

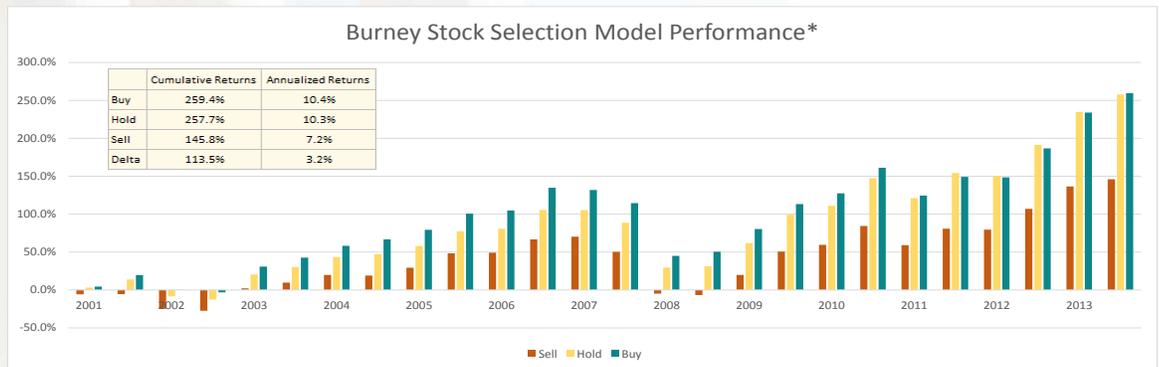
The Burney Advantage: Burney's Stock Scoring System

Investors looking for growth in their retirement and investment accounts turn to common stocks for their long term return advantage relative to other asset classes such as bonds, gold and cash. With a potential gold bubble and an ominous outlook for bonds as interest rates are due to rise in the years ahead (interest rates and bond prices are inversely related), a rotation to equities from these other asset classes is in progress. Individual investors, however, often do poorly with their equity investments as they are at a large informational disadvantage. The stock market is a zero-sum game – for there to be a winner, there must also be a loser and individual investors have been that loser as evidenced by their results. During the '90s and '00s individual investor equity return averaged just 3.5% vs. the S&P 500's 7.8%[†]. In 2011, the S&P 500 advanced 2.1% while individual investors lost 5.7%[†]. Picking stocks well is obviously a tough task!

How Does the Burney Company Select Stocks?

The Burney Company developed and uses a quantitative analytical model designed to sort stocks relative to their return potential. Burney analysts constantly look for new factors that correlate to stock returns and regularly add new factors to a growing list of more than 2,000 candidate factors. These factors are analyzed based on their association to stock return over both the short and long term. Consistent factors are selected and built into 50-factor models that sort stocks into three categories: BUY, HOLD, and SELL.

Every six months, models are updated so that the most current market information is reflected. The results have been striking. Since 2001, the delta between BUY recommendations and SELL recommendations has averaged 3.2 percentage points¹. This magnitude of return differential compounded over time is a key to Burney performance success.



* From 2001 Model A to 2013 Model B. Burney stock universe of about 2000-2500 U.S. listed stocks.

The Burney Advantage

In today's investment environment, investors are turning to common stocks to achieve growth but the road ahead is treacherous for the individual investor. Portfolio Managers at the Burney Company have a powerful stock selection tool at their disposal. Though no model is perfect, the Burney Company's stock selection model gives Burney clients an important performance advantage.

[†] Source: DALBAR 2012 Quantitative Analysis of Investor Behavior

¹ Past performance is not a guarantee of future results. Equity investment includes the risk of loss.