



Veta Investment Partners, LLC

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Part 2A of Form ADV: Firm Brochure

December 14, 2020

This brochure provides information about the qualifications and business practices of Veta Investment Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (646) 630-3218. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Veta Investment Partners, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

The *Material Changes* section of the Brochure will be updated annually or sooner if a material change(s) occurs to this **initial** Form ADV Part 2A (the “**Brochure**”) and any subsequent release of this Brochure.

Since the last amendment, dated November 9 2020, the following information provides our clients with a summary of material changes to this Form ADV Part 2A (the Brochure) since that date:

- Item 10 - Other Financial Industry Activities and Affiliations – updated to disclose an advisory services relationship with a related party, pursuant to an Investment Management Agreement.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

The foregoing is only a summary of the material changes to the Brochure. It does not purport to identify every change to the Brochure since the last annual update (e.g., format changes). This summary of material changes is qualified in its entirety by reference to the full discussion in this Brochure. Clients are encouraged to read the Brochure in detail and contact their account representative with any questions.

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Item 4. Advisory Business

Firm Description

Veta Investment Partners, LLC (“**Veta**”, “**we**” or “**us**”) is registered with the U.S. Securities and Exchange Commission (“SEC”), and was organized in 2019 as a Delaware limited liability company with its principal office and place of business at 2950 S.W. McClure Road, Topeka KS 66614. Veta is principally owned by Veta Holdings, LLC and VIG LLC.

Types of Advisory Services

Veta offers investment advisory services primarily to institutional clients (each, a “**Client**”). Veta may in the future provide advisory services to other types of clients, including pooled investment vehicles managed by a third-party manager and portfolio management for investment companies.

Veta offers hedging and asset allocation advisory services to Clients. These services include model portfolio solutions, performing option pricing calculations on assets or liabilities, placing hedging trades with brokers as agent for our Clients, and providing other operational support for the adjustment of hedge positions.

We tailor our services to the specific needs of our Clients, which are outlined in an investment policy statement and the investment services agreement, the terms of which are negotiated with each Client. Clients may impose restrictions on the specific securities or hedge assets, or types of securities or hedge assets in which we invest.

For certain Clients, we provide risk management services in the form of a hedge overlay; although our risk management services are applied to the entire portfolio, Veta only has discretionary authority over the hedge overlay portion of the portfolio. For other Clients, we manage the underlying investments as well, and as such have discretionary authority over the entire portfolio including the hedge overlay.

In addition to the advisory services discussed above, Veta offers the following services:

- Derivatives and Risk Management consulting – we will work with the Client to develop and manage a risk management program.
- Index development – we work with index providers, such as S&P Dow Jones Indices LLC, to develop customized indices for our Clients.
- Software development – we develop custom software solutions for our Clients, designed to assist with their valuation and operational needs.

Assets under Management

As of the date of this brochure, Veta manages \$204,015,030 in assets on a discretionary basis.

Item 5. Fees and Compensation

Compensation

Veta will typically be compensated for our advisory services for Clients, in one of several ways:

- Fees based on an hourly rate for professionals and other employees assigned to a project based upon the nature and scope of the services, and the expertise of the persons assigned. Fees are consistent with Veta's current hourly rates, which range from USD\$250 - \$600 per hour and are assigned to each staff member based on his or her professional qualifications and experience, and as disclosed to the Client in advance.
- Fees based on a percentage of assets subject to Veta's risk management services, which is calculated according to the market value of the Client's underlying portfolio (in the case of institutional insurance company Clients, typically the value of the derivatives notional generated from hedging the underlying annuity contracts). Each Client has the opportunity to review and negotiate the advisory agreement with us prior to selecting our hedging services for their account.
- Fixed fees for periodic services, where the fee approximates the cumulative expected hourly rate for each Veta employee for the expected time spent. Fixed fees are negotiated with the Client in advance.

Either we or a Client can terminate an advisory contract by giving the other party advance written notice according to the terms of our investment advisory agreement. Although we do not solicit or require prepayment of fees from our Clients, any fees paid in advance will be prorated to the date of termination and any unearned portion thereof will be returned to the Client.

