

## Item 1. Cover

Verger Capital Management LLC  
Form ADV Part 2A  
March 2019

1834 Wake Forest Road  
Starling Hall  
Winston-Salem, NC 27106  
336-758-4240

[www.vergercapital.com](http://www.vergercapital.com)

This brochure provides information about the qualifications and business practices of Verger Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at 336.758.4240. 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 Verger Capital Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser's registration with the SEC does not imply a certain level of skill or training.

This is neither an offer to sell nor a solicitation of an offer to buy interest in any investment fund managed by Verger Capital Management LLC. Any such offering can be made only at the time a qualified offeree receives a Confidential Private Offering Memorandum which contains significant details with respect to risks and should be carefully read.

## Item 2. Material Changes

Verger Capital has no material changes to report since the last Brochure update in July 2018.

### Item 3. Table of Contents

#### Table of Contents.

Item 1. Cover .....	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.....	6
Item 7. Types of Clients.....	7
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9. Disciplinary Information.....	21
Item 10. Other Financial Industry Activities and Affiliations.....	21
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	22
Item 12. Brokerage Practices.....	29
Item 13. Review of Accounts.....	30
Item 14. Client Referrals and Other Compensation.....	30
Item 15. Custody.....	31
Item 16. Investment Discretion.....	31
Item 17. Voting Client Securities.....	32
Item 18. Financial Information.....	32

## Item 4. Advisory Business

### The Company

Verger Capital Management LLC (“Verger Capital” or “the Firm”) is a Delaware limited liability company formed in 2013 and registered with the SEC as an investment adviser in 2014. Verger Capital is principally owned by Wake Forest University, a private, coeducational university located in Winston-Salem, North Carolina.

As of December 31, 2018, Verger Capital has \$1,647,718,001 in total assets under management of which \$1,609,137,460 are managed on a discretionary basis and \$38,580,541 are managed on a non-discretionary basis.

### Investment Services

Verger Capital acts as an Outsourced Chief Investment Officer (OCIO) providing investment advisory services to charitable institutions, foundations, and endowments. Verger Capital primarily provides discretionary investment advisory services to private investment funds, through a Master-Feeder structure (Verger Funds). Verger Capital serves as the investment adviser to Verger Fund I LLC (Verger Fund I), a single investor fund formed and maintained for the purpose of investing certain assets of Wake Forest University; Verger Capital Fund LLC (Verger Capital Fund), a master fund into which Verger Fund I and Verger Fund II LLC (Verger Fund II) invests all or substantially all of their assets; and Verger Offshore Fund Ltd (Verger Offshore Fund) a feeder fund which will also invest all or substantially all of its assets in Verger Capital Fund. The Verger Funds are exempt from registration under the Investment Company Act of 1940 (the Investment Company Act), as amended and the Securities Act of 1933, as amended (the Securities Act).

We also provide discretionary and non-discretionary advisory services, including recommendations with respect to portfolio construction, allocation among asset classes and allocation among unaffiliated investment managers, to institutional investors such as charitable institutions, private foundations and endowment funds (“Separate Accounts”).

Verger Capital provides advice with respect to a wide variety of securities, including private investment funds that are managed by unaffiliated investment advisers (Underlying Funds)

We enter into sub-advisory relationships whereby investment discretion will be exercised by a diversified group of unaffiliated investment advisers (Sub-Advisers) who may invest capital of the Verger Funds and the Separate Accounts in a wide variety of securities and other instruments, including derivative instruments. Underlying funds, sub-advised accounts and any assets invested directly by Verger Capital on behalf of a client are referred to collectively as the “Portfolios,” and each a “Portfolio.” Interests in Verger Funds will be offered and sold only to qualified investors on a private placement basis. Verger Capital provides investment advice directly to the Verger Funds, subject to the

oversight of the applicable general partner, managing entity or board, and not individually to the investors in the Verger Funds.

We typically manage Verger Capital clients' assets pursuant to investment guidelines discussed and agreed upon. Such guidelines may be tailored for the Verger Capital client and may reflect investment restrictions or limitations imposed by them. We make investment decisions that are consistent with the terms in the investment management agreements with Verger Capital clients and, where applicable, the organizational and offering documents of each Verger Fund. Limitations on Verger Capital's discretionary authority may result in client accounts that perform differently (and potentially less successfully) than other accounts with similar strategies managed by Verger Capital that do not have such limitations.

In managing Separate Accounts, Verger Capital will execute investments on behalf of the client. We may purchase, sell, convert and otherwise acquire or dispose of all forms of securities and other investments permitted by the investment guidelines, including without limitation: mutual funds, exchange traded funds (ETFs), exchange traded notes (ETNs), and portfolios managed by Sub-Advisers or other external investment advisers.

Please see Item 8, "*Methods of Analysis, Investment Strategies and Risk of Loss*" below for more information regarding our investment strategies.

## Item 5. Fees & Compensation

### Separate Account Clients

Verger Capital receives an asset-based management fee as compensation for our investment advisory services. We will charge an investment management fee for Separate Account clients of 50-70 basis points annually. We may however, negotiate the precise amount and manner of payment of the management fee with each client and the management fee may differ among Verger Capital clients. Management fees for Separate Accounts will be payable quarterly in arrears. The quarterly investment management fee will be based on the Quarter Average Assets Under Management (AUM) which will be determined by Verger Capital. Quarter Average AUM is calculated by taking the net asset value of the aggregated assets as of the last business day of each month of the relevant quarter and adjusting for Separate Account client cash flow activity (contributions and withdrawals) to calculate an adjusted monthly total. Each adjusted monthly total for the quarter will be added together and divided by three

### Verger Funds

Each investor in the Verger Funds will bear certain expenses relating to its investment in the Funds. Such expenses include, but are not limited to: legal, accounting, bookkeeping, tax compliance, auditing, consulting and other professional expenses, including those of valuation firms, and expenses associated with compliance with securities regulations; administration fees and other expenses charged by or relating to the services of third-party providers of administration services, fees payable to sub-

advisers, including without limitation, through investments in pooled investment vehicles; third-party and out-of-pocket research and market data expenses (including, without limitation, news, quotation, statistics and pricing services; hardware, software, data bases and other technical and telecommunications services and equipment used in the investment management and order management processes; and consulting fees and travel expenses in connection with investigation and monitoring potential and existing investments); bank service, custodial and similar fees; fees and expenses (including travel expenses) related to the analysis, purchase or sale of securities, whether or not the investments are consummated; expenses related to the purchase, monitoring, sale, settlement, custody or transfer of Fund assets (directly or through trading affiliates); third party and out-of-pocket fees and expenses relating to systems and software used in connection with the operation of the Fund and investment related activities; fees and expenses in connection with any advisory board or committee, entity-level taxes; fees and expenses relating to the offer and sale of Interests (including, without limitation, organizational fees and expenses), which may, in Verger Capital's sole discretion, be amortized over a five-year period, and filing and legal fees; costs and expenses incurred in connection with the dissolution, winding up or termination of the Fund; costs and expenses incurred in connection with any meeting of the members relating to the Fund, costs and expenses associated with an advisory or similar board or committee of the Fund; expenses related to the Funds' indemnification obligations hereunder; reorganizational expenses; such insurance, if any, as Verger Capital shall deem necessary or appropriate for the conduct of the business of the Fund; and such other ordinary or extraordinary expenses associated with the operation of the Fund and its investment activities as Verger Capital may deem necessary or proper to incur.

Verger Capital deducts its management fees directly from the account of each investor in the Verger Funds.

For additional information regarding brokerage practices, please see Item 12, *Brokerage Practices* below.

**Note: Prospective Verger Fund investors are provided with offering documents prior to their investment and we encourage those investors to review the offering documents carefully for a complete understanding of related expenses.**

#### Additional Compensation

Two Supervised Persons of Verger Capital are registered representatives of an unaffiliated broker-dealer. They are eligible to receive asset-based sales compensation in these roles.

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

Verger Capital does not charge performance based fees.

## Item 7. Types of Clients

We provide investment advisory services to private funds and institutional investors, including charitable institutions, foundations, and endowments. Investors in Verger Funds and Separate Account clients are generally organizations described in Internal Revenue Code (“IRC”) Section 501(c) to which contributions may be made that are deductible under IRC Section 170 and are “qualified purchasers” as defined in the Investment Company Act.

