

# Part 2A of Form ADV: Firm Brochure

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## 1 COVER PAGE

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March 25, 2015

This brochure describes Veris Wealth Partners, LLC's services, fees and business practices. We will introduce you to our principals, key personnel and describe their qualifications and level of experience. We will also describe our sustainable, responsible and impact investing services. If you have any questions about the contents of this brochure, please contact us at 415.814.0580 and/or email [info@veriswp.com](mailto:info@veriswp.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Veris Wealth Partners, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Veris Wealth Partners, LLC is a registered investment adviser. Registration does not imply a certain level of skill or training.

## 2 MATERIAL CHANGES

There have been no material changes to our ADV Part 2, since our last annual amendment.

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## 4 ADVISORY BUSINESS

### 4.1 PRINCIPALS

Veris Wealth Partners, LLC is a Registered Investment Advisory firm founded in July, 2007 by five principal owners:

Patricia Farrar-Rivas, Chief Executive Officer

Michael Lent, Chief Financial and Investment Officer

Steve Fahrer, Partner

David Hills, Chief Sustainability Officer

Anders F. Ferguson, Business Development Officer

### 4.2 ADVISORY SERVICES

Veris is a wealth management firm which specializes in sustainable investment practices. In some cases we are the sole investment adviser, in others we are one of multiple investment advisers, or we are engaged as a consultant with a specific mandate. We generally build our clients' portfolios with multiple Independent Managers, mutual funds and/or exchange traded funds from a variety of disciplines. (Independent Managers differ from funds as their portfolios are comprised of individually owned securities that can be tailored to fit the client's investing preferences unlike a mutual fund, where the securities are commingled.) We include both public and private market managers/funds in our portfolios. We consider ourselves a "Manager of Managers". We refer to ourselves in this document as the Investment Adviser or the Wealth Manager.

#### 4.2.1 WHAT DO WE MEAN BY WEALTH MANAGEMENT?

We provide a variety of financial advisory services to our clients to assist them in managing the entirety of their financial affairs. In addition to our core investment management services we offer consulting and financial planning services, described in Section 4.2.6, *Financial Planning and Consulting*. We recommend the services of other professionals for services outside our area of expertise. As fiduciaries of our clients' assets, it is our responsibility to provide our clients with objective advice, so they may make informed financial decisions and develop plans to meet their financial objectives in line with their personal values.

#### 4.2.2 WHAT DO WE MEAN BY SUSTAINABLE INVESTING?

Veris defines sustainable investing as aligning investments and investment processes with environmental, social and/or ethical values or mission. We seek

out Independent Managers and funds that incorporate sustainable investing into their investment philosophy. We look for managers with both strong financial and sustainable investment processes. We believe Sustainably Integrated Managers have additional insights into business' models, practices, products and/or services which may mitigate risks through their evaluation of externalities, e.g., greenhouse gas emissions, mining pollution, unfair employment practices, and lax corporate governance. We seek to identify quality management teams that invest in companies positioned to perform better than their peers as business standards evolve to address sustainability issues. We believe incorporating sustainability factors into investment portfolios mitigates risk and enhances long term performance.

Veris recognizes a variety of sustainable investment philosophies and/or processes employed by Independent Managers or at the portfolio level described below. We seek to fully understand the broad landscape of sustainable investment philosophies and approaches. Our goal is to identify the most appropriate investment philosophies and approaches to meet our client's financial and sustainability goals.

**Environmental, Social and Governance Investing (ESG):** We view an Independent Manager or fund as an *ESG investment* when their investing philosophy considers a company's ESG practices, both positive and negative as a factor for portfolio inclusion. ESG investment processes seek to identify companies with very high ESG performance, and companies with better ESG performance than their industry peers.

**Socially Responsible Investing (SRI):** We view an Independent Manager or fund as an *SRI investment* when it incorporates screening of controversial business practices and ESG analysis. Shareholder advocacy, and community/impact investing are additional strategies an SRI Manager or fund may utilize.

**Mission Related Investing (MRI) or Mission Investing (MI):** MRI is an investment approach used primarily by foundations and other mission-driven organizations. This investment approach aligns financial assets with mission-outcomes in an effort to meet targeted financial returns and amplify the impact of programmatic activity. MRI includes traditional investments, seeking market rate returns, as well as Program Related Investments (PRI), where the primary intent is a high level of mission-aligned impact.

**Sustainable Investing (SI):** Veris views all of the investment philosophies listed in this section as sustainable. This paragraph describes a specific investment philosophy referred to as Sustainable Investing. We view an Independent Manager or fund a sustainable investment when it assesses a company's process for addressing sustainability issues as an investment lens to identify quality management teams and companies providing innovative solutions to sustainability issues. Sustainability issues include but are not limited to excessive carbon emissions, pandemics, resource depletion and scarcity, lax corporate governance, environmental degradation, and poverty.

**Impact Investing:** An impact investment addresses social and/or environmental challenges while generating financial returns. Impact Investing refers to the component of portfolios most targeted on achieving environmental and social impacts. These may be achieved by using investment products ranging from fixed income community loan funds to highly targeted environmental private equity funds. Veris seeks to identify impact investments across all asset classes.

At Veris it is our role to understand our clients' sustainability objectives, and select the Independent Manager(s) that best address our clients' financial and sustainable objectives.

We have four wealth management partners, each with over eighteen years of experience managing investment portfolios that incorporate socially responsible investments, sustainable investments, mission related and/or impact investments.

We see it as our responsibility to advise our clients of their potential financial risks, as well as the potential limitations of sustainable investing. For example, companies change. A company that meets a client's sustainable investment objectives one day may not at a future date. There is the risk a client may hold that company in their portfolio before the change is identified and the company is eliminated from their portfolio. A client may choose to avoid investments due to personal convictions in a company(s) that provide outperformance in a given period of time.

#### 4.2.3 INVESTMENT AND ADVISORY PORTFOLIO MANAGEMENT

We work with our clients through interviews and clients' questionnaires to understand their financial assets, financial objectives, and sustainability objectives. This process provides us with the necessary information to assign an appropriate risk model and identify appropriate sustainable managers and funds for each client. We have six risk models which will be described in more detail in *Section 8, Methods of Analysis, Investment Strategies & Risk of Loss*.

Once we have identified the appropriate risk model for a client we will allocate the client's assets across a globally diversified portfolio. We then select one or more Independent Managers, mutual funds or exchange traded funds for each of the asset classes in their appropriate risk model. For some individual accounts, we may recommend one of our Veris Proprietary Strategies, described below.

We may develop and draft an investment policy statement (IPS) for our clients. We may also follow a client's existing IPS. We facilitate discussions among multiple family members or members of Boards of Directors to draft an Investment Policy that outlines an individual's, family's or an organization's investment time horizon, return objectives, income and liquidity needs, investment restrictions and sustainability objectives. If a client has an investment policy statement before engaging us, we will review their current IPS and make recommendations as needed.

