Advisors attempts to manage these investments with the goal of achieving a return equal to or greater than inflation. This component may include investments in high-quality government bonds and corporate bonds, certificates of deposit, foreign bonds, preferred stocks, bank loans, lower quality bonds, real estate, and income investment strategies, among others. Exencial Wealth Advisors attempts to manage risks such as inflation and interest rate risk by diversifying this component into many investments with different characteristics, including private issues. Factors the Firm considers in purchasing or selling individual bonds include yield to maturity compared to similar issues, balance sheet quality for corporate bonds, yield premium to the US Treasury rate and the premium/discount to par.

The *equity component* provides the potential for growth and is used primarily to hedge longevity/asset depletion risk for clients who may be withdrawing from their assets for long periods of time, as occurs in retirement. This component is invested for growth by taking ownership stakes in public and private companies. As there is no "free lunch," this growth is not obtainable without the client assuming the risk for market volatility; the client will not know if, and when, these risks will result in a return. However, Exencial Wealth Advisors attempts to reduce and manage these risks by properly diversifying the equity portfolio and ensuring that the client is holding an adequate amount of assets in the fixed income/alternative component. Investments in the equity component typically include U.S. and international companies, as well as large, mid-sized and small companies. In addition, Exencial Wealth Advisors' recommended equity component includes more small- and lower-priced companies than typical market indices such as the S&P 500 because these companies have generally outperformed larger and higher-priced companies.

When considering individual equity investments, the Firm analyzes company and industry-specific information from corporate, quarterly, 10(K) and 10(Q) reports, brokerage and independent research analyses and media publications. The Firm seeks to understand the substance of each company's business model and the stability and profitability typically illustrated in key balance sheet and income statement measures. The Firm also seeks to determine fair valuation based upon current statistics compared to historical norms.

The Firm typically invests in individual equities of companies with a market capitalization of at least \$1 billion. The Firm's approach is not focused on any particular market capitalization but rather on the qualities of the company and its valuation compared to past standards. Selections may be domestic or international companies. The Firm diversifies individual equity holdings by sector. The Firm's sell disciplined is based upon changes in key valuation measures, market conditions, company-specific fundamentals and maintenance of asset allocation ranges.

Monitoring and Rebalancing

Exencial Wealth Advisors generally monitors client allocations weekly to determine if any changes are necessary. Rebalancing occurs when a particular investment or allocation weighting grows above or falls below an acceptable "band." Exencial Wealth Advisors will make the necessary trades to bring an allocation back into balance. However, for those clients who engage Exencial Wealth Advisors for consulting services for monies held elsewhere, Exencial Wealth Advisors may recommend rebalancing, but will not have the capability to enact the rebalancing.

Exencial Wealth Advisors manages and rebalances accounts while considering tax consequences. Exencial Wealth Advisors recommends holding investments in the type of account (IRA or taxable account) that is most practical from a tax perspective in an attempt to achieve the highest after-tax return.

Risk of Loss

An investment of any kind involves risks, including the loss of principal and/or purchasing power. Exencial Wealth Advisors utilizes open-ended mutual funds, individual stocks and bonds and ETFs in managed portfolios, although Exencial Wealth Advisors may use other investment vehicles including but not limited to use of outside managers, closed-end funds and Exchange Traded Notes (ETNs) and derivatives. Each investment has its own unique set of risks including the risk of loss or selling an investment at a price lower than the price at which it was purchased.

Mutual funds, ETFs and ETNs carry internal expenses which make them unable to exactly match the returns of the underlying issues on an aggregate basis. Individual securities contain market, sector, country and business risk. Volatile markets may exaggerate these risks for any security or class of securities.

Market and Other Risks

Investing involves risk, including the loss of principal, and all investors should be guided accordingly.

The client understands that investment recommendations made for the account by Exencial Wealth Advisors are subject to various market, currency, economic, political and business risks. These risks include, but are not limited to, price declines and volatility, potential illiquidity, interest rate and inflation risks, and default risk. Exencial Wealth Advisors does not guarantee the future performance of the account or any specific level of performance, the success of any investment recommendations that Exencial Wealth Advisors may use, or the success of Exencial Wealth Advisors' overall management of the account or any security bought or sold for the client's account.