Interests in the Verger Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the Investment Company Act. Investors in the Verger Funds must be “accredited investors” under Regulation D of the Securities Act, Qualified Purchasers under the Investment Company Act, and “qualified eligible persons” under CFTC Rule 4.7. Investors should review the offering documents for each Verger Fund for further information with respect to minimum requirements for investment.

The minimum account size for an investment in the Verger Funds is \$5 million. The minimum account size for Separate Accounts is \$25 million; however, we may choose to waive the minimum.

Unless otherwise noted, for purposes of this Form ADV Part 2A, “Verger clients” refers to the Verger Funds, investors in the Verger Funds and Separate Account clients.

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

Verger Capital specializes in asset allocation, portfolio construction and manager selection. We take a holistic view of the portfolio and aim to gain a deep understanding of the factors that are driving the portfolio’s risks and returns. Unlike asset classes, risk factors are flexible and they afford deeper insight into the portfolio. Armed with this deeper understanding, we strive to combine risk factors in such a way that maximize the portfolio’s chances of success. We believe the result of this process is a well-balanced, diversified, and robust portfolio that is positioned to weather storms that periodically erupt in capital markets. Lastly, we employ a factor-based approach to create a customized portfolio hedge to help limit losses and reduce volatility.

Our manager selection process focuses on both a qualitative evaluation as well as a quantitative analysis. The qualitative evaluation researches the organization (background, structure, depth, and compensation scheme), analyzes its particular edge in sourcing opportunities, and evaluates the rigor of portfolio construction, risk management and strategy implementation. The quantitative analysis helps us thoroughly evaluate both return and risk by comparing historical results to both appropriate benchmarks as well as to managers with similar investment strategies.

We may use a variety of resources or services to help form an investment idea or strategy including, but not limited to: financial publications and corporate rating services; annual reports, prospectuses and other SEC filings; information provided by investment fund

managers and private investment funds; direct dialogue (either phone calls or in-person meetings) with investment fund managers; and, information provided by third parties including, but not limited to, research memoranda, periodicals, offering memoranda, and due diligence memoranda.

Verger Capital analyzes certain characteristics of Underlying Funds and Sub-Advisers, including their return expectations, expected contribution to risk, liquidity, and their fit within the portfolio. While the capital of the Verger Funds will typically be allocated to Underlying Funds that are privately offered or to accounts managed by a Sub-Adviser, we may also invest in mutual funds, exchange traded funds or other types of pooled investment vehicles, as well as derivative instruments and other hedging instruments.

### Risks

The following is only a summary only of some material risks for the investment strategies discussed above.

*Limited Operating History* - The Verger Funds and Verger Capital are recently formed and have limited operating history upon which investors can evaluate their past performance. There can be no assurance that the Verger Funds will achieve their investment objectives. Although Verger Capital's investment professionals have participated in the management of other investment funds and accounts, the past performance of such other investment funds and accounts cannot be relied upon as an indicator of the Verger Fund's success.

*Reliance on Management and Key Personnel* - Investors in the Verger Funds have no right or power to take part in the management of the Verger Funds. Accordingly, no investor should purchase interests or shares unless willing to entrust all aspects of the management of the Verger Fund to Verger Capital. The investment performance of the Verger Funds depends largely on the skill of key personnel and investment professionals of Verger Capital, including, in particular, Jim Dunn, Verger Capital's CEO & CIO. If key personnel, including key investment or key technical staff, were to leave Verger Capital, it might not be able to find equally desirable replacements in a timely fashion and the performance of the Verger Funds could, as a result, be adversely affected. The Verger Funds' investment strategy permits investments to be made in a broad range of issuers, securities, financial instruments and transactions. Within these broad parameters, Verger Capital will make investment decisions for the Verger Funds as it deems appropriate in its sole discretion. An investor must rely upon the ability of Verger Capital and its investment professionals in identifying and implementing investments consistent with the Verger Funds' investment objective and policies. No assurance can be given that the Verger Funds will be successful in obtaining suitable investments, or that if such investments are made, the objectives of the Verger Funds will be achieved.

*Reliance on Third-Party Fund Management* - The Verger Funds primarily invest in Underlying Funds and Sub-Advised Accounts managed by investment managers and Sub-Advisers which are unrelated to Verger Capital and its affiliates and, indirectly, in investments selected by such unrelated investment managers and Sub-Advisers. Neither



the Verger Funds nor Verger Capital will have an active role in the day-to-day management of the Underlying Funds or the Sub-Advisers, and the Verger Funds and Verger Capital have no control over the Underlying Funds' and Sub-Advisers' investment management, brokerage or operations and must rely on the experience and competency of each Underlying Fund's investment manager and Sub-Adviser in these areas. Moreover, the Verger Funds will generally not have the opportunity to evaluate the specific investments made by any Underlying Fund or Sub-Adviser before they are made. Accordingly, the returns of the Verger Funds primarily depend on the performance of these unrelated Underlying Funds and Sub-Advisers and could be substantially adversely affected by the unfavorable performance of such investment managers. Investors in the Verger Funds will not, by virtue of their interests or shares, as applicable, have a direct interest or voting rights in the Underlying Funds and will not have standing or recourse against any Underlying Fund, Sub-Adviser or its affiliates. The overall success of the Verger Funds depends, among other things, on (i) the ability of Verger Capital to select Underlying Funds and Sub-Advisers and to allocate the assets among them and (ii) the Underlying Funds' and Sub-Advisers' ability to be successful in their strategies. The past performance of such strategies is not necessarily indicative of their future profitability. No assurance can be given that the strategy or strategies utilized by a given Underlying Fund or Sub-Adviser will be successful under all or any future market conditions. There can be no guarantee of future performance, and there is no assurance that the Verger Funds or the Underlying Funds or Sub-Advisers will be able to achieve their investment objectives or be profitable.

*Limited Liquidity; No Market for Interest or Shares* - An investment in the Verger Funds is a relatively illiquid investment because interests and shares are not generally transferable without consent and the withdrawal and redemption rights of investors are restricted. In addition, transfer of the interests may be affected by restrictions on resales imposed by federal and state securities laws. An investor's interest with respect to a special situation investment may not be withdrawn until the special situation investment or portion thereof is realized or deemed realized. While the Verger Funds generally seek to deploy capital across multiple asset classes and provide investors a diversified investment portfolio, the Verger Funds may not be a complete investment program for all investors. The Verger Funds are designed only for investors who are able to bear economic risk of investment and are sophisticated with financial and business matters who do not need liquidity with respect to their investments.

*Multiple Levels of Fees and Expenses* – Each investor will bear any management fees charged by Verger Capital in addition to the proportionate interest in any asset-based fees, performance-based fees and expenses (including organizational and offering expenses, operating costs, sales charges, brokerage expenses and administrative fees) charged by an Underlying Fund or Sub-Adviser. Management fees will be charged on all assets of a Verger Fund, including cash and cash equivalents. The Verger Funds may be subject to performance-based fees or allocations in respect of certain Underlying Funds and Sub-Advisers, irrespective of the performance of the Verger Funds generally. Accordingly, an Underlying Fund or Sub-Adviser with positive performance may receive performance-based compensation from the Verger Funds, and thus indirectly from a

Verger client, even if the Verger Funds' overall performance (based on the performance of all of its investments) is negative.

*Portfolio Balance Risks* – Verger Capital will attempt to choose Underlying Funds and Sub-Advisers for the Verger Funds that further the investment objectives. Verger Capital may periodically attempt to reallocate the capital of the Verger Funds among Verger Capital, Underlying Funds and/or Sub-Advisers to balance the overall portfolio of the Verger Funds. However, an Underlying Fund or Sub-Adviser may deviate from its stated strategies, and unexpected changes in the strategy of an Underlying Fund or Sub-Adviser may adversely affect the performance of the Verger Funds that have allocated capital to such Underlying Fund or Sub-Adviser. Furthermore, Verger Capital may at certain times be unable to reallocate the assets of the Verger Funds among portfolios as it determines is advisable in order to achieve the investment objectives due to a number of factors including, without limitation, those described under “Liquidity Risk” herein. If imbalances in the allocations occur because the Verger Funds are unable to reallocate on a timely basis, losses occurring as a result may be significantly greater than would have been the case had the Verger Funds' allocation goals been achieved. The Verger Funds may hold cash or may invest any portion of its assets that is not invested in an Underlying Fund or with a Sub-Adviser in cash equivalents, short-term securities, money market securities, or other securities or instruments pending allocation to Underlying Funds or Sub-Advisers. During the time that the Verger Funds' assets are not invested in Underlying Funds or with Sub-Advisers that portion of the assets may not be invested in a manner that pursues the investment objectives.