We typically recommend outside Independent Managers to our clients. We seek to identify Independent Managers with expertise and a strong risk adjusted performance in their specific investment mandate.

We also provide "*Adviser as Manager*" investment advisory and portfolio management service to our legacy clients. When Veris acts as the *Adviser as Manager*, it selects individual securities, in addition to mutual funds and exchange traded funds for the client's portfolio. When we act as the *Adviser as Manager* we **do not** employ outside Independent Managers. This service is limited to our legacy clients and is no longer offered to new clients or as a new service to legacy clients.

Veris conducts a quarterly review of each Veris Approved Independent Manager, mutual fund, and ETF. At least annually, we review the Veris Approved private placements and community investment notes that we engage for our clients. Please see *Section 8, Methods of Analysis, Investment Strategies & Risk of Loss* for details.



We offer our clients online access to their portfolio holdings, transaction reports, daily performance, and quarterly performance reports. Non-Veris managed holdings and portfolios may be included in a client's online reporting (aggregate reporting) for an additional fee. At a minimum we offer our clients a meeting annually.

Our investment philosophy and process is the same across all of our investment services and products. Please see *Section 8, Methods of Analysis, Investment Strategies & Risk of Loss* for a description of our investment philosophy and process. We specialize in, but are not limited to sustainable investment options. Please see *Section 4.3, Customized Portfolios and Portfolio Restrictions* for a description of how we customize portfolios.

#### 4.2.4 INVESTNET AND THE IMPACT INVESTING SOLUTIONS PROGRAM

We recommend our clients use the Envestnet Asset Management Platform, which provides financial advisers such as Veris with portfolio management and back-office services, access to Independent Managers, and online performance reporting. Please see *Section 5.3, Other Fees and Expenses*. Veris serves as the consultant and strategic partner to the Envestnet Impact Investing Solutions program – a one-stop marketplace for sustainable investment funds and research.

The Impact Investing Solutions program provides clients access to Sustainably Integrated Independent Managers, and funds, and the ability to apply customized personal conviction overlay screening to their accounts. Please see *Section 4.3, Customized Portfolios and Portfolio Restrictions* for a description of the available overlay screening.

#### 4.2.5 VERIS PROPRIETARY STRATEGIES

Veris manages two proprietary investment strategies, Veris Sustainable Strategies (VSS) and Veris Sustainable Unified Managed Accounts (VSUMA). The primary differences between the two are the minimum asset requirement and that VSUMA employs Independent Managers in addition to mutual funds and exchange traded funds.

An initial interview is conducted with each client to determine the client's financial circumstances, goals, acceptable levels of risk, any reasonable restrictions on the management of their account, and other relevant information.

Recommendations are made based on each client's financial and sustainability

objectives, the level of risk appropriate for the client, assets levels, and the taxable or non-taxable status of each portfolio.

A Veris Wealth Manager will be reasonably available to consult with the client relative to the status and management of their account. Our clients' accounts are managed on the basis of their financial circumstances and investment objectives.

Clients receive notice of all transactions in their account as if they had maintained a similar account outside of the investment strategy. Clients are provided with a quarterly statement containing a description of all activity in their account. A separate account is maintained for each client at their custodian (Please see sections 12 and 15 regarding custodian/broker/dealer recommendations). Each client retains ownership of their account and the underlying securities in their accounts.

The Veris investment committee and our investment working group manage VSS and VSUMA investment strategies. Management of our investment strategies include selection and termination of Independent Managers and funds, the purchase, sale, exchange and/or transfer of funds, quarterly review of each underlying Independent Manager and fund, re-balancing investment strategies, and coordinated tax harvesting. Please see *Section 8, Methods of Analysis, Investment Strategies & Risk of Loss* for more complete information.

The VSUMA and VSS investment strategies may involve an above-average portfolio turnover that could have a negative impact upon the net after-tax gain experienced by an individual client. Securities in each investment strategy are usually exchanged and/or transferred without regard to a client's individual tax ramifications.

In order to meet our fiduciary duties, we will endeavor to allocate investment opportunities among our clients on a fair and equitable basis. Please see *Section 12.2, Aggregation of Transactions* for additional information. Participation in the VSUMA and VSS investment strategies carries additional risk to clients in that a mutual fund may unilaterally restrict and/or prohibit Veris from trading activities thus prohibiting Veris from managing the assets in a manner consistent with the investment strategy. The underlying funds and the investment strategies are highly liquid, and clients can access money easily if needed. Clients may, in writing, place reasonable limitations upon our discretionary authority.

The VSS and VSUMA investment strategies are also available through an intermediary distribution channel, the Envestnet Sustainability Platform, to

investment advisers not employed by Veris, yet who seek sustainably integrated solutions for their clients.

### **Veris Sustainable Strategies (VSS)**

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The VSS are globally diversified investment portfolios comprised of mutual funds and ETFs held in a single account. Mutual funds and exchange traded funds selected for VSS investment strategies typically incorporate Environmental, Social and Governance (ESG) research into their investment philosophy and process.

The investment strategies are allocated into six different risk levels from capital preservation to aggressive. For each risk level, except the aggressive, there are both taxable and non-taxable investment strategies. Veris provides overlay management services and clients directly own the underlying mutual funds and exchange traded funds in their VSS accounts.

We recommend VSS investment strategies to clients with individual accounts having an approximate market value of \$50,000 - \$500,000. Veris may recommend one or more of the thirteen available investment strategies listed below.

VSS investment strategies risk levels:

- Capital Preservation
- Capital Preservation (with tax-free fixed income)
- Conservative
- Conservative (with tax-free fixed income)
- Conservative Growth
- Conservative Growth (with tax-free fixed income)
- Moderate
- Moderate (with tax-free fixed income)
- Moderate Growth
- Moderate Growth (with tax-free fixed income)
- Growth
- Growth (with tax-free fixed income)
- Aggressive – global equities



### ***Veris Sustainable Unified Managed Account (VSUMA)***

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The VSUMA is a globally diversified investment strategy held in a single account, which is designed for clients seeking the efficiency of having multiple separate account managers in one account. Separate account managers, mutual funds and exchange traded funds selected for VSUMA investment strategies typically incorporate Environmental, Social and Governance (ESG) research into their investment philosophy and process.

VSUMA investment strategies provide a client access to multiple asset managers, mutual funds and/or exchange traded funds representing various asset classes, in a single account. This investment model delivers many of the benefits of a traditional separately managed account in a single broadly-diversified portfolio for a lower minimum investment of \$500,000, while investing in a broad range of various asset classes and styles. Veris provides overlay management services and the client directly owns the underlying securities in the VSUMA account.

Clients may elect to invest through our VSUMA or have a custom built UMA portfolio. In the custom UMA we may select different sub-advisers or adjust the asset allocation as needed.