We bill institutional clients for fees incurred. As we do not hold custody of Client assets, we do not deduct fees from Client assets. Institutional clients are billed in arrears, typically monthly or quarterly.

You may incur fees in addition to ours, such as custodian fees or mutual fund expenses. You will also incur brokerage and other transaction costs; these are discussed in more detail in Item 12 of this Brochure.

Where requested, we will provide you with an estimate of the cost of a particular service. You can terminate our services on any assignment with prior written notice according to the terms of our investment services agreement.

We do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

We may at times impose a minimum advisory fee in order to cover the costs of our investment advisory services. The minimum size is specific to each type of service and dependent on a variety of factors, economies of scale and the cost of third-party services needed to render Veta's advisory services. All such fee arrangements are disclosed to you and subject to negotiation. We will aggregate accounts to meet minimum account sizes; whether we aggregate accounts will be determined on a project-by-project basis and, again, is disclosed to the Client and subject to negotiation.

Item 6. Performance-Based Fees and Side-By-Side Management

Neither Veta nor any of our supervised persons accept performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a Client and, therefore, does not have a conflict with respect to side-by-side management.

Item 7. Types of Clients

Veta will primarily provide investment advisory services to institutional clients (as defined in Item 4, “Clients”).

Minimum account sizes vary by investment strategy. We may waive these minimums at our discretion, or aggregate related accounts to meet minimum account sizes. We may also at times impose a minimum advisory fee in order to cover the costs of our services.

Our investment management or similar agreements with Clients, which include investment guidelines, are negotiated to incorporate mutually acceptable terms. Under these agreements, Clients can impose limitations on our investment discretion, such as restrictions regarding the investment in certain securities or types of securities.

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

Methods of Analysis

Our investment strategies typically involve the application of hedging and investment techniques to manage the impact of market movements and market volatility. This results in the purchase or sale of futures, forwards, swaps, options, mutual funds, stocks and ETFs. The underlying market factors or securities in the instruments include equity or fixed income indices, bonds, interest rates, currencies and volatility measures. Investment strategies are specifically tailored to each Client, and as such the methods of analysis used and risks involved will vary from Client to Client.

Material Risks of Strategies and Investments used in Strategies

Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. While Veta seeks to mitigate risks, it is not possible or desirable to fully mitigate risks. Clients should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses.

Our services are not intended to provide a complete investment program for Clients. Clients are responsible for appropriately diversifying their assets to guard against the risk of loss.

The investments we manage entail the following general risks, some or all of which may be applicable to any particular Client depending on the investment guidelines of such Client:

- **Model Risk.** Our models may not accurately represent risk, market factors, and projected performance, in which case our performance will deviate from expectations.
- **Basis deviations.** There may be deviations between the instruments we use and the

risk factors such instruments are meant to manage, introducing basis risk.

- **Gap risk.** Large discontinuous jumps in the market may cause our strategies to underperform.
- **Credit risk.** The hedging strategies we employ can introduce counterparty credit risk, even though we attempt to mitigate through the use of collateral and clearing mechanisms.
- **Leverage risk.** Some of our strategies employ leverage to utilize capital efficiently. While losses should in no circumstance exceed the value of the hedged position, they may be large relative to capital employed.
- **Business and Regulatory Risks.** Legal, tax and regulatory changes in the U.S. and outside the U.S. could occur during the term of Clients' engagement of Veta that may adversely affect Clients. The effects of any regulatory changes or developments on Clients may affect the way it is managed and may be substantial and adverse.
- **Cybersecurity Risk.** Cybersecurity attacks include electronic and non-electronic attacks that include but are not limited to gaining unauthorized access to digital systems to obtain Client and financial information, compromising the integrity of systems and Client data (e.g., misappropriation of assets or sensitive information), or causing operational disruption through taking systems off-line (e.g., denial of service attacks). While cybersecurity risk management systems and business continuity plans have been developed and are designed to reduce the risks associated with these attacks, there are inherent limitations in any cybersecurity risk management system or business continuity plan, including the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such efforts will succeed, especially since Veta does not directly control the cybersecurity systems of issuers or third-party service providers.
- **Veta has a limited operating history.** Veta is a recently formed entity that has a limited operating history, track record, and assets. Accordingly, Veta has little meaningful performance history for prospective investors to consider.
- **Combination or "Layering" of Multiple Risk Factors May Significantly Increase Risk of Loss.** Although the various risks discussed herein are generally described separately, investors should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss may be significantly increased.

