



# VERICIMETRY

## BROCHURE

(Form ADV, Part 2A)

### VERICIMETRY ADVISORS LLC

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March 28, 2024

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This brochure (“Brochure”) provides information about the qualifications and business practices of Vericimetry Advisors LLC (“Vericimetry” or the “Adviser”). If you have any questions about the contents of this Brochure, please contact Vericimetry at 213-769-8290. The information in this Brochure has not been approved or verified by the Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Vericimetry is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

***Item 2. Material Changes***

This is an amendment to our annual update and filing of our Form ADV, within it contains no material changes from our last ADV document dated March 31, 2023.

## TABLE OF CONTENTS

Item 1.	Cover Page .....	1
Item 2.	Material Changes .....	2
Item 3.	Table of Contents .....	3
Item 4.	Advisory Business .....	4
Item 5.	Fees and Compensation .....	5
Item 6.	Performance-Based Fees and Side-by-Side Management .....	5
Item 7.	Types of Clients .....	5
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9.	Disciplinary Information.....	7
Item 10.	Other Financial Industry Activities and Affiliations.....	7
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	8
Item 12.	Brokerage Practices .....	8
Item 13.	Review of Accounts.....	9
Item 14.	Client Referrals and Other Compensation .....	10
Item 15.	Custody .....	10
Item 16.	Investment Discretion .....	10
Item 17.	Voting Client Securities.....	10
Item 18.	Financial Information .....	11
Item 19.	Requirements for State-Registered Advisers .....	11

## ***Item 4. Advisory Business***

### **Firm Description**

Vericimetry offers investment management services primarily to clients of independent financial advisors. Vericimetry registered as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) in 2011. Vericimetry, a Delaware limited liability company, was formed in 2010 and is based in Altadena, California. The firm is closely held and principally owned by its members and management.

### **Advisory Services**

Vericimetry is the investment adviser to the Vericimetry Funds, an open-end investment company (the “Trust”) registered with the SEC under the Investment Company Act of 1940, as amended (the “1940 Act”). The Trust currently offers shares of one portfolio, the Vericimetry U.S. Small Cap Value Fund, (the “Fund”), and may in the future offer shares of additional portfolios. Vericimetry manages the Fund in accordance with the Fund’s stated investment objectives, strategies, policies and restrictions, as described in the Fund’s prospectus, which is part of the registration statement of the Trust (the “Prospectus”). Vericimetry utilizes a structured quantitative investment approach based on a set of defined, fundamental characteristics to select a broadly diversified universe of eligible securities for the Fund. The models are not static, but are revised with an effort to deliver enhanced returns against the benchmark index and other managers within the U.S. small-cap value domain.

The investment management team is responsible for the development, implementation and ongoing management of Vericimetry’s proprietary models. Vericimetry’s approach to portfolio management is to design investment portfolios that seek to deliver positive market returns consistent with a customized benchmark appropriate for a given investment objective.

Currently Vericimetry does not advise separately managed accounts, nor does it tailor its advisory services to the needs of individual Fund investors. Vericimetry may consider rendering advice to separately managed accounts in the future.

### **Assets Under Management as of December 31, 2023**

Discretionary: \$ 182,494,845

Non-Discretionary: \$0

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

As described in the Prospectus, Vericimetry is paid an asset-based management fee at an annual rate of 0.50% of the Fund's average daily net assets for investment advisory services provided to the Fund. The Fund's offering documents contain additional information on expenses and applicable fee waivers. Fund investors may also incur brokerage commissions, custodial fees, wire transfer and other transaction costs associated with their investment. Vericimetry does not receive any portion of these amounts, which are paid to the relevant broker-dealers and third parties providing such custodial, wire transfer and other services.

## ***Item 6. Performance-Based Fees and Side-by-Side Management***

Vericimetry receives investment advisory fees based on a percentage of assets under management. Vericimetry does not charge performance-based fees.

In the event that Vericimetry were to charge a performance-based fee to eligible clients as permitted by applicable law, Vericimetry maintains policies and procedures reasonably designed to address the applicable conflicts of interest relating to the management of multiple accounts, including accounts with performance-based fee arrangements, and the fair and equitable allocation of investment opportunities.

## ***Item 7. Types of Clients***

Vericimetry currently manages the assets of the Funds. Fund investors generally include the individual clients of independent financial advisors and institutional investors.

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

In making investment determinations, Vericimetry utilizes a variety of quantitative tools and analytical methods to design models and construct investment portfolios. Vericimetry does not use fundamental analysis to select individual securities but may employ individual security analysis in limited circumstances, such as in the event of a corporate action, merger or acquisition, or to remove securities from the Fund's portfolio.

Vericimetry's investment approach involves employing the following investment strategies:

Low Turnover: Vericimetry engages in a buy and hold investment strategy that often seeks to buy securities and hold them for a relatively long period of time.

Multi-Factor Approach to Value: Vericimetry engages in a fundamental value investment strategy that involves seeking to invest in securities that are usually defined as value by multiple characteristics that produce the desired risk and return properties.