Timing risk, the risk of having to sell an investment at a loss to raise cash, is a primary risk for investors. While Exencial Wealth Advisors attempts to manage timing risk and other risks in portfolios, there can be no assurance that these risks will not have an adverse effect on client balances, especially over short time periods.

ITEM 9: DISCIPLINARY INFORMATION

Exencial Wealth Advisors is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or integrity of management.

There have been no disciplinary actions against Exencial Wealth Advisors or its management.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

While Exencial Wealth Advisors does not sell insurance products to its clients, Exencial Wealth Advisors does permit its Supervised Persons, in their individual capacities as licensed insurance agents, to sell insurance products to clients. A conflict of interest exists to the extent that Exencial Wealth Advisors recommends the purchase of insurance products where its Supervised Persons receive insurance commissions or other additional compensation.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Exencial Wealth Advisors has adopted a Code of Ethics which describes the general standards of conduct that the Firm expects of its Supervised Persons and focuses on three specific areas where Supervised Persons conduct has the potential to adversely affect the client: misuse of confidential information; personal securities trading and outside business activities. Failure to uphold the Code of Ethics may result in disciplinary

sanctions, including termination with the Firm. Any client or prospective client may request a copy of the Firm's Code of Ethics which will be provided at no cost.

The following basic principles guide all aspects of the Firm's business and represent the minimum requirements to which the Firm expects Supervised Persons to adhere:

- Clients' interests come before the interests of the Firm and Supervised Persons.
- The Firm must fully disclose all material facts about conflicts of which it is aware between the Firm and its Supervised Persons' interests on the one hand and clients' on the other.
- Supervised Persons must operate on the Firm's behalf and on their own behalf consistently with the Firm's disclosures and to manage the impacts of those conflicts.
- The Firm and its Supervised Persons must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- The Firm and its Supervised Persons must always comply with all applicable securities laws.

Misuse of Nonpublic Information

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm. Supervised Persons may not convey nonpublic information nor depend upon it in placing personal or client securities trades.

Personal Securities Trading

Exencial Wealth Advisors or its Supervised Persons may not anticipate equity trades to be placed in client accounts. Supervised Persons are permitted to buy or sell securities that it also recommends to clients but must obtain preapproval before participating in certain investments such as initial public offerings and limited offerings. No Supervised Person may trade in stock, bonds or derivatives of companies with which the Firm has an Executive Services agreement. Supervised Persons may not participate in block trades with clients.

When Exencial Wealth Advisors is purchasing or considering for purchase any security on behalf of a client, no Supervised Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Exencial Wealth Advisors is selling or considering the sale of any security on behalf of a client, no Supervised Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Supervised Persons are required to submit reports of personal securities trades on a quarterly basis, and securities holdings annually. These are reviewed by the Chief Compliance Officer to ensure compliance with the Firm's policies.

Outside Business Activities

Supervised Persons are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed or the Supervised Person may be directed to cease such activity. Supervised Persons may be directors of publicly traded entities only with prior approval of the Chief Compliance Officer.

ITEM 12: BROKERAGE PRACTICES

Exencial Wealth Advisors generally recommends that clients utilize the brokerage and clearing services of Schwab Advisor Services™ ("Schwab"), Fidelity Institutional Wealth Services ("Fidelity"), and TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), although other custodians may also be used by Exencial Wealth Advisors.

As a fiduciary for clients, the Firm considers the following in evaluating custodians and best execution:

- Financial strength and stability
- Reputation
- Execution
- Pricing
- Research
- Competitive commission structure
- Range of mutual funds available
- Quality of reporting
- Information on the Internet
- Availability of service staff
- Accessibility of branches

Schwab, Fidelity and/or TD Ameritrade enable Exencial Wealth Advisors to obtain many mutual funds and ETFs without transaction charges and obtain other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab, Fidelity and/or TD Ameritrade may be higher or lower than those charged by other financial institutions. The commissions paid by Exencial Wealth Advisors' clients comply with Exencial Wealth Advisors' duty to obtain "best execution." Exencial Wealth Advisors seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions. 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 a financial institution's services.

Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, the client may be required to sign an additional agreement, and additional fees are likely to be charged.

Research and Other Soft-Dollar Benefits

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Exencial Wealth Advisors in its investment decision-making process. Such research generally will be used to service all of Exencial Wealth Advisors' clients. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Exencial Wealth Advisors does not have to produce or pay for the products or services, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio.