*Conflicting or Offsetting Investments* – Underlying Funds and Sub-Advisers generally make investment decisions independently of other Underlying Funds and Sub-Advisers, as well as independently of Verger Capital. This may cause a Verger Fund to hold economically offsetting positions. Consequently, a Verger Fund could indirectly incur costs, including transaction costs and taxes, without accomplishing any net investment result. Furthermore, it is possible that from time to time, Verger Capital, various Underlying Funds and Sub-Advisers may be competing with each other for the same positions in one or more markets. Verger Capital, Underlying Funds and Sub-Advisers may at certain times hold large positions in a relatively limited number of the same or similar investments. Greater concentration of positions across multiple portfolios likely will increase the adverse effect on a Verger Fund of any problems experienced in the market, sector, or industry in which the positions are concentrated.

*Compliance Risks* – Verger Capital will select and monitor the Underlying Funds and Sub-Advisers, but Verger Capital relies heavily on information provided by the Underlying Funds and Sub-Advisers and will have limited access to other information regarding the Underlying Funds' and Sub-Advisers' portfolios and operations. There is a risk that an Underlying Fund or Sub-Adviser may knowingly, negligently or otherwise withhold or misrepresent information regarding the Underlying Fund's or Sub-Adviser's actions or performance, including the presence or effects of any fraudulent or similar activities. Verger Capital, an Underlying Fund or a Sub-Adviser and its operations could

be materially adversely affected if Verger Capital, the Underlying Fund or the Sub-Adviser becomes the subject of (or is otherwise involved in) any formal or informal investigation by a governmental or regulatory agency or is otherwise suspected to have engaged in or be involved in any wrongdoing (including through reports in the press). Verger Capital's proper performance of its monitoring functions may not give Verger Capital the opportunity to discover such situations prior to the disclosure of the presence or effects of any fraudulent or similar activities. In addition, certain service providers and consultants to Verger Capital, Underlying Funds or Sub-Advisers may also engage in fraudulent or similar activities, and Verger Capital, the Underlying Funds and Sub-Advisers may be materially adversely affected as a result.

In connection with Verger Capital's ongoing review of Underlying Funds and Sub-Advisers, we may identify certain deficiencies with or other concerns relating to an Underlying Fund or Sub-Adviser. We may decide not to withdraw capital from the Underlying Fund or terminate a Sub-Adviser despite the identification of such deficiencies or concerns for various reasons. Additionally, due to the illiquidity of some private funds and certain investments, we may not be able to withdraw a Verger client's capital from an Underlying Fund or fully terminate a Sub-Adviser in the desired timeframe. If such Underlying Funds or sub-advised accounts suffer losses during this period, Verger clients could be materially adversely affected. Alternatively, we may determine to withdraw or attempt to withdraw Verger client assets from an Underlying Fund or Sub-advised account as a result of such deficiencies or concerns, but may be unable to do so for a significant period of time, and Verger clients may be adversely affected.

*Regulatory Oversight* – The Verger Funds (and generally, the Underlying Funds in which the Verger Funds invest) are not registered and do not intend to register as an investment company under the 1940 Act, and, accordingly, investors in the Verger Funds are not afforded the protections of the 1940 Act (which, among other matters, requires most registered investment companies to have a majority of disinterested directors, requires securities held in custody at all times to be segregated and marked to clearly identify the owner of such securities, and regulates the relationship between the investment adviser and the investment company). Because securities of the Verger Funds held by brokers will generally not be held in the name of the Verger Funds, a failure of such broker is likely to have a greater adverse impact on the Verger Funds than if such securities were registered in the name of the Verger Funds. The interests and shares have not been and will not be registered under the Securities Act. Verger Capital is registered with the Commodity Futures Trading Commission (CFTC) and National Futures Association (NFA) as a commodity pool operator (CPO). Verger Capital is also registered as an investment adviser under the Advisers Act.

*Legal and Regulatory Changes* - Legal, tax and regulatory changes could occur during the term of the Verger Funds that may adversely affect the Verger Funds and the Underlying Funds in which the Verger Funds invest. For example, legal, tax and regulatory changes may result in lower valuations of the Verger Funds' investments or may decrease the market price of securities owned by the Verger Funds. New (or

revised) laws or regulations may be imposed by the CFTC, the U.S. Securities and Exchange Commission (the SEC), the U.S. Federal Reserve or other banking regulators, other U.S. or non-U.S. governmental regulatory authorities or self-regulatory organizations, including entirely new entities, that supervise the financial markets that could adversely affect the Verger Funds and the Underlying Funds in which the Verger Funds invest. In particular, these agencies are empowered to promulgate a variety of new rules pursuant to recently enacted financial reform legislation in the United States. The Verger Funds and the Underlying Funds in which the Verger Funds invest may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these governmental regulatory authorities or self-regulatory organizations. The regulatory environment for private funds is evolving, and changes in the regulation of private funds may adversely affect the ability of the Fund to execute its investment strategy. The CFTC, the SEC, the Federal Deposit Insurance Corporation, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies.

The U.S. government has enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) which includes provisions for regulation of private funds and financial institutions. Such regulatory requirements could, among other things, restrict the Verger Funds' ability to execute its investment strategy and/or impact the costs of such investment strategy, and the Verger Funds' may be unable to generate investment returns as a result.

It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could be more difficult and expensive and may affect the manner in which the Verger Funds conduct business. Furthermore, new laws or regulations may subject the Verger Funds to increased taxes or other costs.

*Performance-Based Compensation Risk* – The manager of an Underlying Fund or a Sub-Adviser may receive performance-based compensation from Underlying Funds or Sub-Advised Accounts based upon the net capital appreciation of the Underlying Fund or Sub-Advised Account assets. Such compensation arrangements may create an incentive for an Underlying Fund or Sub-Adviser to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. Since such performance-based compensation is generally calculated on a basis that includes unrealized appreciation of assets, such compensation may be greater than if it were based solely on realized gains and losses. Verger Capital has sole discretion to determine which, if any, Underlying Fund interests or Sub-Advised Account investments the Verger Funds will redeem in order to satisfy withdrawal requests. When making such determinations, Verger Capital may consider any factors it deems appropriate, in its sole discretion, including but not limited to the liquidity of the investment in an Underlying Fund or a Sub-Advised Account and the effect on the portfolio as a whole of redeeming the holdings of one or more Underlying Funds or Sub-Advised Accounts to satisfy withdrawal requests. As a result, Verger Capital may determine to satisfy the withdrawal requests received by submitting redemption requests to Underlying Funds or Sub-Advised Accounts subject to gates, redemption fees or other redemption restrictions, even

where the Verger Funds could have redeemed interests in Underlying Funds or Sub-Advised Accounts not subject to such restrictions.

*Portfolio Turnover Risk* – A high rate of portfolio turnover in a Verger Fund, including by an Underlying Fund or a Sub-Advised Account, involves greater expenses than a lower rate and may result in tax costs to investors depending on the tax laws applicable to such investors.

*Tax Risk* – An investor in the Verger Funds may incur U.S. federal income tax liability with respect to income and gains of a Verger Fund, and may exceed its overall return in any given year. Further, investors in Verger Funds may face limitations with respect to their ability to use their allocable share of deductions and losses from their investments in a Verger Fund. There are additional tax issues that may affect investors that invest in offshore limited partnerships and investment funds.