Market Capitalization Weighting: Market capitalization weighting means that each security is generally purchased based on the issuer's relative market capitalization. Vericimetry may modify traditional market capitalization weighting for a variety of factors including free float, momentum, liquidity, trading strategies or others as determined to be appropriate.

Small Capitalization Orientation: Vericimetry engages in a small capitalization strategy that involves seeking to invest in securities defined as small cap stocks to produce the desired risk and return properties.

Strategic Trading: Vericimetry trades in a manner designed to maximize efficiency and minimize market impact and trading costs. Securities are often traded with liquidity in mind to implement the portfolio in an efficient, low cost manner.

Tax Minimization Techniques: Vericimetry often employs techniques to reduce taxable income distributed by the Fund. These techniques often include tracking the individual tax lots to reduce both the amount of capital gain realization and maximize long-term capital gain characterization.

Derivatives and ETFs: Vericimetry may utilize derivatives, such as futures contracts and options on futures contracts, and invest in ETFs to gain market exposure on uninvested cash and to maintain liquidity for cash management purposes.

The following summary identifies the material risks related to Vericimetry's investment strategies. These risks and those associated with particular types of securities and instruments in which Vericimetry may invest the Fund's assets, are described in greater detail in the Prospectus, and the Fund's Statement of Additional Information, which Fund shareholders and prospective shareholders should review. All investing involves risk, including the risk that an investor can lose money. Risks vary based on the nature and attributes of the investment approach and the specific securities and other instruments held. Vericimetry does not guarantee the performance or success of any strategy.

Equity Risk: Investments in equity markets are subject to many risk factors, including risks arising from economic conditions, government regulations, market sentiment, local and international political events, and environmental and technological issues.

Small Company Risk: Securities of small companies may be less liquid than those of large companies, which could make it difficult to sell a small company security at a specific price or time. The prices of small company stocks may experience greater fluctuation than other stocks, and the value of securities of smaller, less well-known issuers can be more volatile than that of

larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

Value Oriented Risk: Value stocks may perform differently than the overall market, and investing in value stocks may cause the Fund at times to underperform other equity funds that use a growth oriented strategy or other investment approach.

Derivatives Risk: Derivative securities can be highly volatile and involve liquidity risk and valuation risk. The prices of derivatives and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges. In addition, investments in derivative instruments require the use of leverage, meaning that the overall value of the instrument (and, accordingly, the potential for profits or losses) is greater than the deposit used to buy the position in the derivative contract.

Securities Lending Risk: The Adviser may cause the Fund to participate in securities lending arrangements with certain approved, eligible borrowers for the purpose of providing additional income to the Fund. Securities lending involves risk, including the possibility of failed delivery or delayed settlement if the borrower does not return the loaned securities on time, or at all, either of which could cause the Fund to lose money.

#### ***Item 9. Disciplinary Information***

Not applicable.

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

Vericimetry serves as investment adviser to the Fund.

Certain of our personnel are registered representatives of an unaffiliated broker-dealer, which serves as distributor of the Fund's shares (the "Distributor"). The Distributor is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of FINRA, the Financial Industry Regulatory Authority. Vericimetry does not believe that this arrangement causes any material conflicts of interest to arise because, among other reasons, the only product that such registered representatives sell are Fund shares. Vericimetry's registered representatives are supervised by the Distributor in connection with their activities related to sales of shares of the Fund.

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

Vericimetry has adopted a Code of Ethics (the “Code”) under Rule 17j-1 under the 1940 Act and Rule 204A-1 under the Advisers Act. The Code obligates directors, officers and employees of Vericimetry to act in the interests of the Fund and its shareholders with respect to any personal securities trading, and includes a standard of conduct requiring all of Vericimetry’s personnel to comply with applicable federal securities laws.

The Code restricts Vericimetry personnel from participating in certain personal investment transactions in which such personnel have a beneficial interest, for purposes of avoiding any actual or potential conflict or abuse of their fiduciary position. The Code permits personnel to invest in shares of the Fund and in the same securities that are held in the Fund’s portfolio. The Code also contains, among other restrictions, procedures requiring pre-clearance and reporting of certain personal securities transactions and holdings, as well as restrictions and limitations on the type and timing of certain employee trades. Vericimetry’s Chief Compliance Officer regularly reviews reports of personal securities transactions to determine compliance under the Code.

Vericimetry will provide a copy of the Code to clients or prospective clients upon their request. Such requests may be made by contacting Vericimetry by mail at 972 W. Campus Lane, Goleta, CA 93117

***Item 12. Brokerage Practices***

**General**

Vericimetry seeks to achieve best execution in purchasing and selling securities for the Fund. While Vericimetry actively pursues low trading costs, best execution does not necessarily mean the lowest available price or commission, but is a determination made based on various quantitative and qualitative factors, including favorable cost or net proceeds and efficient execution of a transaction. Consistent with this practice, Vericimetry’s policy is to pay commissions that are considered fair and reasonable while obtaining a high quality of brokerage services. In determining the reasonableness of brokerage commissions paid in any transaction, Vericimetry relies upon its experience and knowledge regarding commissions generally charged by various broker-dealers and on its judgment in evaluating the brokerage services received from the broker effecting the transaction. Vericimetry will employ the broad use of electronic trading venues to execute orders.