Exencial Wealth Advisors may receive from Schwab, Fidelity and/or TD Ameritrade, without cost to Exencial Wealth Advisors, computer software and related systems support, which allow Exencial Wealth Advisors to better monitor client accounts maintained at Schwab, Fidelity and/or TD Ameritrade. Exencial Wealth Advisors may receive the software and related support without cost because Exencial Wealth Advisors renders investment management services to clients that maintain assets at Schwab, Fidelity and/or TD Ameritrade. The software and related systems support may benefit Exencial Wealth Advisors, but not its clients directly. Specifically, the Firm may receive the following benefits from Schwab, Fidelity and TD Ameritrade through their respective institutional divisions: receipt of duplicate client statements and confirmations; research-related products and tools; consulting services; access to a trading desk serving institutional 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 Exencial Wealth Advisors by third-party vendors.

In fulfilling its duties to its clients, Exencial Wealth Advisors endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Exencial Wealth Advisors' receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Exencial Wealth Advisors' choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support or services.

"Soft dollars" is a term applied to commission revenue generated by client trades which is then used to pay for services provided to an investment advisor. These services must apply to benefit clients and include research and other related services as defined by Section 28(e) of the Securities and Exchange Act of 1934.

Exencial Wealth Advisors receives a price discount and/or credits from Schwab for portfolio rebalancing programs and/or research providers for advisors. The fees for these providers may be billed at a variable rate based on assets under management, which may be reduced or completely waived if specific amounts of client assets are either already on the Schwab platform or are committed to being placed on there, excluding assets in ERISA plans. In addition, Exencial Wealth Advisors receives credits

based on based upon transactions conducted on behalf of clients at Schwab which will be used to pay for services that are approved by Schwab.

In addition, Exencial Wealth Advisors may receive a discount on PortfolioCenter® software service from Schwab so long as Exencial Wealth Advisors maintains a minimum level of client assets at Schwab. Although Exencial Wealth Advisors believes that the products and services offered by Schwab are competitive in the marketplace for similar services offered by other broker-dealers or custodians, the arrangement with Schwab as to these services impacts Exencial Wealth Advisors' independent judgment in recommending Schwab as the broker-dealer or custodian for client accounts.

Order Aggregation

Transactions for each client generally will be effected independently, unless Exencial Wealth Advisors decides to purchase or sell the same securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or "block" such orders to obtain best execution, or to allocate equitably among clients differences in prices that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among clients pro rata to the purchase and sale orders placed for each client on any given day, with each account receiving the same terms. Not all aggregated trades provide commission advantages to trade participants.

The proportion in which participating accounts will share transactions will be determined by the Firm on the basis of investment objectives, cash availability, expected cash and liquidity needs and other relevant factors. The overarching principle for that allocation is that no client is intentionally favored over another client that is similarly situated.

Directed Brokerage

Clients may not request that trades be enacted through a specific broker-dealer. Exencial Wealth Advisors generally requires clients to use one of the Firm's recommended broker-dealers as account custodian. Not all advisors require their clients to use a particular custodian or broker-dealer. Some clients may currently have account custodians other than those recommended by the Firm, and have been reminded that the Firm is unable to negotiate commissions or include trades in these accounts in any aggregated or block trades. It is possible, therefore, that these clients directing trades or custodial relationships may receive worse executions, higher commissions, and/or worse prices than other clients of the Firm.

ITEM 13: REVIEW OF ACCOUNTS

For clients receiving Wealth Management Services, the Firm monitors those client portfolios as part of an ongoing process. Account reviews are offered to clients on at least an annual basis; however, clients are encouraged to meet with the Firm on a quarterly basis. Additional reviews may be triggered by events such as a client meeting, change in a client's risk tolerance, financial position or investment objective, change in a company or fund's management, unusual market or economic circumstances or other unforeseen events. For clients receiving Executive Services, the Firm conducts regular

reviews which will depend upon the services being provided and the client's needs. For clients receiving Financial Planning Consulting Services, reviews are conducted on an "as needed" basis. All client reviews are conducted by one of the Firm's investment adviser representatives. Clients are encouraged to keep Exencial Wealth Advisors informed of changes in their financial status or in their needs, goals, objectives, risk tolerance or other factors related to their investments.

