

# **Verum Partners LLC**

## **Form ADV Part 2A – Appendix 1 ("Wrap Fee Program Brochure")**

**Effective: March 12, 2024**

This Form ADV2A - Appendix 1 ("Wrap Fee Program Brochure") provides information about the qualifications and business practices for Verum Partners LLC ("Verum Partners" or the "Adviser") services when offering services pursuant to a wrap program. This Wrap Fee Program Brochure shall always be accompanied by the Verum Partners Disclosure Brochure, which provides complete details on the business practices of the Adviser. If you did not receive the complete Verum Partners Disclosure Brochure or you have any questions about the contents of this Wrap Fee Program Brochure or the Verum Partners Disclosure Brochure, please contact the Adviser at (980) 771-3999.

Verum Partners is a registered investment adviser with the U.S. Securities and Exchange Commission ("SEC"). The information in this Wrap Fee Program Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment adviser does not imply any specific level of skill or training. This Wrap Fee Program Brochure provides information about Verum Partners to assist you in determining whether to retain the Adviser.

Additional information about Verum Partners and its Advisory Persons is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for the Adviser's firm name or by CRD# 301058.

## **Item 2 – Material Changes**

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Form ADV 2 – Appendix 1 provides information about a variety of topics relating to an Adviser's business practices and conflicts of interest. In particular, this Wrap Fee Program Brochure discusses wrap fee programs offering by the Adviser.

### Material Changes

There have been no material changes to this Wrap Fee Program Brochure since the last filing and distribution to Clients.

### Future Changes

From time to time, the Adviser may amend this Wrap Fee Program Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Wrap Fee Program Brochure (along with the complete Verum Partners Disclosure Brochure) or a Summary of Material Changes shall be provided to you annually and if a material change occurs in the business practices of Verum Partners.

At any time, you may view this Wrap Fee Program Brochure and the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Adviser's firm name or CRD# 301058. You may also request a copy of this Disclosure Brochure at any time, by contacting the Adviser at (980) 771-3999.

## **Item 3 – Table of Contents**

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## Item 4 – Services Fees and Compensation

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### A. Services

Verum Partners, LLC (“Verum”) provides customized wealth management services for its Clients. This Wrap Fee Program Brochure is provided as a supplement to the Verum Partners Disclosure Brochure (Form ADV 2A). This Wrap Fee Program Brochure is provided along with the complete Disclosure Brochure to provide full details of the business practices and fees when selecting Verum Partners as your investment adviser.

As part of the wealth management fees noted in Item 5 of the Disclosure Brochure, Verum Partners includes normal securities transaction fees as part of the overall wealth management fee. Securities regulations often refer to this combined fee structure as a “Wrap Fee Program.” The Adviser’s recommended Custodian does not charge securities transaction fees for exchange-traded-funds (“ETFs”) and equity trades in a Client’s account, provided that the account meets the terms and conditions of the Custodian’s brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments. The Adviser sponsors the Verum Partners Wrap Fee Program.

The sole purpose of this Wrap Fee Program Brochure is to provide additional disclosure relating the combination of securities transaction fees into the single “bundled” wealth management fee. This Wrap Fee Program Brochure references back to the Verum Partners Disclosure Brochure in which this Wrap Fee Program Brochure serves as an Appendix. **Please see Item 4 – Advisory Services of the Disclosure Brochure for details on Verum Partners’ investment philosophy and related services.**

### B. Program Costs

Advisory services provided by Verum Partners are offered in a wrap fee structure whereby normal securities transaction costs are included in the overall wealth management fee paid to Verum Partners. As the level of activity in a Client’s account[s] may vary from year to year, the annual cost to the Client may be more or less than engaging for advisory services where the transactions costs are borne separately by the Client. The cost of the Wrap Fee Program varies depending on services to be provided to each Client, however, the Client is not charged more if there is higher trading activity in the Client’s account[s]. A Wrap Fee structure presents a conflict of interest as the Adviser is incentivized to limit the number of trades placed in the Client’s account[s] or to utilize securities that do not have transaction fees. As noted above, the Adviser’s recommended Custodian does not charge securities transaction fees for ETF and equity trades in a Client’s account, provided that the account meets the terms and conditions of the Custodian’s brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments. As such, the Adviser is incentivized to utilize ETFs and other equity securities to limit the overall cost to the Adviser. The Adviser will only place Client assets into a Wrap Fee Program when it is believed to be in the Client’s best interest. **Please see Item 5 – Fees and Compensation of the Disclosure Brochure for complete details on fees.**