VSUMA investment strategies risk levels:

- Aggressive: Global equities
- Moderate: Global equities and taxable fixed income funds

We recommend VSUMA to clients with individual accounts having an approximate market value of \$500,000 – \$2,000,000.

#### **4.2.6 FINANCIAL PLANNING AND CONSULTING**

We provide our clients with a broad range of financial planning and consulting services, which may include non-investment related matters. To perform our financial planning and consulting service we rely upon information furnished by our client(s) and their other professional advisers (e.g., attorney, accountant, etc.).

Financial planning and consulting generally requires several meetings and/or steps.

- Initial inquiry through questionnaires and discussions
- Data gathering and review

- Presentation of initial analysis and findings
- Response and input from client(s)
- Finalized written plan or other written deliverable

Clients who engage Veris for financial planning and consulting services receive a customized written plan of our findings and recommendations. We may recommend our services and/or other professionals, such as accountants, estate planning attorneys, and philanthropic consultants, to assist in implementing our recommendations. A conflict of interest exists if we offer our own services or receive compensation (or referrals) for recommendations to other professionals. It is our responsibility to inform clients of any direct or indirect conflict of interest when we recommend other professionals. Our clients are not obligated to act upon any of our recommendations or engage the services of any professional we recommend, including ourselves. Our clients retain absolute discretion over all implementation decisions and are free to accept or reject any of our recommendations.

Financial planning and consulting services may be billed as a separate service, and not included in a client's investment advisory fee. We provide a reasonable level of financial planning and consulting services to our clients. Please see *Section 5.1, Investment Management, Financial Planning and Consulting Fees* for a description of financial and consulting services provided to our investment advisory clients.

We work with our clients to provide a financial plan for the entirety of their financial objectives or to address a specific financial need. Examples of our financial planning services and consulting engagements are listed below:

#### ***Financial planning***

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- Retirement accumulation planning
- Retirement income planning
- Education and college planning
- Employer retirement planning (reviewing 401k or 403b asset allocations)
- Employee benefits planning
- Budget and cash flow planning

- Financial impact planning of life events such as new job, divorce, asset liquidation or purchase, and the birth/death of a family member

### *Consulting*

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- Sustainable Investment Policy Statement drafting, or review
- Sustainable investment manager search and selection
- Misc consulting such as the selection of a bookkeeper, or family office

### *In consultation with clients' other professional advisers*

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- Insurance planning (life, health, disability etc.)
- Estate planning
- Succession planning
- Tax planning
- Elder care planning
- Philanthropic planning
- Art appraisal

It is our job to help our clients meet their current investment objectives while investing their assets to meet their long-term goals. At times conflicts of interest can occur between Veris and the client. It is in the best interest of Veris to maintain the highest value of the client portfolio, yet it could also be in the best interest of the client to transfer their assets out of the portfolio to meet their non-financial goals. For example a client may wish to gift a significant portion of their assets to others, or fund a significant project to meet their sustainability objectives. If these assets leave the client portfolio Veris will experience a loss of revenue. It is our fiduciary responsibility to provide the client objective advice to meet their goals even if our revenue is reduced.

#### **4.2.7 PHILANTHROPIC PLANNING**

We assist clients in determining the appropriate recipients for their philanthropic giving and assist them in aligning their giving with their sustainability objectives. We may recommend the services of a philanthropic consultant in addition to our services. Philanthropic contributions are managed on a client-by-client basis.

To better serve clients with their philanthropic giving, we set up the Veris Donor Advised Fund.. From this account, donors can recommend grants (gifts) to any



public charity at any time, using the automated WEB-based platform of Impact Assets. Grants can be made to any charitable organization that is tax-exempt under IRS Code Section 501(c) (3) and are public charities under Code Section 509(a). The donated funds in the Veris Donor Advised Fund can be managed to meet client's financial and sustainability objectives.

The Veris Donor Advised Fund is administered by Impact Assets, a nonprofit organization dedicated to removing the barriers to impact investing. Impact Assets accepts the charitable donation and provides the grant-making infrastructure while Veris provides the asset management. Clients are billed separately for the two different services. The Veris fee to the client is charged according to our asset based fee schedule. Please see *Section 5.1, Investment Management, Financial Planning, and Consulting Fees*, for a description of our asset based fee schedule.

#### 4.3 CUSTOMIZED PORTFOLIOS AND PORTFOLIO RESTRICTIONS

We can customize client portfolios to meet both their financial and sustainability objectives. Although we have seven risk models for client portfolios, there are scenarios when one of our risk models may not be appropriate for a client. We may recommend or the client may choose a non-standard asset allocation model.

Two examples are:

- A client with significant assets held outside of Veris. It is our objective to consider all of a client's assets and assist them in having the entirety of their assets at an appropriate level of risk. For example, if a client owned illiquid real estate investments, outside of their Veris portfolio, we would adjust their risk model to account for their additional real estate holdings.
- A client with a portfolio of low cost basis securities. It may not be prudent for the client to sell their low cost basis stock all at once and transfer the proceeds to one of our risk models. The better strategy might be to liquidate the securities over multiple years to minimize the potential tax consequences associated with selling them. Veris may adjust their risk model when taking into consideration their low cost basis securities.

We can also customize a client portfolio to meet the client's sustainability objectives by selectively targeting securities consistent with the personal convictions which are important to the client. The personal conviction screens include or filter out the holdings based on the underlying company's environmental, social and governance performance and the level of revenue from any controversial business practices. We can screen for one or all of the eleven



personal convictions listed below. Clients can choose the screen(s) they wish to apply and select a “Best in Class” or a “Strict” screen. The client is able to apply up to eleven different screens to a portfolio. Additional screens not listed below may be available upon request. Personal conviction screens can only be applied to separate account managers which have been “Approved for Screening” by Veris. Mutual Funds and exchange trade funds cannot be screened for personal conviction screens.

- Protect the Environment
- Protect Consumer Rights
- Protect Employee Rights
- Protect Human Rights
- Limit Cruelty to Animals
- Limit Alcohol
- Limit Tobacco
- Limit Gambling
- Limit Weapons
- Limit Firearms
- Limit Nuclear Power Plants

Clients may elect to invest in one of the VSUMA investment strategies (see *Section 4.2.5, Veris Sustainable Unified Managed Account* described above) or to have a custom built UMA portfolio. In the custom UMA we may select different sub-advisers or adjust the asset allocation to meet our client’s investment objectives or restrictions.

#### 4.4 WRAP FEE PROGRAMS

Veris does not provide portfolio management services to wrap fee programs.