*Valuation Risks* - The administrator, in consultation with Verger Capital, will value the assets of the Verger Funds. The administrator and Verger Capital may rely on the valuations of the applicable Underlying Funds or Sub-Advised Accounts provided by such Underlying Funds or Sub-Advisers. The valuations received by Verger Capital from Underlying Funds or Sub-Advisers will typically be estimates only, and such valuations generally will be used to calculate the net asset value and fee accruals (to the extent applicable) in respect of the Verger Funds to the extent that current audited information is not then available. Valuations provided by Underlying Funds or Sub-Advisers may be subject to later adjustment based on valuation information available at that time, including, without limitation, as a result of year-end audits. In certain circumstances, Verger Capital may determine the fair value of a Verger Fund investment with an Underlying Fund or Sub-Adviser independently of the Underlying Fund's or Sub-Adviser's valuations based on the best available information, which may be the information most recently provided by an Underlying Fund or Sub-Adviser to Verger Capital, and any factors deemed relevant by Verger Capital at the time of such valuation. Such determination may be materially inaccurate, including because the information available to Verger Capital was insufficient, inaccurate or out of date. Additionally, Verger Capital may invest directly in, or allocate assets to, Underlying Funds or Sub-Advisers that may invest directly or indirectly in assets that lack a readily ascertainable market value, and the net asset value of the Verger Funds will be affected by the valuations of any such assets (including, without limitation, in connection with calculating the management fee). The valuation of such assets may create a conflict of interest for Verger Capital, or such Underlying Fund or Sub-Adviser, as such assets may constitute a substantial portion of the Verger Fund's investments and their value may affect the compensation of Verger Capital, such Underlying Fund's manager or such Sub-Adviser. Given the uncertainty inherent in the valuation of assets that lack a readily ascertainable market value, the value of such assets as reflected in the net asset value of the Verger Funds may differ materially from the prices at which Verger Capital, the applicable Underlying Fund or the Sub-Adviser would be able to liquidate the assets. For example, if an Underlying Fund were required to sell a certain asset, or all or a substantial portion of its assets on a particular date, the actual price that the Underlying Fund would realize upon the disposition of such asset or assets could be materially less than the value

of such asset or assets as reflected in the net asset value of the Underlying Fund. Volatile market conditions could also reduce liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in the net asset value of the Verger Funds. Conversely, the actual price that the Underlying Fund would realize upon the disposition of such asset or assets could be materially more than the value of such asset or assets as reflected in the net asset value of the Underlying Fund. In such circumstances, investors that withdraw or redeem before such asset or assets are liquidated may withdraw or redeem at valuations that are materially lower than what they would receive if they had withdrawn or redeemed after the disposition of such asset or assets. Additionally new investors that subscribe for interests or shares, as applicable, of the Verger Funds may receive a proportionate interest in such assets at valuations materially higher or materially lower than the price at which such assets may ultimately be disposed of. To the extent that a given asset's valuation is materially lower than the valuation of such asset upon its disposition, existing investors' interest in such asset will be disproportionately diluted by the new investor's subscription and such new investor will receive a larger proportionate interest in such asset than it would have if the asset had been valued at a greater amount. Conversely, to the extent that such valuations are materially higher than the valuation of such assets upon their disposition, new subscribers will receive a smaller proportionate interest in such asset than they would have had the asset been valued less, and existing investors will have greater exposure to such asset.

Additionally, Underlying Funds and other assets and liabilities for which no market prices are readily available will generally be fair valued by the Underlying Fund, or in the case of other illiquid investments, a third party firm, Sub-Adviser or the Investment Manager of the Verger Funds. There is no guarantee that such valuation will represent the value that would be realized by the Verger Funds on the eventual disposition of an investment held by a private equity or real estate fund (or the disposition of the Verger Fund's interest in such private equity or real estate fund) or that would, in fact, be realized upon an immediate disposition of the foregoing, for example in a secondary sale by the Verger Funds. A withdrawing investor may receive less than such investor would have received if such investor held its interest in the Verger Funds until an Underlying Fund that invests in private equity or real estate assets disposed of such private equity or real estate assets, as the case may be (or until the Verger Funds disposed of its interest in such Underlying Fund that invests in private equity or real estate assets). Additionally new investors that subscribe for interests or shares, as applicable, of the Verger Funds may receive a proportionate interest in such Underlying Funds at valuations materially higher or materially lower than the value such Underlying Funds may ultimately realize or at which the interest held by the Fund in such Underlying Funds may ultimately be disposed. To the extent that a given Underlying Fund that invests in private equity or real estate or other illiquid investment's valuation is materially lower than the valuation of such investment upon its disposition, existing investors' interest in such asset may be disproportionately diluted by a new investor's subscription to the Verger Funds and such new investor may receive a larger proportionate interest in such asset than it would have if the asset had been valued at a greater amount. Conversely, to the extent that such valuations are materially higher than the valuation of such investments upon their disposition, new subscribers may receive a smaller proportionate interest in such

investment than they would have had the investment been valued at a lesser amount, and existing investors may have greater exposure to such investment.

Furthermore, many of the Underlying Funds that are private equity or real estate funds are likely to include a clawback provision in their governing documents with respect to distributions made to investors in such private equity or real estate funds in the event of liabilities or other obligations relating to such distributions. In the event a clawback occurs with respect to distributions made to the Verger Funds, current investors in the Verger Funds will bear the clawback obligations, notwithstanding the fact that such investors may not have been in the Verger Funds when the corresponding distribution was made (and thus did not receive the benefit of such distribution).

*Interim Period Information; Estimates* - An investor in the Verger Funds may be able to contribute capital or redeem its interest on dates other than the date of the annual audit and may contribute capital or withdraw or redeem its proportionate interest in Underlying Funds on dates other than the annual audit of such Underlying Fund, computations of the net asset values or fair valuations of the Underlying Funds, Sub-Advised Accounts and the Verger Funds as well as determinations of relative ownership percentages and Capital Accounts may be based upon unaudited information and estimates received from the Underlying Funds or Sub-Advisers, or otherwise estimated by Verger Capital. Such information may be subject to revision through the end of each Underlying Fund or Sub-Advised Account annual audit. Revisions to the Verger Funds' gain and loss calculations will be an on-going process, and no net capital appreciation or net capital depreciation figure can be considered final until the Verger Funds' annual audit is completed.

Additional Risks include:

- Dependence on Third-Party Managers for Information
- In-Kind Distributions
- Repayment of Certain Distributions
- Cybersecurity Risk
- Withdrawal and Redemption Risk
- Large Investor Risk
- Master-Feeder Structure
- Broad Indemnification
- Recourse to the Verger Funds' Assets
- Misconduct of Employees and Third Party Service Providers
- Non-Disclosure of Positions
- Side Letters
- Forward-Looking Statements
- Risks Related to Electronic Communication

## Fully-Funded Subscriptions

### Investment Risks

Verger Capital, managers of Underlying Funds and Sub-Advisers may invest assets in a variety of securities and other instruments. The list below is of potential investment risk factors:

- General Economic and Market Conditions
- Investments in Hedge Funds and Private Equity Funds
- Bank Loans
- Borrowing and Leverage
- Committed Loan Obligation and Total Return Swap Facilities
- Commodities
- Convertible Securities
- Counterparties
- Credit Market Illiquidity
- Credit
- Currency
- Derivatives
- Focused Investments
- High Yield Bonds
- Investments in Illiquid Securities
- Large Investor
- Less Established Companies
- Leveraged Companies
- Market Disruption and Geopolitical
- Market Risk – Equity Securities
- Market Risk – Fixed Income Securities
- Natural Resources
- Non-U.S. Investments
- Options
- Preferred Securities
- Private Equity
- Real Estate



Short Sales

Smaller Company

Swaps

Zero-Coupon and Deferred Interest Rate Bonds

ETFs

Repurchase Agreements and Reverse Repurchase Agreements

Cash and Other Investments

Emerging Markets

Other Instruments and Future Developments

Some of the risks listed above are described in more detail below. The risks described below are not mutually exclusive, and many of the investments that Verger Capital, a manager of an Underlying Fund or a Sub-Adviser may make will involve all, or a substantial number of, these risks.

*General Economic and Market Conditions* - The success of investment activities may be affected by general economic and market conditions such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may affect the level and volatility of security prices and liquidity of investments. Unexpected volatility or liquidity could impair an investment's profitability or result in loss.