Factors used to select a broker-dealer and/or electronic trading platform may include, but are not limited to: size and type of transaction, liquidity, price, commission, timing, perceived capital strength and stability of the broker-dealer, reliable and accurate clearance and settlement processing, use of automation, provision of research information on the security or market in which we are transacting and confidentiality. The specific criteria will vary depending upon the



nature of the transaction, the market in which it is executed, and the extent to which it is possible to select from among multiple broker-dealers.

Vericimetry's Investment Committee (consisting of members of Vericimetry's trading, portfolio management and compliance personnel) evaluates and approves Vericimetry's trading practices, procedures and policies, including the broker selection process.

### **Soft Dollars and Commission Arrangements**

Vericimetry does not currently use the Fund's assets for, or participate in, any third party soft dollar arrangements, although it may receive proprietary research from various full service broker-dealers, the cost of which is bundled with the cost of the broker's execution services. The Adviser does not "pay up" for the value of any such proprietary research. Vericimetry pays for third-party research out of its own assets. Occasionally, Vericimetry may receive research from broker-dealers in connection with its relationships with such broker-dealers, but this research is not provided because Vericimetry has committed to allocating Fund brokerage to such broker-dealers.

### **Directed Brokerage**

Vericimetry has adopted policies and procedures that prohibit the consideration of sales of the Fund's shares as a factor in the selection of a broker-dealer to execute its portfolio transactions. Vericimetry does not pay for distribution of Fund shares with brokerage commissions.

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

Members of Vericimetry's portfolio management and investment personnel regularly review portfolio positions, guidelines and investment objectives, and consider other matters, such as any changes in targets, current structure of the portfolio and if appropriate, possible tax consequences of any transaction and the effect of any known or anticipated additions to or withdrawals from the Fund. Separately, members of Vericimetry's compliance personnel and the third-party administrator perform regular monitoring and reviews of the Fund's positions, confirming compliance with investment restrictions, limitations and positions.

Shareholders receive regular updates about the Fund's investment performance and other information related to their investment in the Fund. Shareholders will also receive annual and semi-annual financial reports, including annual audited financial statements and unaudited financial statements, respectively, when available.

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

Vericimetry does not compensate any person or entity for referring Fund shareholders or potential shareholders. Vericimetry may provide independent financial advisors with market data analysis and other educational information, and Vericimetry personnel may speak at financial advisor conferences or seminars. Upon request, Vericimetry may provide a shareholder (or prospective shareholder) a referral to one or more independent financial advisory firms. Vericimetry does not receive compensation for these referrals.

#### ***Item 15. Custody***

Vericimetry does not act as a qualified custodian nor provide custody services for clients. Cash and securities of clients are held with a third party custodian, such as a broker-dealer, bank or other financial institution that meets the SEC definition of “qualified custodian”. Account statements are sent directly from the qualified custodian and should be reviewed carefully. Fund assets are held at a bank or other financial institution in a manner that complies with the 1940 Act and rules thereunder.

#### ***Item 16. Investment Discretion***

Vericimetry has full investment discretion to manage the Fund. Any limitation applicable to managing the Fund’s assets is set forth in the Prospectus. Vericimetry has the authority to determine (i) the securities to be purchased and sold for the portfolio (subject to the Fund’s investment restrictions); (ii) the amount of a particular security to be purchased or sold for the portfolio; (iii) the broker-dealer through which securities are bought or sold; and (iv) the prices and commission rates at which the securities transactions are effected.

Vericimetry’s authority to trade securities may be limited by federal tax law diversification requirements and certain securities regulations.

#### ***Item 17. Voting Client Securities***

Vericimetry follows proxy voting policies and procedures that it believes are designed to serve the best interest of the Fund and its shareholders. As an investment adviser, Vericimetry is primarily concerned with seeking to maximize the value of the Fund’s investment portfolio.

Vericimetry will vote in support of company management on proposals of securities. This is consistent with the belief that ownership is a vote in favor of management. The guidelines do not address all potential issues and Vericimetry may vote counter to the guidelines if the portfolio managers are aware of an issue that they might cast an influential vote in the best interest of the Fund and its shareholders. When a proxy proposal poses a potential conflict of interest, Vericimetry will follow its procedures for addressing the conflict.

Though Vericimetry uses best efforts to vote proxies, in certain circumstances it may be impractical or impossible to do so. For example, voting proxies relating to securities of non-U.S. issuers is typically costly and difficult to arrange, and in the case of a security on loan, recalling shares to vote may result in forgone lending income that may affect the value of a shareholder's investment. However, every reasonable effort to vote every proxy will be made.

Investors may obtain a copy of Vericimetry's Proxy Voting Policy and Procedures and information about how proxies were voted by contacting The Chief Compliance Officer by e-mail, by telephone or by mail at Vericimetry Advisors LLC, 972 W. Campus Lane, Goleta, CA 93117.

***Item 18. Financial Information***

Not applicable.

***Item 19. Requirements for State-Registered Advisers***

Not applicable.