Unless otherwise agreed upon, clients are provided with transaction confirmations and account statements directly from the custodian of their accounts. Wealth Management Services clients may also receive account reports directly from Exencial Wealth Advisors. These may include an inventory of account holdings as well as investment performance. In addition, the Firm provides all Wealth Management Services clients with a written annual report of management fees paid to the Firm. Other reports may be provided as requested by clients.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

If a client is introduced to the Firm by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with the securities law requirements. Any such referral fee is paid solely from the Firm and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor provides the client with a copy of this brochure and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of the Firm discloses the nature of the relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of this brochure at the time of the solicitation.

ITEM 15: CUSTODY

Since the Firm is given authority by its clients to deduct its investment management fee directly from the client accounts, the SEC deems the Firm to have a form of custody. (Custody is defined as the Firm's having any access to clients' cash or securities.) In connecting with the Firm debiting its fees, clients are required to open accounts with qualified custodians for cash and publicly traded securities. These custodians send clients monthly or quarterly account statements. When clients receive their account statements from the qualified custodian, they should carefully review those statements and take the time to compare them with those they receive from Exencial Wealth Advisors. If the client finds significant discrepancies, the custodian and Exencial Wealth Advisors should be notified.

To the extent that a Supervised Person acts as a trustee for a client's account, the Firm is deemed to have custody over that account. Generally, the Firm discourages allowing a Supervised Person to act as a trustee for a client's account. Additionally, since the Executive Services program pays the Firm annually in advance, this is also considered a form of custody. Accounts under these programs are surprise audited on an annual basis by an independent accounting firm. The Firm does not have direct access to client funds as they are maintained with an independent qualified custodian.

ITEM 16: INVESTMENT DISCRETION

Exencial Wealth Advisors is given the authority to exercise discretion on behalf of clients, which means it can effect transactions for the client without first having to seek the client's consent. Exencial Wealth Advisors is given this authority through a power of attorney included in the agreement between Exencial Wealth Advisors and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Exencial Wealth Advisors takes discretion over the following activities:

- The securities to be purchased or sold
- The amount of securities to be purchased or sold
- When transactions are made

ITEM 17: VOTING CLIENT SECURITIES

Exencial Wealth Advisors subscribes to a third party for the voting of client proxies. Clients must sign the custodian document that allows Exencial Wealth Advisors to vote. Clients may contact Exencial Wealth Advisors to request information about how proxies were voted for that client's securities.

- The third party's guidelines have been reviewed and adopted by the Firm.
- Clients can direct Exencial Wealth Advisors' vote on a particular solicitation.
- Clients can revoke Exencial Wealth Advisors' authority to vote proxies by signing the account custodian proxy voting document to remove Exencial Wealth Advisors.

ITEM 18: FINANCIAL INFORMATION

There are no financial conditions that exist which might negatively affect the Firm's ability to provide services to its clients.

Exencial Wealth Advisors' audited balance sheet as of 12/31/14 has been provided to companies prepaying for Executive Services on an annual basis, and is posted with this document on the SEC's website. www.adviserinfo.sec.gov.

Exencial Wealth Advisors

Balance Sheet

December 31, 2014

Exencial Wealth Advisors

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MICHAEL L METTRY CPA
2525 NW EXPRESSWAY STE 200
OKLAHOMA CITY, OK 73112

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
of Exencial Wealth Advisors

We have audited the accompanying balance sheet of Exencial Wealth Advisors (an Oklahoma corporation) as of December 31, 2014, and the related notes.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Exencial Wealth Advisors as of December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.



Michael L Mettry CPA

Oklahoma City, OK

March 12, 2015

Exencial Wealth Advisors
BALANCE SHEET
December 31, 2014

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	420,670
Employee receivable		<u>22,914</u>

Total Current Assets		<u>443,584</u>
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PROPERTY AND EQUIPMENT

Property and equipment net of accumulated depreciation		<u>255,122</u>
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TOTAL ASSETS	\$	<u><u>698,705</u></u>
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LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$	20,890
Current portion LTD		<u>40,583</u>

Total Current Liabilities		<u>61,473</u>
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LONG-TERM LIABILITIES

Total Long-Term Liabilities		<u>157,040</u>
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Total Liabilities		<u>218,513</u>
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EQUITY

Capital stock		1,000
Retained earnings		<u>479,192</u>

Equity		<u>480,192</u>
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**TOTAL LIABILITIES AND
EQUITY**

	\$	<u><u>698,705</u></u>
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See independent auditor's report and notes