Item 9. Disciplinary Information

There have been no material legal or disciplinary events related to Veta required to be disclosed pursuant to Item 9.

Item 10. Other Financial Industry Activities and Affiliations

Veta is registered with the SEC as an investment adviser.

Veta may enter into a consulting or advisory relationship with their related persons to provide certain services to such related persons. Also, Veta may use related persons to service Clients to the extent permitted under Veta's applicable policies and procedures, including advisory services, or

may participate in the products provided or sponsored by a related person of Veta. Further, certain persons who perform investment advisory functions for Veta, including its control persons, may also be registered with one or more related persons. Any such relationships and the associated conflicts of interest would be described in detail in the Investment Management Agreement.

Veta currently provides advisory services to AE Wealth Management, LLC (“**AEWM**”), a registered investment adviser and advisory affiliate of Veta, pursuant to an Investment Management Agreement. Veta has been engaged to perform analyses of investment products, investment funds, and strategies. In addition, Veta provides investment advisory services to AEWM in the form of developing derivative portfolio overlays, performing risk management, and managing model portfolios.

Veta has also entered into a consulting arrangement with Innovation Design Group, LLC (“**IDG**”), another advisory affiliate of Veta. Pursuant to a written consulting agreement, Veta performs an analysis of insurance products and index strategies on behalf of IDG.

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

Veta has prepared and adopted a Regulatory Compliance Manual (the “**Compliance Manual**”) that includes a Code of Ethics (the “**Code**”) setting forth the standards of ethical and business conduct expected of our personnel and addresses conflicts that arise from personal trading by personnel. The Code, among other things, requires compliance with the federal securities laws, reflects the fiduciary responsibilities of Veta and its advisory personnel, prohibits certain personal securities transactions, and requires personnel to periodically report their personal securities transactions and to pre-clear certain securities transactions. The Compliance Manual also addresses potential conflicts of interest, insider trading and other topics. Pertinent provisions of the Compliance Manual and the Code are discussed below, described in the present tense as both will be in effect upon SEC registration.

A copy of the Code will be provided to any Client, or prospective Client upon request made to Veta by calling the telephone number on the cover page of this brochure.

The Code establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance, recordkeeping and reporting obligations. Officers and employees of Veta, and their families and households, may participate in transactions for their own accounts, including the same transactions as may be made available for a Client, subject to the terms of the Code. Under the Code, officers and employees of Veta are required to file certain periodic reports with Veta’s CCO as required by Rule 204A-1 under the Advisers Act. The Code will help Veta detect and prevent potential conflicts of interest. The CCO monitors the administration of the Code and training provided to Veta’s officers and employees. At least annually, the CCO will review the Code will confirm that the requirements in each part have been updated appropriately.

Conflicts Related to Principal and Cross Trades. Subject to the restrictions under Section 206(3) of the Advisers Act, Veta may engage in principal transactions between a Client and a proprietary account of Veta or a Veta affiliate, or a fund that is considered an affiliate because Veta or an affiliate holds a significant interest therein. A principal transaction occurs when Veta, acting for its own account (or the account of an affiliate) buys a security, loan or other instrument from, or sells a security, loan or other instrument to, a Client. Principal transactions create conflicts of interest because Veta has an incentive to cause a Client to purchase assets from an affiliate or proprietary account at a price above the best price possible, or to sell assets to an affiliate or proprietary account for a price below the best price possible, to improve returns to the affiliate or the performance of the proprietary account at the expense of the Client.

To address these conflicts of interest, prior to settlement of any principal transaction, written disclosure must be provided to a Client and the Client's consent must be obtained. The written disclosure must state that Veta is acting as principal and describe the material terms of the transaction, which generally include: (i) Veta's original purchase price for any security or other instrument it sells to a Client; (ii) the price Veta expects to receive on the resale of any security or other instrument it buys from a Client; and (iii) the price at which any security or other instrument could be bought or sold elsewhere when the price would be better for the Client.