#### 4.5 CLIENT ASSETS UNDER MANAGEMENT

As of December 31, 2014

Discretionary Asset Totals:	\$523,545,582
Non Discretionary Asset Totals:	<u>\$169,035,588</u>
<b>Total Regulatory Assets Under Management:</b>	<b><u>\$692,581,170</u></b>

## 5 FEES AND COMPENSATION

### 5.1 INVESTMENT MANAGEMENT, FINANCIAL PLANNING, AND CONSULTING FEES

We charge an annual fee based upon a percentage of the fair market value of the assets being managed. Our fee is exclusive of, and in addition to, brokerage commissions, Independent Manager fees, mutual funds' and exchange traded funds' expenses ratios, transaction fees, and other related costs and expenses incurred by the clients.

Asset Based Fee Schedule			
Tier	From	To	Annual Fee (basis points)
First	\$0.01	\$1,000,000.00	0.75%
Second	\$1,000,000.01	\$2,000,000.00	0.50%
Third	\$2,000,000.01	\$5,000,000.00	0.40%
Fourth	\$5,000,000.01	\$10,000,000.00	0.25%
Fifth	\$10,000,000.01	\$20,000,000.00	0.20%
Sixth	\$20,000,000.01	\$50,000,000.00	0.15%
Seventh	\$50,000,000.01	\$100,000,000.00	0.10%

Examples:

- For a client with \$2M in assets, their first \$1M is charged 0.75% or \$7500.00 and the second \$1M is charged 0.50% or \$5000. Their total annual fee will be approximately 0.63% or \$12,500 per annum.
- For a client with \$10M in assets, their first \$1M is charged 0.75%, or \$7500, the second \$1M is charged 0.50% or \$5000, the next \$3M is charged 0.40% or \$12,000 and the next \$5M is charged 0.25% or \$12,500. Their total annual fee will be approximately 0.37% per annum or \$37,000.

*We discount five percent (5%) off our fees for non-profit organizations.*

Certain of our legacy clients may be on a different fee schedule, which may result in higher fees than disclosed above. Investment management fees will vary depending upon the market value of the assets under management and the type of investment management services to be rendered.

We may negotiate a lesser management fee based upon certain criteria such as anticipated future additional assets, related accounts, family members' accounts, account composition, dollar amount of assets in excess of \$10M, pro bono activities, etc.

Investment management fees include:

- up to one hour per year of financial planning for clients with less than \$1M in assets with Veris
- up to three hours per year of financial planning for clients with \$1-5M in assets with Veris
- up to five hours per year of financial planning, investment manager search and selection, investment policy consulting and consultation with the clients' other professional advisers for clients with \$5-10M in assets with Veris
- up to fifteen hours per year of financial planning or a full financial plan, investment manager search and selection, investment policy consulting and consultation with the clients' other professional advisers for clients with \$100M or more in assets with Veris

### ***FINANCIAL PLANNING AND CONSULTING FEES***

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Veris charges a fixed fee and/or hourly fee for our financial planning and consulting services. Veris' financial planning and consulting fees are negotiable, but generally range as follows: from \$2,500 to \$10,000 on a fixed fee basis (for financial planning) and from \$5,000 to \$150,000 on a fixed fee basis (for consulting services), and/or from \$200 to \$450 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. If a client engages Veris for additional investment advisory services, we may offset all or a portion of the fees for those services based upon the amount paid for the financial planning and/or consulting services.

For fixed fees we generally, require one-half of the financial planning or consulting fee (estimated hourly or fixed) payable upon the completion of a written engagement letter. The balance is due upon delivery of the financial plan or completion of the agreed upon services. Either party may terminate the agreement by written notice to the other. In the event a client terminates our financial planning and/or consulting services, the balance of the client's unearned fees (if any) will be refunded to the client. If termination occurs within five business days of entering into an agreement for such services the client is entitled to a full refund.

Financial planning and consulting services are delivered within six months of the initial engagement. Ongoing consulting services are billed quarterly for services performed.

## 5.2 FEE PAYMENTS AND BILLING

Investment management fees are charged quarterly in advance, and are pro-rated based upon the fair market value of the assets under management on the last day of the previous quarter. Fees are deducted from clients' accounts. Investment management fees may vary depending upon the market value of the assets under management and the type of investment management services offered.

The Veris Agreement and/or the separate agreement with our clients' Custodian/Financial Institution(s) may authorize Veris to debit the client's account for the amount of our fee and to directly remit that management fee to Veris in accordance with applicable custody rules. The Custodian/Financial Institution(s) recommended by Veris have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account, including the amount of management fees paid directly to Veris.

## 5.3 OTHER FEES AND EXPENSES

To implement our portfolio management recommendations clients will incur charges from their Custodian(s), the Independent Managers, and funds we employ on behalf of our clients, and from investment management platforms. These fees are described below.

- The custodial fees include but are not limited to asset based fees to buy and sell securities, transaction fees to buy and sell securities, transfer taxes, wire transfer and electronic fund fees. We recommend our clients use *Fidelity* or *Schwab* as their Custodian/Financial Institution but they are not limited to *Fidelity* or *Schwab*.
- The fees charged by the Independent Managers, and charges imposed directly by mutual funds or exchange traded funds and other fees and taxes on brokerage accounts and securities transactions.
- Additional fees charged for performance reporting by the reporting platform. We may recommend additional performance reporting for client assets not held in the Impact Investing Solutions program, the Envestnet Platform, or held away from Veris.
- The fees charged by an asset management platform such as Envestnet, for back-office services, access to Independent Managers, online performance reporting and other specific program fees. We recommend our clients employ the services of the Envestnet Platform and the Impact Investing Solutions program as described in *Section 4.2.4*.

- Administrative fees charged by Impact Assets in *The Veris Donor Advised Fund* for providing the grant-making infrastructure.

The charges, fees and commissions described above are exclusive of and in addition to the Veris investment advisory fee. Veris does not receive any portion of brokerage commissions, Independent Manager's fees, mutual funds fees or other costs.

#### **5.4 REFUNDS**

The Veris annual investment advisory fee for clients on the Envestnet platform is prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

Account fees are adjusted if assets of \$10,000 or more are added or withdrawn from clients' accounts during a calendar quarter. Clients not on the Envestnet platform are manually billed, and upon termination of the account, any unearned fees of \$75 or less are not refunded. In the case of termination, clients will receive refunds in a timely manner.

In the event a client terminates our financial planning and/or consulting services, the balance of the client's unearned fees (if any) will be refunded to the client. If termination occurs within five business days of entering into an agreement for such services the client is entitled to a full refund.

#### **5.5 COMPENSATION OF SUPERVISED PERSONS FOR SALES**

Neither Veris, nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset based sales charges or service fees from the sale of mutual funds.

### **6 PERFORMANCE BASED FEES & SIDE BY SIDE MANAGEMENT**

Neither Veris nor any of its supervised persons manage any accounts where Veris charges a performance based fee, hourly fee or a flat fee.

### **7 TYPES OF CLIENTS**

Our typical clients are individuals, trusts, families and family offices, non-profit organizations and foundations.