*Investments in Hedge Funds and Private Equity Funds* - Verger Capital may invest client assets in unregistered financial instruments issued by Underlying Funds. The unregistered financial instruments issued by Underlying Funds are generally not publicly traded. Verger Capital may be unable to readily dispose of such non-publicly traded financial instruments and, in some cases, may be contractually prohibited from disposing of such financial instruments for a specified period of time. In addition, the market prices, if any, for such financial instruments tend to be volatile and may be above or below the values provided by Underlying Fund managers and Verger Capital may not be able to sell such positions when it desires to do so or to realize what it perceives to be a fair value (or may receive more than what it perceives to be the fair value) in the event of a sale or upon a full distribution of proceeds relating to such Underlying Funds. The sale of illiquid financial instruments also often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of financial instruments eligible for trading on national securities exchanges or in the OTC (Over the Counter) markets. There may be limited information available about the assets, which generally makes valuation of such financial instruments difficult or uncertain. There can be no assurance that the sale, liquidation and/or distribution value of an Underlying Fund will equal or not be substantially more or less than the net asset value calculated by the Underlying Fund manager or the price (including discounts) at which the Fund acquired such Underlying Fund. While Verger Capital believes that the Underlying Fund has the potential to provide positive returns, there can be no guarantee or assurance that the price at which such Underlying Fund is ultimately realized will be the best price that would have been achieved at any time prior to or subsequent to such

realization or that the price at which such interests in the Fund are fair valued prior to a realization event is the accurate price of such interests.

*Derivatives Risk* – The use of derivatives involves the risk that their value may not move as expected relative to the value of the assets, rates or indices they are designed to track. Derivatives also present other risks, including market risk, liquidity risk, currency risk, and credit and counterparty risk. Because the contract for each OTC derivative is individually negotiated, the counterparty may interpret contractual terms (e.g., the definition of default) differently than the portfolio does and, if it does, the portfolio may decide not to pursue its claims against the counterparty to avoid incurring the cost and unpredictability of legal proceedings. A portfolio, therefore, may be unable to obtain payments the portfolio believes are owed to it under OTC derivatives contracts or those payments may be delayed or made only after the portfolio has incurred the costs of litigation.

Short positions may not act as an effective hedge against long positions. The success of any hedging strategy will depend in part on Verger Capital, the manager of an Underlying Fund or a Sub-Adviser's ability, as applicable, to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments being hedged.

A purchase or sale of a futures contract may result in losses in excess of the amount invested in the futures contract. If a portfolio uses futures for hedging, in the event of an imperfect correlation between a futures position and the portfolio position intended to be hedged, the portfolio may realize a loss on the futures contract at the same time it is realizing a loss on the portfolio position intended to be hedged. In addition, futures exchanges may establish daily limits on the amount that the price of a futures contract can vary from the previous day's settlement price, thereby effectively preventing liquidation of unfavorable futures positions.

Some types of interest rate swaps and credit default index swaps on North American and European indices that may be used by a portfolio will be required to be cleared. In a cleared derivatives transaction, the counterparty to the transaction is a central derivatives clearing organization, or clearing house, rather than a bank or broker. Portfolios will hold cleared derivatives transactions through accounts at clearing members, who are futures commission merchants that are members of the clearing houses. Portfolios will make and receive payments owed under cleared derivatives transactions (including margin payments) through their accounts at clearing members. A portfolio's clearing members guarantee the portfolio's performance of its obligations to the clearing house. Clearing members can generally require termination of existing cleared derivatives transactions at any time and increases in the amount of margin required to be provided by portfolios to the clearing member. Any such termination or increases could interfere with the ability of the portfolio to pursue investments. Also, a portfolio is subject to execution risk if it enters into a derivatives transaction that is required to be cleared (or which Verger Capital, a manager of an Underlying Fund or a Sub-Adviser expects to be cleared), and no clearing member is willing or able to clear the transaction on the portfolio's behalf. In that case, the transaction might have to be terminated, and the portfolio could lose some or all of the benefit of any increase in the value of the transaction after the time of the trade.

Some types of cleared derivatives are required to be executed on an exchange or on a swap execution facility. A swap execution facility is a trading platform where multiple market participants can execute derivatives by accepting bids and offers made by multiple other participants in the platform. While this execution requirement is designed to increase transparency and liquidity in the cleared derivatives market, trading on a swap execution facility can create additional costs and risks. For example, swap execution facilities typically charge fees, and broker intermediaries may impose fees. Also, there may be indemnification of a swap execution facility or a broker intermediary who executes cleared derivatives on a swap execution facility against any losses or costs that may be incurred as a result of the transaction on the swap execution facility. If there is a package of transactions to be executed that include a swap that is required to be executed on a swap execution facility as well as other transactions (for example, a transaction that includes both a security and an interest rate swap that hedges interest rate exposure with respect to such security), it is possible that not all components of the package could be executed on the swap execution facility. In that case, certain components of the package would need to trade on the swap execution facility and other components of the package in another manner, which could be a risk that certain of the components of the package would be executed successfully and others would not, or that the components would be executed at different times, leaving an unhedged position for a period of time.

*Large Investor Risk* – To the extent that interests in a Verger Fund or an Underlying Fund are held by large investors (*e.g.*, institutional investors, asset allocation funds, or other collective investment vehicles), the Verger Fund or Underlying Fund is subject to the risk that these investors will disrupt the Verger Funds or Underlying Fund’s operations by purchasing or redeeming interests in large amounts and/or on a frequent basis.

*Market Disruption and Geopolitical Risk* – Geopolitical and other events may disrupt securities markets and adversely affect global economies and markets and thereby decrease the value of and/or render illiquid a portfolio’s investments. Those events as well as other changes in foreign and domestic economic and political conditions could adversely affect the value of a portfolio’s investments.

*Market Risk - Equity Securities* – The market price of equity investments may decline due to factors affecting the issuing companies, their industries, or the economy and equity markets generally. Declines in stock market prices generally are likely to reduce the market value of a portfolio’s investments. A portfolio may purchase equity investments at prices below what Verger Capital, the manager of an Underlying Fund or the Sub-Adviser believes to be their fundamental value. A portfolio runs the risk that the prices of these investments will not appreciate to or decline from what Verger Capital, the manager of an Underlying Fund or the Sub-Adviser believes to be their fundamental value or that Verger Capital, the manager to the Underlying Fund or the Sub-Adviser overestimates their fundamental value. Certain portfolios may purchase “growth” securities. Because growth securities typically trade at higher multiples of current earnings, their market values are often more sensitive than other securities to changes in future earnings expectations.

*Market Risk - Fixed Income Securities* – A portfolio that invests a significant portion of its assets in fixed income securities, including bonds, notes, bills, synthetic debt instruments, and asset-backed securities, is subject to various market risks. These risks

include, but are not limited to, loss on investments in asset-backed and other fixed income securities, lack of liquidity of those investments and impact of fluctuating interest rates. The market price of a fixed income security can decline due to a number of market-related factors, including rising interest rates, widening credit spreads, or decreased liquidity. In addition, the market price of fixed income securities with complex structures, such as asset-backed securities and sovereign and quasi-sovereign debt instruments, can decline due to market uncertainty about their credit quality and the reliability of their payment streams. In addition, a principal risk run by a portfolio that holds a significant investment in fixed income securities is that an increase in prevailing interest rates will cause the market price of its investments to decline. The risks associated with such changes in interest rates is generally greater for a portfolio that invests in fixed income securities with longer durations and in some cases duration can increase. Moreover, as inflation increases, the real value of a portfolio's assets could decline. If deflation occurs, it may increase the risk of issuer default and adversely affect the value of the portfolio's assets.

Asset-backed securities involve the risk of loss of principal if obligors of the underlying obligations default and the defaulted amounts exceed any credit support provided for the securities. The obligations underlying asset-backed securities are subject to unscheduled prepayments and a portfolio may be unable to invest prepayments at as high a yield as the yield of the asset-backed security. Asset-backed securities, particularly mortgage-backed securities, are subject to the risk that their underlying assets were not properly securitized, which could reduce and/or eliminate their market value.

Collateralized debt obligations may be subject to prepayment risk, credit risk, liquidity risk, market risk, structural risk, legal risk and interest rate risk. Due to the complex nature of a collateralized debt obligation, such investments may not perform as expected.

If a portfolio acquires an interest in a loan through a participation, it must rely on the seller of the participation not only for the enforcement of the portfolio's rights against the borrower but also for the receipt and processing of principal, interest, or other payments due under the loan. Also, loans are often subject to prepayments from free cash flow of the borrower, which reduces the principal on which a portfolio's interest income is calculated.

