

*Burns Wealth Advisors LLC*

# Wrap Fee Program Brochure

*This wrap fee program brochure provides information about the qualifications and business practices of Burns Wealth Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (985) 345-7114 or by email at: [emburns@burnsestateplanning.com](mailto:emburns@burnsestateplanning.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 Burns Wealth Advisors LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Burns Wealth Advisors LLC's CRD number is:305233.*

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

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## **Item 2: Material Changes**

There are no material changes in this brochure from the last annual updating amendment of Burns Wealth Advisors LLC on 01/31/2020. Material changes relate to Burns Wealth Advisors LLC 's policies, practices or conflicts of interests only.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Burns Wealth Advisors LLC (hereinafter “BWA LLC”) provides portfolio management to clients under this wrap fee program as sponsor and portfolio manager.

The fee schedule is set forth below:

Total Assets Under Management	Annual Fee
\$1,000,000 and Below	1.50%
\$1,000,001 - \$3,000,000	1.15%
\$3,000,001 and Up	1.00%

Portfolio management fees are withdrawn directly from the client’s accounts with client’s written authorization.

Accounts invested 100% in bonds will be charged an annual fee of 1%.

Fees are paid in arrears. BWA LLC uses the value of the account as of the last business day of the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

Clients may terminate the agreement without penalty, for full refund of BWA LLC’s fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

### B. Contribution Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client’s account, the adviser’s ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

### C. Additional Fees

BWA LLC will wrap third party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.) for wrap fee portfolio management accounts. BWA LLC will charge clients one fee, and pay all transaction fees using the fee collected from the client. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that BWA LLC has an incentive to limit

trading activities for those accounts since the firm absorbs those transaction costs.

Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, fees associated with “step out” transactions if the account uses different custodians or broker-dealers, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

#### **D. Compensation of Client Participation**

Neither BWA LLC, nor any representatives of BWA LLC receive any additional compensation beyond advisory fees for the participation of client’s in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, BWA LLC may have a financial incentive to recommend the wrap fee program to clients.

### **Item 5: Types of Clients**

BWA LLC generally offers advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

There is an account minimum of \$5,000, which may be waived by BWA LLC in its discretion.

### **Item 6: Portfolio Manager Selection and Evaluation**

#### **A. Selecting/Reviewing Portfolio Managers**

BWA LLC will not select outside portfolio managers for management of this wrap fee program. BWA LLC will be the sole portfolio manager for this wrap fee program.

BWA LLC will use industry standards to calculate portfolio manager performance.

BWA LLC reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is quarterly and is reviewed by BWA LLC.

## **B. Related Persons**

BWA LLC and its personnel serve as the portfolio managers for all wrap fee program accounts. This is a conflict of interest in that no outside adviser assesses BWA LLC's management of the wrap fee program. However, BWA LLC addresses this conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the wrap fee program.

## **C. Advisory Business**

BWA LLC offers ongoing wrap fee portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. BWA LLC creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- |                                 |                                |
|---------------------------------|--------------------------------|
| • Determine investment strategy | • Personal investment policy   |
| • Asset allocation              | • Asset selection              |
| • Assessment of risk tolerance  | • Regular portfolio monitoring |

BWA LLC evaluates the current investments of each client with respect to their risk tolerance levels and time horizon.

BWA LLC will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction.

Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Portfolio management accounts participating in the wrap fee program will not have to pay for transaction or trading fees. BWA LLC will charge clients one fee, and pay transaction fees using the advisory fee collected from the client. Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that BWA LLC has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs. To address this conflict, BWA LLC will always act in the best interest of its clients consistent with its fiduciary duty as an investment adviser.

### ***Services Limited to Specific Types of Investments***

BWA LLC generally limits its investment advice to mutual funds, equities, fixed income securities, ETFs, non-U.S. securities, and insurance products including annuities. BWA LLC may use other securities as well to help diversify a portfolio when applicable.

### ***Client Tailored Services and Client Imposed Restrictions***

BWA LLC will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by BWA LLC on behalf of the client. BWA LLC may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients are not permitted to impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

### ***Wrap Fee Programs***

As discussed herein, BWA LLC sponsors and acts as portfolio manager for this wrap fee program. BWA LLC manages the investments in the wrap fee program. The fees paid to the wrap account program will be given to BWA LLC as a management fee.

### ***Amounts Under Management***

BWA LLC has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$0.00	\$172,470,352.00	December 2019

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

BWA LLC does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

## *Methods of Analysis and Investment Strategies*

### Methods of Analysis

**Charting analysis** involves the use of patterns in performance charts. BWA LLC uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various assets.

### Investment Strategies

BWA LLC uses/recommends long term investing.

*Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

## *Material Risks Involved*

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### Methods of Analysis

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not



always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### **Investment Strategies**

**Long term investing** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

*Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

### ***Risks of Specific Securities Utilized***

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting

(extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Because ETFs use "authorized participants" (APs) as agents to facilitate creations or redemptions (primary market), there is a risk that an AP decides to no longer participate for a particular ETF; however, that risk is mitigated by the fact that other APs can step in to fill the vacancy of the withdrawing AP [an ETF typically has multiple APs] and ETF transactions predominantly take place in the secondary market without need for an AP. Like other liquid securities, ETF pricing changes throughout the trading day and there can be no guarantee that an ETF is purchased at the optimal time in terms of market movements. Moreover, due to market fluctuations, ETF brokerage costs, differing demand and characteristics of underlying securities, and other factors, the price of an ETF can be lower than the aggregate market price of its cash and component individual securities (net asset value – NAV). An ETF is subject to the same market risks as those of its underlying individual securities, and also has internal expenses that can lower investment returns.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Annuities** are retirement products for those who may have the ability to pay a premium now and want to guarantee they receive certain payments or a return on investment in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

*Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

### ***Voting Client Securities (Proxy Voting)***

BWA LLC will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 7: Client Information Provided to Portfolio Managers**

All client information material to managing the portfolio (including basic information, risk tolerance, sophistication level, and income level) is provided to the portfolio manager. The portfolio manager will also have access to that information as it changes and is updated.