We require a minimum portfolio value of \$2 million in investable assets for opening accounts. We may waive the minimum portfolio value if we anticipate future earning capacity, anticipate future additional assets for family members of existing clients, for pre-existing legacy client, or for pro-bono reasons.

## 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

### 8.1 METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Veris believes that asset allocation is the primary determinant of a portfolio's risk and return characteristics. We also believe that broad diversification mitigates risk and increases the probability of meeting a client's return objectives. Also integral to our investment philosophy is our view that sustainability matters. We believe Environmental, Social and Governance (ESG) sustainability factors are long-term determinants of a company's performance, and companies that integrate sustainability into their business practices are better competitively positioned going forward. By integrating traditional asset allocation modeling with sustainability criteria, we believe that a superior portfolio construction can be achieved.

We recommend an asset allocation model to each client after analyzing their risk tolerance, investment time horizon, income requirements, and other needs and objectives. We customize a client's portfolio by selecting investment vehicles, including but not limited to, Independent Managers, mutual funds, and ETFs, that fit into their appropriate asset allocation model.

The client's sustainability preferences are taken into account by selecting Independent Managers, mutual funds, or ETFs that integrate ESG criteria into their investment process and that best fit the client's sustainability preferences. We are also able to apply overlay ESG screens to portfolios. Clients select the Personal Conviction Screens they wish to apply to their investments and we make a best efforts attempt to eliminate the non-complying securities in their portfolios. Personal Conviction Screens can only be applied to accounts where the client owns the underlying securities. They cannot be applied to mutual funds, ETFs or other investment funds. Investment decisions at Veris are made by the Investment Committee ("IC") and the Investment Working Group ("IWG"). The IC is responsible for capital market analysis, asset allocation, asset allocation tactical adjustments, and approval of investment offerings. The IWG is responsible for the review of new investment products, as well as the ongoing due diligence, monitoring and review of all approved products.

#### Asset Allocation Models

Veris creates its long term strategic asset allocation models by first looking at how capital is allocated from a global capital market perspective. Adjustments are made to the asset class allocations based on the valuation of individual asset

classes compared with their historical norm and macro economic factors which might influence market behavior. We review statistical modeling using third party data and analysis provided by the Envestnet/PMC Capital Markets Team and Frontier Analytics. We have recommended allocations for six risk profiles from capital preservation to aggressive. These strategic models are reviewed at least annually.

### ***Due Diligence Process***

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Our due diligence process takes an in depth look at third-party managers across asset classes including: public equity and fixed income, private equity, alternatives, community loan funds, mutual funds and ETFs, to determine if they would be good stewards of our client's capital.

A manager or fund may be approved utilizing due diligence research of a third party such as Envestnet or through our own due diligence research process. When conducting proprietary due diligence, we begin our review process by evaluating available third party quantitative research on platforms such as Morningstar or Envestnet for basic financial and organizational information. A member of our research team will then request basic information from the manager and have a brief introductory call with a member of the portfolio management team.

**People:** We require detailed background information about the firm and its integrity, including its history, ownership and structure, growth of assets under management since inception, experience of the portfolio management team and depth of the support team, as well as the experience and role of each member on the portfolio management team. We look for sound business models, and how key person risk is addressed.

**Investment Philosophy and Process:** We recognize that managers will have differing philosophies and investment processes. The most important factor is that both are logical and well defined. A team oriented institutionalized investment process is much preferred. Much of our time in the interview is spent on these two items. We ask to be walked through each step of their decision making process, including universe selection, sector weightings, security selection, integration of ESG factors, and the risk controls of the portfolio construction process.



**Performance:** We look for strong, consistent performance compared to benchmarks and peer group. Further, we want to ensure the portfolio has good risk adjusted returns, and that significant outperformance was not obtained by taking on large amounts of risk. Attribution of large deviations from benchmarks must be explainable and consistent with the investment philosophy and style.

**Product:** We gather product implementation details such as fees, investment minimums, terms, and its availability to the custodians used by Veris. We also review assets under management, and growth of assets in each product. It is preferred that Veris clients not have more than 30% of the assets under management.

The final report is submitted to the Investment Committee for review that could result in the following outcomes: follow-up questions for the research team to ask the manager, approval, or non-approval.

If approved, the manager/fund is added to the Veris Approved List, allowing Veris wealth managers to invest client assets.

On a quarterly basis, we review all Veris Approved managers comparing their performance versus an appropriate benchmark. Those managers that show consistent underperformance or changes in firm ownership, investment process, or key persons will be reviewed in-depth.

### ***Sell Decisions***

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Third party managers, mutual funds, and ETFs are put on a watch list for potential termination when any of the following occurs:

- Change in key personnel
- Change in ownership structure
- Change in investment philosophy
- Performance deviates significantly from expected return based on the manager's benchmark or peer group over three or more quarters.

When an Independent Manager, fund or ETF is put on a watch list, the strategy is reviewed by the research team on a quarterly basis. Our review process includes conversations with the principals, quantitative risk/return analysis and relies on other research as available. The review is shared with the subcommittee and a decision is made to hold, sell or reduce the allocation to the



strategy. If a fund or manager's portfolio strategy is removed from the Approved List, client accounts with investments are reviewed; a replacement strategy is identified and assets are transitioned in a strategic manner.

## 8.2 INVESTMENT STRATEGY RISK

Investing in securities involves a risk of loss. While Veris attempts to mitigate the risks of investing, there is no guarantee that we will be successful, and clients should be willing to accept the risk that their assets could decline in value.

The most significant risks associated with investing with Veris include:

**Asset Allocation Risk:** There is the risk that Veris makes incorrect assumptions in our capital market analysis which lead to asset allocation decisions that may result in a loss of assets, or a client's portfolio not meeting their investment objectives.

**Sustainability or ESG Risk:** Incorporating sustainability, ESG, or socially responsible screening criteria to portfolios may result in the exclusion of securities that would otherwise be in line with the portfolio objectives, and lead to economic sector over/under weights which may negatively affect performance. Clients also run the risk of owning securities of companies they find objectionable from a sustainability or social standpoint. This is due to the varying sustainability standards across managers, or the lack of complete information regarding a company's sustainability track record.

**Independent Manager Risk:** We may recommend the use of Independent Managers and funds for our clients who may not perform as expected. They may under perform their peers and benchmark, as well as decline in value. We will continue our ongoing due diligence of the selected managers and funds, but such recommendations rely, to a great extent, on the managers' ability to successfully implement their investment strategies. In addition, we do not have the ability to supervise the managers on a day-to-day basis other than as previously described in this Disclosure Brochure.

**Multi-Manager Risk:** Veris generally constructs client portfolios with multiple managers. Because each of these managers make investment decisions independently, it is possible that their security selection processes may not be complementary. One manager could potentially sell a security, while another manager purchases the same security. Using multiple managers may result in unwanted turnover, tax consequences, and higher transaction costs. The portfolio may also experience unintended over or under weights to asset classes,

geographic regions, economic sectors, or securities, which could adversely affect performance and/or result in loss of assets.