### C. Fees

Wealth management fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the wealth management agreement. Fees may be offered as an annual asset-based fee or a fixed annual fee. Asset-based fees are based on the market value of assets under management at the end of the prior calendar quarter. Wealth management fees are based on the following tiered schedule:

Assets Under Management (\$)	Annual Rate (%)
Up to \$3,000,000	1.00%
\$3,000,000 to \$5,000,000	0.75%
\$5,000,000 to \$15,000,000	0.50%
\$15,000,000 to \$20,000,000	0.40%
\$20,000,000 and Over	0.25%

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Fixed fees may also be negotiated between the Adviser and the Client. The minimum annual fee for comprehensive wealth management services is \$10,000. Please see Item 7 below.

The wealth management fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Adviser. The Client's fees will take into consideration the aggregate assets under management with Adviser. All securities held in accounts managed by Verum Partners will be independently valued by the designated Custodian. Verum Partners will conduct periodic reviews of the Custodian's valuations.

Clients may make additions to and withdrawals from their account[s] at any time, subject to Verum Partners' right to terminate an account. Additions may be in cash or securities provided that Verum Partners reserves the right to liquidate any transferred securities or decline to accept particular securities into a Client's account[s]. Clients may withdraw account assets on notice to Verum Partners, subject to the usual and customary securities settlement procedures. However, Verum Partners designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. Verum Partners may consult with its Clients about the options and ramifications of transferring securities. However, Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications.

As noted above, the Wrap Fee Program includes normal securities trading costs incurred in connection with the discretionary investment management services provided by Verum Partners. Securities transaction fees for Client-directed trades may be charged back to the Client.

Clients may incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s]. Under this Wrap Fee Program, Verum Partners includes securities transactions costs as part of its overall wealth management fee. In addition, all fees paid to Verum Partners for wealth management services or part of the Wrap Fee Program are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. Additionally, account activity fees, such as electronic funds and wire transfers fees, certificate delivery fees, markups and markdowns, bid-ask spreads, selling concessions, and other miscellaneous fees and expenses as outlined in the account opening paperwork executed with the Custodian, are generally charged to the Client. Clients are encouraged to refer to the account opening paperwork executed with the Custodian for an outline of all third-party fees covered under this Wrap Fee Program. The Adviser does not control nor share in these third-party fees. The Client should review all fees charged by the fund[s], third parties and the fees charged by the Adviser to fully understand the total fees to be paid. Please see Item 5.C. – Other Fees and Expenses in the Disclosure Brochure (included with this Wrap Fee Program Brochure).

#### **D. Compensation**

Verum Partners is the sponsor and portfolio manager of this Wrap Fee Program. Verum Partners receives wealth management fees paid by Clients for participating in the Wrap Fee Program and pays the Custodian for the costs associated with the management of the Client's account[s].

### **Item 5 – Account Requirements and Types of Clients**

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Verum Partners provides wealth management services to high net worth individuals, families, trusts, and estates. Verum Partners does not impose a minimum account or relationship size; however, its services are typically designed to meet the needs of high net worth Clients. Please see Item 7 – Types of Clients in the Disclosure Brochure for additional information.

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

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### **Portfolio Manager Selection**

Verum Partners serves as the sponsor in conjunction with Independent Managers for the Wrap Fee Program.

The Adviser will also recommend that a Client utilize an Independent Manager for all or a portion of a Client's investment portfolio. The Adviser will assist in the development of the initial policy recommendations and managing the ongoing Client relationship. The Adviser will also perform initial and ongoing oversight and due diligence over the selected Independent Managers to ensure the Independent Managers' strategies and target allocations remain aligned with its Clients' investment objectives and overall best interests.

### **Related Persons**

Verum Partners' Advisory Persons serve as portfolio managers for this Wrap Fee Program. Verum Partners does not serve as a portfolio manager for any third-party wrap fee programs.

### **Performance-Based Fees**

Verum Partners does not charge performance-based fees.

### **Supervised Persons**

Verum Partners Advisory Persons serve as portfolio managers for Client accounts, including the services described in this Wrap Fee Program Brochure. Details of the advisory services provided are included in Item 4.A. of the Disclosure Brochure.

### **Methods of Analysis**

Please see Item 8 of the Disclosure Brochure (included with this Wrap Fee Program Brochure) for details on the research and analysis methods employed by the Adviser.