Veta may from time to time effect cross trades, i.e., purchases or sales directly between two different Clients. For example, Veta might arrange for a Client that is liquidating its portfolio or a particular investment to sell all or part of that investment or that portfolio to another Client that might be building its investment portfolio. In such cases, Veta may have conflicting responsibilities between the two Clients that are party to the trade. Subject to the terms of the Investment Advisory Agreement, Veta may engage in cross trades any time it believes such a transaction to be fair to and in the best interests of each of the relevant Clients.

Transaction Restrictions. Veta employees are permitted to make securities transactions in their personal accounts, subject to certain limitations, as discussed in the response to Item 11.A. above. This poses potential conflicts, in that an employee could make improper use of information regarding Clients holdings or future transactions. Veta intends to manage the potential conflicts of interest inherent in employee trading by strict enforcement of the Code, which includes pre-clearance and reporting requirements of certain securities transactions, as described above.

Parallel Investments. Veta may recommend, buy, or sell investments in issuers in which it or related persons may also purchase, hold or sell other investments. Veta policy establishes various procedures with respect to investment transactions in which Veta's related persons have a beneficial interest that are designed to reduce the potential for conflicts of interest.

Insider Trading. The Compliance Manual includes a policy on insider trading that provides generally that officers, directors, or employees of Veta are not allowed to:

- (a) buy or sell a security either for themselves or others while in possession of material non-public information about the company, or
- (b) communicate material non-public information to others who have no official need to know.

The policy also provides guidance about what is material non-public information, lists common examples of situations in which Veta personnel could obtain that information, and describes Veta's procedures regarding securities maintained on a "Restricted Securities List" and for establishing information barriers.

The Compliance Manual also identifies parties to contact with questions in connection with the requirements of the policy statements.

Item 12. Brokerage Practices

Over-the-counter transactions. In the case of over-the-counter ("OTC") derivatives transactions, at the beginning of a Client's program with Veta, the Client will provide a list of eligible counterparties. Some categories of OTC derivatives transactions, such as certain types of Interest Rate Swaps, are required to be executed as "cleared swaps" on a Swap Execution Facility ("SEF") or a Designated Contract Market ("DCM"), whereas "non-cleared" swaps are executed via direct contact with dealers by voice, email, Bloomberg chat, and other such means. For non-cleared OTC derivatives, counterparties will typically be dealers with whom a Client has ISDA agreements, or plans to complete ISDA agreements. For each OTC trade, whether cleared or non-cleared, Veta solicits quotes from several dealers either via direct contact (for non-cleared swaps) or on a SEF/DCM electronic platform (for cleared swaps). Veta applies principles of best execution, discussed below, in choosing the dealer with which to transact for each individual cleared or non-cleared OTC transaction for the Client. Institutional clients and primary advisors are provided records of all competitive quotes received.

As we conduct most of our trading of OTC derivative instruments via competitive auction for the instrument alone, the costs associated with those trades are included in the price (i.e., markups or markdowns) and we do not incur commission for such trades, including commissions often associated with the receipt of research or brokerage services, typically referred to as soft dollar commissions. We may occasionally choose to forego a competitive auction, such as a particularly large trade that might move the market, but these situations are discussed individually with each Client as they arise. We may receive market research and information on market flows; although this is common across all dealers and not tied to transactions. While we have access, as further described below, to research or other information from broker/dealers, typically via their online research portals, we always abide by the principle of best execution (as further described below) when executing individual transactions.

Futures Transactions. In the case of exchange-traded futures transactions, at the beginning of the Client's program with Veta, the Client will select one or more futures brokers with whom Veta will place trades. The Client and Veta jointly evaluate commission rates that will apply to all futures transactions going forward and consider principles of best execution, discussed below, in negotiating the brokers' rates and in choosing which broker to ultimately engage for the Client's futures transactions. Institutional clients and primary advisors will typically evaluate pricing schedules from multiple brokers. The broker's rates and best execution performance are periodically re-evaluated by Veta and our Clients.