### 8.3 **RISK OF LOSS FOR SECURITIES**

**Market Risk:** Markets are sensitive to a myriad of factors including interest rates, economic conditions, availability of credit, inflation, and geopolitical events. Client portfolios may experience unpredictable fluctuations in security prices, and have the potential for total loss. Clients should be prepared to bear the risk of loss associated with investing in securities.

**Non-US Security Risk:** Veris may recommend non-US securities or managers that purchase non-US securities for our clients. These securities, which may include emerging markets securities, are more volatile and riskier than domestic securities, as they are more exposed to currency fluctuations, economic and political instability, and change in regulation and taxation by foreign governments. There also may be less publically available information about these securities, and less liquidity relative to domestic securities.

**Margin Risk:** Veris does not use margin purchases as an investment strategy. Veris uses margin to cover unexpected withdrawals or transfers of securities by the client, to maintain the integrity of client's portfolios. To the extent that a client authorizes the use of margin, and margin is thereafter employed by the firm in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the firm will not be increased.

While the use of margin borrowing might be convenient for a client, such use may also increase the adverse impact to which a client's portfolio may be subjected. Borrowing will usually be from securities brokers and dealers and typically secured by the client's securities and/or other assets. Under certain circumstances a broker-dealer may demand an increase in the collateral that secures the client's obligations and if the client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the client's profitability.

**Derivative/Option Risk:** Veris occasionally employs third party managers to construct options strategies to hedge low cost basis stock positions. We may employ options on a non-discretionary basis for sophisticated investors to hedge

portfolios. We do not employ options for speculation. Options allow investors to buy or sell a security at a contracted “strike” price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

**Private Placement Risk:** Veris may recommend private placements to accredited and qualified investors where it is appropriate. Private placements carry additional risks not usually encountered in securities traded in public markets. Investments in private placements may offer limited liquidity for long periods of time, and in some cases, clients may be restricted from withdrawing funds for certain periods of time. In addition, the placements are not traded on secondary markets, thus restricting the potential for selling these securities. The lack of a market can make it difficult to value the securities and often the valuation is determined solely by the fund manager or general partner. Lastly, private placements may carry a higher risk of failure because the funds are invested in companies or products that are in earlier stages of development. Clients should be aware they may lose the entirety of the investment.

**Community Loan Funds Risk:** Veris may recommend to our clients Community Loan Funds or Funds that are intermediaries to Community Loan Funds. Community Loan Funds lend to individuals and businesses in low income communities for housing and business development. Limited liquidity in these funds restricts clients from withdrawing funds for the term of the note. The notes do not trade on a secondary market, thus restricting the potential for selling the securities. The lack of a market can make it difficult to value the securities and often the valuation is determined solely by the loan fund. The fund may carry a higher level of default due to the credit ratings of the loan recipients.

## 9 DISCIPLINARY INFORMATION

Veris is required to disclose disciplinary events that are material to a client’s or prospective client’s evaluation of our business or to the integrity of our management. Veris has no required items to disclose.

## **10 OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS**

### **10.1 BROKER DEALER REGISTRATION**

Neither Veris nor any of its management persons are registered as, or have an application pending to register as, a broker-dealer or a registered representative of a broker-dealer.

### **10.2 FUTURES AND OR COMMODITIES REGISTRATION**

Neither Veris nor its management persons are registered as, or have an application pending to register as, a futures merchant, commodity pool operator, or a commodity trading adviser.

### **10.3 MATERIAL RELATIONSHIPS AND ARRANGEMENTS**

Veris does not have any arrangements material to its advisory business and its clients, other than those listed below:

### **10.4 INVESTMENT COMPANY OR OTHER POOLED INVESTMENT VEHICLE**

Veris Global Sustainability Management LLC (VGSM) is a wholly owned subsidiary of Veris and the manager of the Veris Global Sustainability Fund, LLC (VGSF). VGSF is privately offered to qualified investors pursuant to Regulation D under the Securities Act of 1933. The Principals of Veris are also principals of VGSF.

VGSF was primarily formed to allow qualified investors to make an investment in Generation IM Global Equity Fund LLC at a lower minimum than available by directly investing through Generation IM. VGSF is a Delaware limited liability company that currently relies on an exemption from registration under the Investment Company Act of 1940, that is available to investment memberships whose limited liability company interests are owned exclusively by “qualified purchasers” (as defined in the Company Act). To the extent certain of our individual advisory clients qualify, they will be eligible to participate as members of VGSF.

Investment in VGSF involves a significant degree of risk. All relevant information, terms and conditions relative to VGSF, including the compensation to be received by VGSM, suitability, risk factors, and potential conflicts of interest, are set forth in the Confidential Private Offering Memorandum, Limited Liability Company Agreement, and Subscription Agreement, which each limited partner is required to receive and/or execute prior to being accepted as a member of VGSF.

VGSM, as manager of VGSF will receive a quarterly basic management fee per the terms of the Memorandum. A conflict of interest exists if Veris recommends that its clients participate as members of VGSF where a Veris Advisory Affiliate(s) receive compensation in their capacity as principals of VGSM. The Veris Advisory Affiliate(s) will devote their best efforts with respect to their management of both VGSF and the Veris individual client accounts. In addition to disclosing the conflict, Veris does not charge its clients investing in VGSF, a simultaneous management fee and advisory fee. This effort helps to mitigate the conflict of interest inherent in offering VGSF as an investment vehicle for qualified investors.

#### **10.5 INSURANCE COMPANY OR AGENT**

Veris is a duly licensed insurance agency. Additionally, two supervised persons, in their individual capacities, are licensed insurance agents with various insurance companies. They may recommend, on a fully-disclosed basis, the purchase of certain insurance products. A conflict of interest exists to the extent that Veris or its Advisory Affiliates recommend the purchase of insurance products where Veris or its Advisory Affiliates receive insurance commissions or other additional compensation.

Insurance is a tool that may be employed in the financial planning process to protect against risk and may serve to diversify client portfolios. Veris is a licensed insurance agency in which Steve Fahrner, a Veris Partner, serves as a sub-licensee. We disclose to our clients the nature of the conflict. We are not affiliated with an insurance company and use third party general agents to provide price and benefit comparisons for our clients.

#### **10.6 COMPENSATION FROM ADVISERS**

Veris does not receive compensation directly or indirectly from other investment advisers.

### **11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING**

#### **11.1 CODE OF ETHICS**

Veris has adopted a code of ethics in compliance with Rule 204A under the Advisers Act of 1940 in order to specify the standard of conduct expected of its employees.

Veris, its employees and any associated persons will place the interests of our clients first and will conduct personal securities transactions in a manner

consistent with this Code of Ethics and avoid any abuse of a position of trust and responsibility.