Distressed or defaulted instruments are generally considered speculative and may involve substantial risks not normally associated with investments in healthier issuers, including adverse business, financial or economic conditions that can lead to defaulted payments and/or insolvency proceedings. If Verger Capital, a manager of an Underlying Fund or a Sub-Adviser's evaluation of the eventual recovery value of a defaulted instrument should prove incorrect, the portfolio may lose all or a substantial portion of its investment.

*Options Risk* – There are various risks associated with transactions in exchange-traded and OTC options. The market value of options written by a portfolio will be affected by many factors, including: changes in the value of underlying securities or indices; changes in the dividend rates of underlying securities (or in the case of indices, the securities comprising such indices); changes in interest rates or exchange rates; changes in the actual or perceived volatility of the stocks comprising an index or the stock market generally and underlying securities; and the remaining time to an option's expiration.

*ETFs* - A portfolio may investment in exchange-traded funds (ETFs). ETFs are hybrid investment companies that may be registered as open-end investment companies or unit investment trusts but possess some of the characteristics of closed-end funds. The market price for ETF shares may be higher or lower than the ETFs net asset value. The sale and redemption prices of ETF shares purchased from the issuer are based on the issuer's net asset value. Investments in ETFs involve the risk that the ETFs performance may not track the performance of the index (if any) the ETF is designed to track. Unlike an index, an ETF incurs administrative expenses and transaction costs in trading securities. In addition, the times and magnitude of cash inflows and outflows from and to investors buying and redeeming shares in the ETF could create cash balances that cause the ETFs' performance to deviate from the index (which remains "fully invested" at all times). Performance of an ETF and the index it is designed to track also may diverge because the composition of the index and the securities held by the ETF may occasionally differ. In addition, ETFs often use derivatives to track the performance of the relevant index and therefore, investments in those ETFs are subject to the same derivatives risks discussed above.

Verger Capital seeks to manage these risks through rigorous and ongoing analysis and monitoring of investments, including of Underlying Funds, Sub-Advisers and their respective portfolios, as well as through portfolio diversification and active management of risk exposure.

***Investing in securities involves a substantial degree of risk. A Verger Capital client or Verger Fund investor may lose all, or a substantial portion of, its investment and Verger Capital clients and investors in Verger Funds must be prepared to bear the risk of a complete loss of their investment.***

***Prospective investors in Verger Funds are provided with offering documents prior to their investment and are encouraged to carefully review the offering documents for a more complete description of the risks applicable to a particular Verger Fund.***

## Item 9. Disciplinary History

Verger Capital has no legal or disciplinary events to report.

## Item 10. Other Financial Industry Activities & Affiliations

Verger Capital is principally owned by Wake Forest University. Verger Capital's Board of Managers consists of members of the Board of Trustees of Wake Forest University and those who are independent from Wake Forest. Currently, the independent seat for the Board of Managers is vacant. Although we are not affiliated directly with any other investment adviser, or with any broker-dealer or other financial institution, Related Persons of Verger Capital may be affiliated with other investment advisers with which Verger Capital does not have a business relationship (a Related Person is defined as: Any advisory affiliate and any person that is under common control with Verger Capital. Advisory Affiliate is defined as: all of Verger Capital's officers, partners or directors or

any Person performing similar functions; all Persons directly or indirectly controlling or controlled by Verger Capital and all of Verger Capital's current employees other than employees performing only clerical, administrative, support or similar functions. Employees include independent contractors who perform advisory functions of behalf of Verger Capital. Person is defined as: a natural person or a company. A company includes any partnership, corporation, trust, limited liability company, limited liability partnership, sole proprietorship, or other organization.)

Supervised Persons of Verger Capital sit on advisory boards of securities in which the Verger Funds invest. The Supervised Persons who sit on advisory boards have no voting rights. Currently, Supervised Persons sit as voting board members for two entities in which the Vergers Funds are invested. (Supervised Persons is defined as: any of Verger Capital's officers, partners, directors [or other Persons occupying a similar status or performing similar functions], or Employees or any other Person who provides investment advice on behalf of Verger Capital and is subject to its supervision and control).

Verger Capital is registered as a CPO with the CFTC and is a member of the NFA. Additionally, certain employees and management persons of the Firm are registered Principals or Associated Persons of the Firm in connection with the Firm's registration as a CPO and membership with the NFA.

Verger Capital serves as investment adviser to certain Verger Funds where a related party acts as the general partner or managing entity. For additional information about the Verger Funds for which affiliates of Verger Capital serve as the general partner or managing entity, please see Part 1 of Verger Capital's Form ADV.

Two (2) of Verger Capital's Supervised Persons are Registered Representatives of an unaffiliated FINRA registered broker-dealer of Foreside Financial Group (Foreside). Wesley Carroccio became a Registered Representative in September 2017 and Patrick Decker became a Registered Representative in December 2017.

Verger Capital, at its expense, pays Foreside a fee for certain distribution related services for the Verger Fund in that certain employees of Verger Capital serve as Registered Representatives to facilitate the offering of interests in the Verger Fund.

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

### Code of Ethics

Verger Capital has adopted a written Code of Ethics (the Code) that is applicable to all of its Supervised Persons. The Code, which is designed to comply with Rule 204A-1 under the Advisers Act, establishes guidelines for professional conduct and personal trading procedures.

The Code states that it is improper for Supervised Persons and their families to use for their own benefit (or the benefit of anyone other than a Verger client) information about Verger Capital's trading or investment recommendations, or to take advantage of investment opportunities that would otherwise be available for a Verger client. The Code requires all Supervised Persons to comply with applicable U.S. federal securities laws at all times.

The Code outlines written policies regarding personal trading in any brokerage or trading account in which Supervised Persons, or their immediate family, have any direct or indirect control or beneficial ownership. Under the Code of Ethics, Access Persons are also required to disclose all of their personal account holdings to Verger Capital upon employment and to provide certain periodic reports to Verger Capital's Chief Compliance Officer. The Code helps Verger Capital detect and prevent potential conflicts of interest.

Supervised Persons who violate the Code may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Supervised Persons are also required to promptly report any violation of the Code of which they become aware and to annually certify compliance with the Code.

A copy of Verger Capital's Code is available to any Verger client or prospective Verger client upon request by calling Vicki West, Chief Operating Officer, at 336.758.4240 or by writing to Vicki West, Chief Operating Officer, Verger Capital Management LLC, 1834 Wake Forest Road, Starling Hall, Winston-Salem, NC 27106.

### Conflicts of Interest

Verger Capital engages in a broad range of activities, including investment activities for its affiliates and for the accounts of Verger clients. In the ordinary course of conducting its activities, the interests of a Verger client may conflict with the interests of Verger Capital, its affiliates or other Verger clients. Certain of these conflicts of interest, as well as a description of how Verger Capital addresses such conflicts of interest, can be found below. The discussion below does not describe all conflicts that may arise.

*Resolution of Conflicts* - In the case of all conflicts of interest, Verger Capital's determination regarding which factors are relevant, and the resolution of such conflicts, will be made using Verger Capital's best judgment, in its sole discretion. In resolving conflicts, Verger Capital may consider various factors, including the interests of the applicable Verger clients with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

(1) A Verger client will not make an investment unless Verger Capital believes that such investment is an appropriate investment considered solely from the viewpoint of the applicable Verger client.

(2) Conflicts of interest will be resolved by set procedures contained in Verger Capital's compliance policies and, if applicable, in the relevant offering and organizational documents of a Verger Fund.

(3) On any issue involving actual conflicts of interest, Verger Capital will be guided by its fiduciary duty.

*Potential Conflicts* - Potential material conflicts of interest include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Verger client. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

*Principal Transactions* - Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and its clients. If an adviser (or an affiliate) purchases a security from or sells a security to a client, the adviser must disclose the terms of the transaction to the client and obtain the consent of the client prior to engaging in the principal transaction. In connection with Verger Capital's management of Verger client assets, Verger Capital may engage in principal transactions. Verger Capital has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions. Verger Capital, its affiliates and the general partners and the managing entities of the Verger Funds may face conflicts of interest in connection with purchase or sale transactions with an affiliate of Verger Capital.