## **Item 8: Client Contact with Portfolio Managers**

BWA LLC does not restrict clients from contacting portfolio managers. BWA LLC's representatives can be contacted during regular business hours using the information on the Form ADV Part 2B cover page.

## **Item 9: Additional Information**

### **A. Disciplinary Action and Other Financial Industry Activities**

#### ***Criminal or Civil Actions***

There are no criminal or civil actions to report.

#### ***Administrative Proceedings***

There are no administrative proceedings to report.

#### ***Self-Regulatory Organization (SRO) Proceedings***

There are no self-regulatory organization proceedings to report.

#### ***Registration as a Broker/Dealer or Broker/Dealer Representative***

Neither BWA LLC nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

## ***Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor***

Neither BWA LLC nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

## ***Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests***

Erin Berglund Burns is an independent licensed insurance agent and from time to time may offer clients advice or products from those activities. Clients should be aware that these services may involve a conflict of interest; however, BWA LLC always acts in the best interest of the client. Clients are free to obtain these services or products through another provider and always have the right to utilize or decline the services of any BWA LLC representative in such individual's outside capacity.

David Ray Burns is an independent licensed insurance agent and from time to time may offer clients advice or products from those activities. Clients should be aware that these services may involve a conflict of interest; however, BWA LLC always acts in the best interest of the client. Clients are free to obtain these services or products through another provider and always have the right to utilize or decline the services of any BWA LLC representative in such individual's outside capacity.

Christopher Logan Burns is an independent licensed insurance agent and from time to time may offer clients advice or products from those activities. Clients should be aware that these services may involve a conflict of interest; however, BWA LLC always acts in the best interest of the client. Clients are free to obtain these services or products through another provider and always have the right to utilize or decline the services of any BWA LLC representative in such individual's outside capacity.

Christian Paul Clausen is an independent licensed insurance agent and from time to time may offer clients advice or products from those activities. Clients should be aware that these services may involve a conflict of interest; however, BWA LLC always acts in the best interest of the client. Clients are free to obtain these services or products through another provider and always have the right to utilize or decline the services of any BWA LLC representative in such individual's outside capacity.

Jon Scott Gwatney Jr. is an independent licensed insurance agent and from time to time may offer clients advice or products from those activities. Clients should be aware that these services may involve a conflict of interest; however, BWA LLC always acts in the best interest of the client. Clients are free to obtain these services or products through another provider and always have the right to utilize or decline the services of any BWA LLC representative in such individual's outside capacity.

Jon Scott Gwatney Jr. is a Co-owner of Monogram Parade.

Ernest M Burns Jr. is an independent licensed insurance agent and from time to time may offer clients advice or products from those activities. Clients should be aware that these services may involve a conflict of interest; however, BWA LLC always acts in the best interest of the client. Clients are free to obtain these services or products through another provider and always have the right to utilize or decline the services of any BWA LLC representative in such individual's outside capacity.

Ernest McDougal Burns Jr. is the CEO of Burns Estate Planning.

### ***Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections***

BWA LLC does not select third-party investment advisers.

## **B. Code of Ethics, Client Referrals, and Financial Information**

### ***Code of Ethics***

BWA LLC has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. BWA LLC's Code of Ethics is available free upon request to any client or prospective client.

### ***Recommendations Involving Material Financial Interests***

BWA LLC does not recommend that clients buy or sell any security in which BWA LLC or a related person has a material financial interest.

### ***Investing Personal Money in the Same Securities as Clients***

From time to time, representatives of BWA LLC may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of BWA LLC to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. BWA LLC will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### ***Trading Securities At/Around the Same Time as Clients' Securities***

From time to time, representatives of BWA LLC may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of BWA LLC to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, BWA LLC will never engage in trading that operates to the client's disadvantage if representatives of BWA LLC buy or sell securities at or around the same time as clients.

### ***Frequency and Nature of Periodic Reviews***

Accounts are reviewed at least annually by Christopher L. Burns, CCO, with regard to clients' respective investment policies and risk tolerance levels.

### ***Factors That Will Trigger a Non-Periodic Review of Client Accounts***

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### ***Content and Frequency of Regular Reports Provided to Clients***

Each client will receive a monthly account statement from the custodian.

### ***Economic Benefits Provided by Third Parties for Advice Rendered to Clients***

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

As part of the Program, BWA LLC may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between BWA LLC's participation in the Program and the investment advice it gives to its clients, although BWA LLC 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 BWA LLC 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 BWA LLC's 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 BWA LLC by

third party vendors. TD Ameritrade may also pay for business consulting and professional services received by BWA LLC's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit BWA LLC but may not benefit its client accounts. These products or services may assist BWA LLC in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help BWA LLC manage and further develop its business enterprise. The benefits received by BWA LLC 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, BWA LLC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by BWA LLC or its related persons in and of itself creates a conflict of interest and may indirectly influence the BWA LLC's choice of TD Ameritrade for custody and brokerage services.

### ***Compensation to Non – Advisory Personnel for Client Referrals***

BWA LLC does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### ***Balance Sheet***

BWA LLC neither requires nor solicits prepayment of more than \$1,200 / \$500.

### ***Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients***

BWA LLC does not have any financial condition that would impair its ability to meet contractual commitments to clients.

### ***Bankruptcy Petitions in Previous Ten Years***

BWA LLC has not been the subject of a bankruptcy petition.