Veris, our employees and associated persons must comply with applicable federal securities laws. In particular, it is unlawful for Veris and any Associated Person, by use of the mails or any means or instrumentality of interstate commerce, to directly or indirectly:

- employ any device, scheme or artifice to defraud any client or prospective client of Veris
- engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon any client or prospective client of Veris
- engage in any fraudulent, deceptive, or manipulative practice

As Veris is a fiduciary for our clients, we have a responsibility to put client interests ahead of our own. In addition, the SEC adopted rules under the Advisers Act requiring Veris to adopt a written Code, administered by the Chief Compliance Officer, that governs the activities of “Access Persons” with regard to trading in personal accounts. This code requires “Access Persons” to submit initial and annual reports of their securities holdings and quarterly transaction reports, and to obtain pre-approval of certain investments.

In addition, Section 204A of the Advisers Act requires any adviser subject to Section 204 to establish, maintain and enforce written policies and procedures reasonably designed to prevent the misuse of “material non-public information”.

We provide a copy of our Code of Ethics to all clients or prospects upon request.

#### **11.2 CONFLICTS OF INTEREST WHEN BUYING OR SELLING SECURITIES**

Veris may recommend VGSF to qualified clients when its inclusion in their portfolio meets the client’s financial and sustainability objectives. Please see *Section 10, Other Financial Industry Activities & Affiliations*. A conflict of interest exists if Veris recommends that clients invest in VGSF, because a Veris Advisory Affiliate, VGSM, receives compensation in its capacity as the manager of VGSF.

Veris also receives compensation for consulting to Envestnet Asset Management, an integrated wealth management platform, in regards to their Sustainability Platform. For Veris Accounts on the Envestnet Platform advised by Veris, Envestnet may pay Veris 0.05% of the fee Envestnet receives from the client. This does not result in an increase in fees to the client. A conflict of interest exists if Veris recommends the Envestnet platform to clients.



The Impact Investing Solutions program provides investment advisers, including Veris:

- The ability to overlay customized Personal Convictions Screens
- Access to Investment Managers, mutual funds and ETFs that integrate ESG and other responsible investing criteria into their investment philosophy and process

A conflict of interest exists if Veris recommends that clients participate in the Impact Investing Solutions program because Veris receives compensation in its capacity as a consultant to the Impact Investing Solutions program. The consulting fee Veris receives is a set annual fee and does not vary when new assets of Veris' clients are added to the Platform.

When a conflict of interest exists because Veris or a related person recommends to clients, securities in which we or a related person have a material financial interest we:

- Inform the client(s) there is a conflict of interest and describe the nature of the conflict of interest
- Make recommendations to our clients based solely on their financial and sustainability objectives
- Inform clients of other options
- Ensure that on a quarterly basis our Chief Investment Officer reviews a significant percentage of our clients' portfolios for the suitability of their investment products and services. Please see *Section 13, Review of Accounts*.

### 11.3 **CONFLICTS OF INTEREST AND PERSONAL TRADING**

A conflict of interest may arise when Veris is considering buying or selling securities that are also owned or considered for purchase for Veris clients. In order to avoid the possibility of Veris receiving a better price than our clients we have adopted procedures to prohibit what is known as front running. If Veris is purchasing or considering for purchase any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Veris is selling or considering the sale of any security on behalf of a client, no Access Person may effect a transaction in that security prior to the

completion of the sale or until a decision has been made not to sell such security.

These requirements are not applicable to:

- direct obligations of the Government of the United States
- money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements
- shares issued by mutual funds or money market funds
- shares issued by unit investment trusts that are invested exclusively in one or more mutual funds

#### 11.4 **CONFLICTS OF INTEREST WHEN RECOMMENDING SECURITIES**

As described above, Veris affiliates may not purchase or sell securities before our clients have completed their purchase and sale of the same securities. It is permissible for Veris affiliates to participate in transactions in which securities are bought or sold for multiple clients simultaneously and all of the transactions receive the same price. Our procedures for such transactions are disclosed below. Should there be a shortfall in the orders filled, our affiliates would be excluded from the transaction.

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Veris clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among the Veris clients pro rata to the purchase and sale orders placed for each client on any given day.

To the extent we combine client orders for the purchase or sale of securities, including securities in which a Veris Advisory Affiliate(s) may invest, we will do so in accordance with applicable rules of the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission.

We will not receive any additional compensation or remuneration as a result of combining client orders. In the event we determine that a prorated allocation is



not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include:

- when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios with similar mandates
- allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts
- if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed)
- with respect to sale allocations, allocations may be given to accounts low in cash
- in cases when a pro rata allocation of a potential execution would result in a minimal allocation in one or more accounts, Veris may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts
- in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis

## 12 BROKERAGE PRACTICES

As previously stated we regularly recommend our clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services and its affiliates (collectively referred to as "Fidelity" and/or Charles Schwab & Co., Inc. ("Schwab")) for investment management accounts. The brokerage commissions and/or transaction fees charged by Fidelity, Schwab or any other designated broker-dealer are exclusive of and in addition to the Veris advisory fee.

### 12.1 FACTORS WE CONSIDER WHEN SELECTING OR RECOMMENDING BROKER-DEALERS

Veris considers many factors in recommending Fidelity, Schwab or any other broker-dealer, to clients including their respective financial strength, reputation, trade execution, pricing, research, and service. Use of Fidelity and/or Schwab enables Veris to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction

fees charged by Fidelity and/or Schwab may be higher or lower than those charged by other broker-dealers.

#### **12.1.1 RESEARCH AND SOFT DOLLAR BENEFITS**

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Veris in its investment decision-making process. Such research generally will be used to service all Veris clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest since Veris receives benefits or services for which the firm would otherwise have to allocate resources.

- 12.1.1.1** In fulfilling its duties to its clients, Veris endeavors, at all times, to put the interests of its clients first. Clients should be aware, that the receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence our recommendation of one broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services. The commissions paid by our clients will comply with our duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Veris determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received.
- 12.1.1.2** In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Veris will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

If the client requests for Veris to arrange for the execution of securities brokerage transactions for the client's account, we direct such transactions through broker-dealers that we reasonably believe will provide best execution. Veris periodically and systematically reviews its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

12.1.1.3 It should be noted that Veris receives services and incidental research based on the aggregate assets on the Fidelity and Schwab platforms and not based on individual transactions. Any benefits received by Veris that aid our clients will be used to service all of our clients and not distributed proportionately or based on any formula that includes calculations based on the number or size of transactions.

12.1.1.4 One of the benefits we may receive is lower transaction or custodial costs for our clients. Other benefits we received over the past twelve months from Fidelity and Schwab without cost include computer software and related systems support. These benefits allow us to better monitor client accounts maintained at Fidelity and Schwab.