*Cross Transactions* - In certain cases, Verger Capital may cause a Verger client to purchase investments from another Verger client, or it may cause a Verger client to sell investments to another Verger client. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to the market, a Verger client may not receive the best price otherwise possible. Additionally, in connection with such transactions, Verger Capital, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in a Verger Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). Verger Capital and its affiliates may receive management or other fees in connection with their management of the relevant Verger Funds involved in such a transaction. To address these conflicts of interest, Verger Capital's Chief Compliance Officer, in consultation with Verger Capital's Chief Executive Officer, will be responsible for confirming that Verger Capital (i) considers its respective duties to each Verger client, (ii) determines whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party, and (iii) obtains any required approvals of the transaction's terms and conditions. Verger Capital will not directly or indirectly receive any commission or other transaction-based compensation for



effecting any such transaction, and Verger Capital will not affect any such transaction for any Verger client where Verger Capital may be deemed to own more than 25% of the Verger client, unless such transaction complies with the requirements of Verger Capital's principal transactions policy, as described above.

*Conflicts Related to Purchases and Sales* - Verger Capital, its affiliates and Supervised Persons may own, buy or sell securities or other instruments that Verger Capital has bought, sold or recommended to Verger clients. Such transactions are subject to the policies and procedures set forth in Verger Capital's Code of Ethics. The investment policies, fee arrangements, and other circumstances of these investments may vary among Verger clients and Verger Capital, its affiliates and Supervised Persons.

A particular investment may be bought or sold for only one Verger client or in different amounts and at different times for one (or more than one) Verger client, even though it could have been bought or sold for other Verger clients at the same time. Likewise, a particular investment may be bought for one or more Verger clients when one or more other Verger clients are selling the investment.

Verger Capital, the manager of an Underlying Fund, or a Sub-Adviser could disadvantage a Verger client because of activities conducted by them for other of their respective clients as a result of, among other things: legal restrictions on the combined size of positions which may be taken for all accounts managed by Verger Capital, the manager of such Underlying Fund, or such Sub-Adviser, thereby limiting the size of a Portfolio's position; and the difficulty of liquidating an investment for more than one account where the market cannot absorb the sale of the combined positions.

*Allocation of Investment Opportunities* - Verger Capital, the manager of an Underlying Fund and Sub-Advisers may encounter situations in which each must determine how to allocate investment opportunities among its clients. Verger Capital has little influence over how the manager of an Underlying Fund or a Sub-Adviser allocates investment opportunities but expects them to allocate opportunities in a fair and equitable manner.

Verger Capital's policy for allocating investment opportunities is to treat Verger clients fairly and equitably in the allocation of investment opportunities and transactions. Verger Capital has adopted written policies and procedures relating to the allocation of investment opportunities, and will make allocation determinations consistently therewith.

Verger Capital must first determine which Verger clients will participate in an investment opportunity. Verger Capital assesses whether an investment opportunity is appropriate for a particular Verger client, based on the Verger client's investment objectives, strategies and structure. A Verger client's investment objectives, strategies and structure typically are reflected in the Verger client's offering memoranda, organizational documents, investment management agreement or investment guidelines, as applicable. Prior to making any allocation to a Verger client of an investment opportunity, Verger Capital determines what additional factors may restrict or limit the offering of an

investment opportunity to the Verger client. Possible restrictions include, but are not limited to:

- **Obligation to Offer:** Verger Capital may be required to offer an investment opportunity to one or more Verger clients. This obligation to offer investment opportunities may be set forth in a Verger client's offering documents, organizational documents, investment management agreement or a side letter.
- **Related Investments:** Verger Capital may offer an investment opportunity related to an investment previously made by a Verger client to such Verger client to the exclusion of, or resulting in a limited offering to, other Verger clients.
- **Legal and Regulatory Exclusions:** Verger Capital may determine that certain Verger clients or investors in such Verger clients should be excluded from an allocation due to specific legal, regulatory and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

Once the Verger clients that will participate in a particular investment have been identified, Verger Capital, in its discretion, decides how to allocate such investment opportunity among the identified Verger clients. In allocating such investment opportunity, Verger Capital may consider some or all of a wide range of factors, which may include, but are not necessarily limited to, the following:

- Each Verger client's investment objectives and investment focus;
- Transaction sourcing;
- Each Verger client's liquidity and reserves;
- Each Verger client's diversification;
- Lender covenants and similar limitations;
- Amount of capital available for investment by each Verger client as well as each Verger client's projected future capacity for investment;
- Composition of each Verger client's portfolio;
- The availability of other suitable investments for each Verger client;
- Risk considerations;
- Cash flow considerations;
- Asset class restrictions;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax implications;
- Legal, contractual or regulatory constraints; and

- Any other relevant limitations imposed by or conditions set forth in the applicable offering and organizational documents or investment management agreements of each Verger client.

Verger Capital will seek to make all allocations of investment opportunities among Verger clients in a fair and equitable manner, and will not favor or disfavor any Verger client in relation to any other Verger client. Further, Verger Capital will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Verger client, or (ii) the profitability of any Verger client.

The appropriate allocation between Verger clients of expenses and fees generated in the course of evaluating and making investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by Verger Capital in its good faith judgment.

In exercising discretion to allocate investment opportunities and fees and expenses, Verger Capital, managers of Underlying Funds and Sub-Advisers may be faced with a variety of potential conflicts of interest. For example, an investment adviser allocating an investment opportunity among clients with differing fee, expense and compensation structures may have an incentive to allocate investment opportunities to the clients from which it derives, directly or indirectly, a higher fee, compensation or other benefit.

In addition, affiliates of Verger Capital, including Wake Forest University, principal executive officers and other personnel of Verger Capital, may in the future invest directly in Verger Funds and may therefore participate indirectly in investments made by the Verger Funds in which they invest. The existence of these varying circumstances may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Verger Fund.

*Management of the Funds* - Verger Capital may establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of current Verger clients. Allocation of available investment opportunities among Verger clients and any such investment fund could give rise to conflicts of interest. See “Allocations” above. In addition, it is expected that employees of Verger Capital responsible for managing a particular Verger client account will have responsibilities with respect to other Verger clients, including Verger Funds that may be established in the future. Verger Capital employees may also have outside affiliations or participate in other professional activities outside of Verger Capital. Conflicts of interest may arise in allocating time, services or functions of these employees between Verger clients.

*Diverse Membership* - The investors in the Verger Funds may include entities with conflicting interests with respect to their investments in a Verger Fund. The conflicting interests among the investors may relate to or arise from, among other things, the nature of investments made by a Verger Fund, the structuring of the acquisition of investments and the timing of the disposition of investments, as well as the structure of a Verger Fund and any associated parallel funds. As a consequence, conflicts of interest may arise in

connection with decisions made by Verger Capital, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. Subject to disclosures contained within a particular Verger Fund offering documents, in selecting and structuring investments appropriate for a Verger Fund, Verger Capital will consider the investment and tax objectives of the applicable Verger Fund and the investors as a whole, not the investment, tax or other objectives of any investor individually.

*Conflicts Related to Fee Structure* - Because a Verger Fund's management fee is generally based upon the value of investor's capital accounts or net asset value, to the extent that the valuation of such assets is determined or influenced by Verger Capital, this may create a conflict of interest.

*Conflicts of Underlying Funds and Sub-Advisers* - Underlying Funds and Sub-Advisers have interests and relationships that may create conflicts of interest related to their management of Portfolios. Such conflicts of interest may be similar to, different from or supplemental to those conflicts described herein relating to Verger Capital. For example, Underlying Funds or Sub-Advisers may have additional or different conflicts with respect to trading and investment practices, including their selection of broker-dealers, aggregation of orders for multiple clients or netting of orders for the same client as well as with respect to the investment of client assets in companies in which they have an interest.