A. Nature of activities and significant accounting policies

Organization and Basis of Presentation:

Burns Wealth Management, Inc. dba Exencial Wealth Advisors (the "Company") was incorporated in Oklahoma on November 20, 2002. The Company entered into an Agreement and Plan of Merger ("Agreement") with EFG Corp., a Texas Corporation on September 8, 2011. Under the Agreement, EFG Corp. was merged into Burns Wealth Management, Inc. as the surviving corporation in the merger. Both entities performed similar services prior to the merger and now operate with offices in Oklahoma City, Oklahoma, Old Lyne, Connecticut and Plano, Texas. The Company is an SEC-registered investment advisor and manages domestic equity and balanced portfolios for institutional and high net worth individuals throughout the United States of America. The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America. The accounting policies for these items and other significant accounting policies of the Company are presented below. Capital stock consists of 1,000 shares of \$1.00 par value shares authorized, issued, and outstanding.

Estimates:

Management uses estimates and assumptions in preparation of the financial statement in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Revenue Recognition:

The Company primarily bills customers in advance for services on a quarterly basis. Revenue is recognized over the term of the fee agreement. The Company records deferred revenue for the portion of advance billings with a service period extending beyond the reporting period.

Cash and Cash Equivalents:

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment:

Property and equipment are record at cost and depreciated using the straight-line method over their estimated useful lives. Maintenance and repairs are charged directly to expense as incurred, while improvements are capitalized. The cost of the assets and applicable accumulated depreciation are removed from the respective accounts when assets are retired or disposed. The resulting gain or loss is reflected in operations. There is no written maintenance policy.

Exencial Wealth Advisors
Notes to Financial Statement
December 31, 2014

Income Taxes:

The Company, with the consent of its stockholders, has elected under the Internal Revenue code to be an S corporation. In lieu of corporate income taxes, the stockholders of an S corporation are taxed on their proportionate share of the Company's taxable income.

Fair Value of Financial Instruments:

The Company currently does not measure any of its assets or liabilities at fair value and is not required under generally accepted accounting principles to disclose the fair value of its financial instruments. Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Company has not elected to measure any newly acquired financial instruments at fair value. However, it may elect to measure newly acquired financial instruments at fair value in the future.

Advertising Expense:

Advertising costs are expensed as incurred.

Subsequent Events:

In preparing this financial statement, the Company has evaluated events and transactions for potential recognition or disclosure through March 12, 2015, the date the financial statement was available to be issued.

B. Property and equipment

A summary of property and equipment is as follows:

Computers and Office Equipment	\$ 119,043
Furniture and Fixtures	118,424
Leasehold Improvements	1,300
Vehicles	<u>214,063</u>
	452,830
Less Accumulated Depreciation	<u>(197,708)</u>
Net Property and Equipment	<u>\$ 255,122</u>

Exencial Wealth Advisors
Notes to Financial Statement
December 31, 2014

C. Lines of credit

The Company has a line-of-credit with the following terms:

\$500,000 line-of-credit, 5.500% per annum interest rate secured by real estate with a balance of \$0.

D. Notes payable

The Company has Notes Payable to Banks with the following terms:

2.900% interest rate, beginning December 2014 and maturing November 2019, monthly payments of \$1,818 secured by a vehicle.

3.600% interest rate, beginning May 2014 and maturing April 2019, monthly payments of \$2,031 secured by a vehicle.

Total		\$	197,623
less current portion of Long Term Debt			40,583
Non-current portion of Long Term Debt		\$	<u>157,040</u>
Required principal payments until maturity are:			
	2016	\$	41,719
	2017		43,118
	2018		44,549
	2019		27,654
	Thereafter		-
		\$	<u>157,040</u>

E. Related party transactions

The Landlord for the Oklahoma City office is GB Investments, LLC which is owned by stockholders of Exencial Wealth Advisors.

Exencial Wealth Advisors
Notes to Financial Statement
December 31, 2014

F. Commitments and contingencies

The Company has agreements to lease its administrative offices in Oklahoma City, OK and Dallas, TX. Future minimum lease payments required on operating leases that have initial or remaining terms of one year or more at December 31, 2014 are as follows:

2015	\$	244,260
2016		218,422
2017		180,000
2018		180,000
2019		180,000
Thereafter		<u>585,000</u>
Total	\$	<u><u>1,587,682</u></u>