We received the software and related support without cost because Veris renders investment management services to clients that maintain assets at Fidelity and/or Schwab. The software and related systems support may benefit Veris, but not its clients directly.

12.1.1.5 Additionally, we received the following benefits from Fidelity through the Fidelity Registered Investment Adviser Group or from Schwab through its Schwab Institutional division:

- Receipt of electronic client confirmations and client tax information
- Access to a trading desk that exclusively services its Registered Investment Adviser Group participants
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts
- Access to an electronic communication network for client order entry and account information

Over the past twelve months Veris has routinely recommended its prospective and existing clients to utilize Fidelity and Schwab as qualified custodians and broker/dealers. We generally recommend these custodians based on our analysis of which of the two offers better pricing for the client.

Neither custodian provides Veris with significantly better services or benefits that could be included as soft dollars, therefore these are not a significant consideration in our recommendations to our clients.

#### **12.1.2 BROKERAGE FOR CLIENT REFERRALS**

Veris does not and has not received any referrals from its custodians and has not recommended any broker/dealer that has offered Veris referrals of prospective clients.

#### **12.1.3 DIRECTED BROKERAGE**

Veris does not routinely request, recommend, or require that a client execute transactions through a specified broker/dealer.

The client may direct us in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and Veris will not seek better execution services or prices from other broker-dealers or be able to “batch” client transactions for execution through other broker-dealers with orders for other accounts managed by Veris (as described below).

As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to our duty of best execution, we may decline a client’s request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

#### **12.2 AGGREGATION OF TRANSACTIONS**

Aggregation of transactions for each client generally will be effected independently, unless Veris decides to purchase or sell the same securities for several clients at approximately the same time. Veris may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among our clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently.

Under this procedure, transactions will generally be averaged as to price and allocated among the clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that we determine to aggregate client orders for the purchase or sale of securities, including securities in which Veris Advisory Affiliate(s) may invest, Veris will generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission.

Veris does not receive any additional compensation or remuneration as a result of the aggregation. In the event that we determine that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include:

- When only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates
- Allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts
- If an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed)
- With respect to sale allocations, allocations may be given to accounts low in cash
- In cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation to one or more accounts, we may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts
- In cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis

## 13 REVIEW OF ACCOUNTS

### 13.1 PERIODIC REVIEWS

Clients receive regular updates on their accounts through emails, letters, quarterly performance reports, and phone calls. Annually each client's Wealth Manager will offer to meet with them to review:

- Income requirements
- Change in attitude towards risk
- Asset allocation
- Performance

- Manager or fund changes
- Rebalancing of the account

### 13.2 NON-PERIODIC REVIEWS

The Wealth Manager may also review accounts when there are:

- Unexpected changes to a client's goals, objectives, circumstances, or income needs
- Significant geo-political or market events
- Changes in the approval status of an Independent Manager or Fund
- Changes in Veris' asset allocation and/or market analysis

### 13.3 CONTENTS OF REGULAR REPORTS

Clients receive performance reports for their accounts on a quarterly basis. They are able to choose to receive the report either electronically or by mail. The reports include but are not limited to:

- Economic and market updates
- Portfolio overview
- Performance reports
- Asset allocation chart
- Portfolio holdings

The Wealth Manager reviews each client's portfolio at least quarterly for:

- Asset allocation
- Manager and fund allocation
- Cash in relationship to withdrawal requirements
- Performance versus an appropriate comparative index benchmark

Due to legal or regulatory requirements that some clients must follow or the special needs and requests of some clients, Veris may at its discretion agree to provide certain investors more frequent meetings, reports or certain other reports than those described above.

Each quarter, Veris' Chief Investment Officer (CIO) reviews a portion of the accounts of each Wealth Manager or Partner. The CIO compares the client's risk/return profile as stated in their questionnaire with the actual asset allocation and risk profile of the account. Where there is a significant difference between the stated goals and risk and the actual account allocation or performance the CIO will notify the Partner or Wealth Manager responsible for the account and recommend changes to bring the portfolio in line with the client's policy.

## 14 CLIENT REFERRALS & OTHER COMPENSATION

### 14.1 RECEIPT OF CLIENT REFERRAL FEES

Veris does not have any oral or written arrangements to receive cash or any economic benefit (including commission, equipment) from a non-client in connection with giving advice to clients.

### 14.2 PAYMENT FOR CLIENT REFERRALS

Veris does not have any arrangements to directly or indirectly compensate any non-supervised person for client referrals.

## 15 CUSTODY

Our agreement with any custodian or broker-dealer may authorize us through such companies to debit the client's account for the amount of our fee and to directly remit that management fee to us in accordance with applicable custody rules.

The custodians or broker-dealers recommended by us have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account, including the amount of management fees paid directly to us. In addition, as discussed in *Section 13.3, Contents of Regular Reports*, we also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the custodian or broker-dealer and compare them to the reports received from Veris.

## 16 INVESTMENT DISCRETION

We have both Discretionary and Non-Discretionary agreement with our clients. When Veris has discretion over a client's accounts, we are able to hire and fire sub-advisers without contacting our clients. For Non-Discretionary accounts we are required to receive client authorization to fire or hire a manager. In both cases it is our practice to discuss sub-adviser changes to the portfolio, in advance, with our clients.



We take discretion over the following:

- the securities to be purchased or sold
- the amount of securities to be purchased or sold
- when transactions are made
- the Independent Managers to be hired or fired

## 17 VOTING CLIENT SECURITIES

### 17.1 PROXY VOTING

In limited circumstances, Veris may vote proxies on behalf of its clients. When we accept such responsibility, we will only cast proxy votes in a manner consistent with the best interest of our clients. Veris may delegate this responsibility to the client's Independent Managers. Absent special circumstances, which are fully-described in our Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in the Veris Proxy Voting Policies and Procedures, as they may be amended from time-to-time.

At any time, clients may contact Veris to request information about how Veris voted proxies for that client's securities or to get a copy of the Veris Proxy Voting Policies and Procedures. A brief summary of our Proxy Voting Policies and Procedures is as follows:

Members of Veris' Investment Committee make up the Proxy Voting Committee.

The Proxy Voting Committee is responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.

The Proxy Voting Committee will generally vote proxies according to our Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.

Although the Proxy Voting Guidelines are to be followed as a general policy, certain issues will be considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and



continually evolving, the Committee will devote an appropriate amount of time and resources to monitor these changes.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that Veris or any of our supervised persons maintains with persons having an interest in the outcome of certain votes, we will take appropriate steps to ensure that our proxy voting decisions are made in the best interest of our clients and are not the product of such conflict.

## 18 FINANCIAL INFORMATION

Veris Wealth Partners, LLC as a Registered Investment Adviser, is required to provide you with certain financial information or disclosures about Veris' financial condition. We do not require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Veris has no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.