*Valuation* - The valuation of investments in Separate Accounts or investments and interest in Verger Funds can present a number of conflicts of interest between and among Verger clients and Verger Capital. As discussed in Item 8, Verger Capital may invest in, or allocate assets to Underlying Funds or Sub-Advisers that invest in assets that lack a readily ascertainable market value. Such assets will generally be assigned a fair valuation determined by Verger Capital, or the Underlying Fund or Sub-Adviser, or by the general partner, managing entity or board of a Verger Fund. The valuation of such assets may create a conflict of interest for Verger Capital, and for an Underlying Fund or Sub-Adviser, may affect the performance results of Verger clients' and may affect the price at which investors purchase, sell or redeem interests in Verger Funds. Additionally, certain Verger clients and investors in Verger Funds may participate, directly or indirectly, in investments that were previously made by Wake Forest University or investments currently held by Verger Funds. In connection with such participation, Verger Capital, or a managing entity or board of a Verger Fund affiliated with Verger Capital, may fair value such investments in order to establish a price at which a portion of such investments will be sold to participating Verger clients, including Verger Funds. Verger Capital, its affiliates and the general partners, managing entity or board of Verger Funds may face conflicts of interest in connection with such purchase or sale transactions, including with respect to the consideration offered by, and the obligation of Verger Capital, its affiliates or the general partners, managing entities or boards of Verger Funds.

*Other Conflicts* - Verger Capital and Verger Funds will generally engage common legal counsel and other advisers in a particular transaction, including transactions in which

there may be conflicts of interest. Members of the law firms engaged to represent the Verger Funds may also represent investors in a Verger Fund. In the event of a significant dispute or divergence of interest between Verger Funds and Verger Capital, the parties may engage separate counsel in the sole discretion of Verger Capital. Moreover, in litigation and certain other circumstances, separate representation may be required.

## Item 12. Brokerage Practices

While Verger Capital may provide advice with respect to a wide variety of securities, we generally invest in interests in the Underlying Funds. Interests in these funds are generally traded directly with the issuer and not placed through a broker-dealer. We may also enter into sub-advisory relationships with unaffiliated investment advisers. We expect that the managers of the Underlying Funds and the Sub-Advisers will direct brokerage business on the basis of best available execution and in consideration of such brokers' provision of brokerage, research and related services. But we do not participate in those decisions and no absolute assurances can be made in that respect.

With respect to any direct trading activity conducted by Verger Capital (for example in individual publicly traded securities), we will seek “best execution” of the transaction. In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, we take into account a number of factors we deem relevant to the broker’s or dealer’s execution capability, for example, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction, market trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Verger Capital clients may direct the Firm to use a particular broker to execute transactions in the client’s separately managed account. In all these cases, the client may pay a higher transaction fees and costs or receive less favorable trade execution than would otherwise be the case if the client had not directed trading to a designated broker.

### Research and Other Soft Dollar Benefits

Verger Capital believes that valuable brokerage and research services can be provided by brokerage firms effecting transactions for the Verger Funds. Accordingly, we do not intend to seek lower brokerage commissions to the extent that doing so might detract from the provision of such brokerage and research services. Brokerage and research services may either be obtained from, or paid for by, brokerage firms and may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; news, quotation, statistics and pricing services, as well as discussions with research personnel and consultants; and software, databases and other technical and telecommunications services and equipment utilized in the investment management process and consulting fees in connection with investigating and monitoring potential and existing investments. Research services may be proprietary research (created or developed by the broker-dealer) and research created or developed by a third party. In formulating and implementing its policies with regards to the use of

commissions or “soft dollars”, it is Verger Capital’s intent to stay within the parameters of Section 28(e) of the Securities Exchange Act of 1934, as amended.

When Verger Capital uses brokerage commissions to obtain research or other products or services, the Firm receives a benefit because Verger Capital does not have to produce or pay for such research, products or services. Verger Capital may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than in receiving most favorable execution.

#### Trade Aggregation

Verger Capital may aggregate (or bunch) the orders of more than one Verger client for the purchase or sale of the same security or instrument. Portfolio managers and traders often employ this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs. Verger Capital may combine orders on behalf of one Verger client with orders for other Verger clients for which it has trading authority, or in which it has an economic interest. Upon execution of the aggregate order, Verger Capital generally allocates the investment between participating Verger clients so that each participating Verger client receives the average price of the aggregate order’s execution.

If an order cannot be fully executed, allocation is made based upon Verger Capital’s procedures for allocation of investment opportunities, as described in Item 11 above.

### Item 13. Review of Accounts

Verger client accounts are regularly reviewed by the investment team with respect to investment strategy and the suitability of the investments used to meet the investment objectives of an account.

Reporting may differ for each client and clients should confirm which reports they will receive. Investors in the Verger Funds are provided reports as identified in such Verger Fund’s organizational and offering documents. Typically Separate Accounts are provided a monthly report and investors in the Verger Funds receive quarterly reports.

### Item 14. Client Referrals and Other Compensation

We may receive referrals or introductions to potential Verger clients from Related Persons or Advisory Affiliates. These activities are done in compliance with established policies and procedures.

## Item 15. Custody

Verger Capital does not act as a custodian for Verger client assets. However, under Rule 206(4)-2 under the Advisers Act, Verger Capital may be deemed to have custody of Client assets under certain circumstances.

The independent, qualified custodian of the Verger Funds is disclosed in the relevant offering and other fund documents. To the extent a Verger Fund relies on the “audit exemption” under Rule 206(4)-2(b)(4) of the Advisers Act, then Verger Fund investors may not receive reports or statements directly from such qualified custodians. However, to the extent Verger Fund investors receive periodic reports or statements from a Verger Fund qualified custodian, Verger Capital urges such Verger Fund investors to carefully review such reports or statements and to compare them to any reports or statements provided to such investors by Verger Capital.

In the case of Separate Account clients, Verger Capital does not have physical custody of the Separate Account client assets. Verger Capital will recommend an independent, qualified custodian to the Separate Account client whose services and fees will be separate from Verger Capital’s investment management fees. Separate Account clients are responsible for opening custodial accounts directly with the independent, qualified custodian. Separate Account clients should receive required periodic reports or statements from their qualified custodians. Separate Account clients should carefully review those reports or statements and compare the records from the qualified custodians to any reports or statements that we provide. The information in any reports or statements from us may vary from a qualified custodian’s reports or statements based on account procedures, reporting dates, or valuation methodologies of certain securities.

## Item 16. Investment Discretion

We provide discretionary investment advisory services to the Verger Funds pursuant to a written investment management agreement and subject to the discretion and control of the general partner or managing entity of the applicable Fund. Restrictions on our authority are set forth in the organizational documents of the Verger Funds.

Verger Capital manages Separate Accounts on a discretionary and non-discretionary basis. In the case of Separate Accounts that we manage on a discretionary basis, we provide investment advice directly to the Separate Account pursuant to a written investment management agreement which sets forth any investment restrictions, limitations or guidelines on such account’s investments or on our investment authority. In the case of Separate Accounts that we manage on a non-discretionary basis, we will make recommendations to the client with respect to investment transactions pursuant to a written investment management agreement, but the client will make the ultimate investment decision.

## Item 17. Voting Client Securities

The managers of the Underlying Funds and the Sub-Advisers vote the proxies for securities under their management. The Underlying Funds and the Sub-Advisers are responsible for retaining all required books and records associated with the proxy voting they conduct on behalf of Verger.

The Verger Capital Valuation Committee (the Committee) is responsible for voting proxies which are not voted by the Underlying Funds or the Sub-Advisers. This includes certain portfolios or sleeves within the Fund and the Separate Accounts. The Committee will review each proxy independently and conduct and document any necessary research in the decision on how to vote in your best interest. In addition, the Committee will be responsible for resolving any conflicts of interest regarding proxy votes. If a conflict arises, the proxy will be sent to the client, to vote. Upon the execution of the vote, the Committee will provide the Chief Operating Officer with a copy of the proxy statement, a record of the vote cast and a copy of any document created that was material to making the decision on how to vote the proxy or that memorializes the basis for the decision.

We will make information regarding how proxies were voted, as well as a copy of our voting policy and procedures, available at your request. Please submit any such requests by calling Vicki West, Chief Operating Officer, at 336.758.4240 or by writing to Vicki West, Chief Operating Officer, Verger Capital Management LLC, 1834 Wake Forest Road, Starling Hall, Winston-Salem, NC 27106.

## Item 18. Financial Information

In certain circumstances, registered investment advisers are required in this item to provide you with financial information or disclosures about their financial condition. Verger Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has never been the subject of a bankruptcy proceeding.