### **Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Verum Partners will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account[s]. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Adviser shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Adviser of any changes in financial condition, goals or other factors that may affect this analysis.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Adviser. Please see Item 8.B. – Risk of Loss in the Disclosure Brochure for details on investment risks.**

### **Proxy Voting**

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Verum Partners does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Adviser will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

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

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Clients participating in the Wrap Fee Program generally grant Verum Partners the authority to discuss certain non-public information with the Independent Managers engaged to manage their accounts. Depending upon the specific arrangement, the Adviser is authorized to disclose various personal information including, without limitation: names, phone numbers, addresses, social security numbers, driver's license, tax identification numbers and account numbers. Verum Partners may also share certain information related to its Clients' financial positions and investment objectives in an effort to ensure that the Independent Managers' investment decisions remain aligned with its Clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its Clients' portfolios.

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

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Verum Partners is a full-service investment management advisory firm. Clients always have direct access to the Portfolio Managers at Verum Partners.

## **Item 9 – Additional Information**

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### **A. Disciplinary Information and Other Financial Industry Activities and Affiliations**

Verum Partners values the trust Clients place in the Adviser. The Adviser encourages Clients to perform the requisite due diligence on any adviser or service provider that the Client engages. The backgrounds of the Adviser and its Advisory Persons are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Adviser's firm name or CRD# 301058. Please see Item 9 of the Verum Partners Disclosure Brochure as well as Item 3 of each Advisory Person's Brochure Supplement (included with this Wrap Fee Program Brochure) for additional information on how to research the background of the Adviser and its Advisory Persons.

#### Other Financial Activities and Affiliations

Verum Partners does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts.

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

Verum Partners has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons subject to Verum Partners' compliance program (our "Supervised Persons"). Complete details on the Verum Partners Code of Ethics can be found under Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading in the Disclosure Brochure (included with this Wrap Fee Program Brochure).

#### Review of Accounts

Investments in Client accounts are monitored on a regular and continuous basis by Advisory Persons of Verum Partners under the supervision of the Chief Compliance Officer ("CCO"). Details of the review policies and practices are provided in Item 13 of the Form ADV Part 2A – Disclosure Brochure.

#### Other Compensation

*Participation in Institutional Adviser Platform (Schwab)* – Verum Partners has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like Verum Partners. As a registered investment adviser participating

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on the Schwab Advisor Services platform, Verum Partners receives access to software and related support without cost because the Adviser renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Adviser and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Adviser endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Adviser's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Adviser may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Adviser may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* – Schwab provides participating advisers with access to technology, research, discounts and other services. In addition, the Adviser receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist the Adviser in effectively managing accounts for its Clients, but may not directly benefit all Clients.

*Services that May Only Benefit the Adviser* – Schwab also offers other services and financial support to Verum Partners that may not benefit the Client, including: educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Adviser to recommend Schwab, which results in a potential conflict of interest. Verum Partners believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

*Participation in Institutional Adviser Platform (Fidelity) –*

Verum has established an institutional relationship with Fidelity to assist the Advisor in managing Client account[s].

As part of the arrangement, Fidelity also makes available to the Advisor, at no additional charge to the Advisor, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies. The Advisor may also receive additional services and support from Fidelity. As a result of receiving such services for no additional cost, the Advisor may have an incentive to continue to use or expand the use of Fidelity's services. The Advisor examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interests of the Advisor's Clients and satisfies its Client obligations, including its duty to seek best execution. Please see Item 12 above.

The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Fidelity. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a Custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this Custodian over one that does not furnish similar software, systems support, or services. In addition, Fidelity has provided the Advisor with financial support in the launch of the Advisor and reimbursements for various third-party service providers.

Please see Item 14 – Other Compensation in the Form ADV Part 2A – Disclosure Brochure (included with this Wrap Fee Program Brochure) for details on additional compensation that may be received by

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Verum Partners or its Advisory Persons. Each Advisory Person's Brochure Supplement (also included with this Wrap Fee Program Brochure) provides details on any outside business activities and the associated compensation.

Client Referrals from Solicitors

Verum Partners does not engage paid solicitors for Client referrals.

Financial Information

Neither Verum Partners, nor its management has any adverse financial situations that would reasonably impair the ability of Verum Partners to meet all obligations to its Clients. Neither Verum Partners, nor any of its Advisory Persons, has been subject to a bankruptcy or financial compromise. Verum Partners is not required to deliver a balance sheet along with this Disclosure Brochure, as the firm does not collect advance fees of \$1,200 or more for services to be performed six months or more in advance. Please see Item 18 of the Form ADV Part 2A – Disclosure Brochure.

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