Equity Transactions. In the case of equity transactions, trades may be executed using Market-on-close orders or limit orders during the trading day when and where it is reasonable. Veta will typically use the custodian for equity transactions when dealing with equity transaction for non-insurance Clients. Veta typically has an existing broker/dealer relationship when dealing with equity transactions for insurance Clients.

Research and other Benefits. As we typically execute cleared and non-cleared OTC trades via competitive auction for the instrument alone and commission rates on futures are fixed at program inception with Client participation, we do not pay excess commission charges associated with soft dollars.

Veta will receive research on the economy, derivative instruments, flows and conditions from many broker/dealers, typically via their online research portals. This information is commonly distributed by many broker/dealers to many market participants, is not associated with particular transactions, and does not obligate us to trade with any particular dealer. We always abide by the principle of best execution as further described below when executing individual OTC transactions.

Best Execution. In the case of non-cleared and cleared OTC transactions we will conduct a direct-contact or SEF/DCM based competitive auction between broker/dealers from the Client-approved list of eligible counterparties and award the trade on the basis of best execution. In practice, best execution is typically most effective execution, but can deviate as a consequence of concerns about credit or collateral requirements in individual circumstances. If a broker/dealer's support or responsiveness were to become unacceptable, this would also be considered along with price in awarding a transaction. For equity transactions, broker/dealers are chosen based on service and operational competence, which includes characteristics, such as technology and communication quality, timeliness of execution, efficient, and accurate clearance and settlement processes. In the case of futures transactions, as in OTC transactions, the Client makes the ultimate choice on which broker/dealers will be eligible. In the case of futures, it is typical at the inception of the program for the Client to designate a broker and backup broker to be responsible for clearing and execution of all trades, since every broker is a conduit to the same exchange inventory and prices, which may be considered "directed brokerage", discussed below. Best execution is considered in identifying the futures broker at the inception of each program and includes an overall evaluation of price competitiveness, back office support, responsiveness, credit risk, reporting, research, and other value-added services of the broker. Occasionally, a Client will ask us to favor a dealer for credit or other reasons, and we will act according to their wishes, but we never do this unless directed by a Client. We disclose pricing levels received on executed transactions to our Clients so they receive transparent information on any deviations from best price.

Directed Brokerage. Typically, the Client selects one or more specific broker/dealers. A Client can select a particular broker/dealer within the boundaries of best execution in return for some other service or value that the broker/dealer has provided to the Client. The acceptable price deviation is defined for us by the Client, who specifies a maximum deviation from best price that they are willing to accept. This limits the price that is paid for the ancillary services provided beyond the transaction and allows the entire activity to be considered in the context of best execution. As in all transactions, we provide full transparency on all quotes we receive. When a Client selects a specific broker/dealer, Veta does not receive any additional compensation and does not benefit from the use of this broker/dealer.

When our Clients direct us to use a specific broker/dealer for all or a portion of the trades executed in the Client's account, with respect to those trades effected by such direction, we (i) will not have authority to negotiate commissions among various broker dealers on a trade-by-trade basis; (ii) will not necessarily be able to obtain volume discounts; and (iii) may not achieve best execution. In addition, a disparity in commission charges may exist between the commissions charged to our Client for such trades and those charged to our other Clients.

We may recommend that current institutional Clients participate in services or programs offered by third parties with which we have a relationship, including the provision of sub-advisory services. In such cases we disclose to the current institutional Client the arrangement between us and the third party, and that we receive an economic benefit when recommending such programs by our receipt of a sub-advisory fee.

We do not currently recommend or select other investment advisers for Clients for which we receive compensation directly or indirectly.

We may receive Client referrals from brokers. We do not compensate brokers for such referrals, and we disclose this existence of this relationship to the prospective Client.

Item 13. Review of Accounts

Veta will review Client portfolios on an ongoing basis to monitor performance and compliance with investment guidelines. Such reviews are expected to be conducted by members of the investment team and supervised by the Chief Investment Officer or Chief Executive Officer. Although Veta will monitor performance, there can be no assurance that the investments will be able to generate returns for Clients or that the returns will be commensurate with the risks of investing. It is possible that Clients will incur losses up to a complete loss of capital.

Veta will deliver periodic written reports and other information to Clients as negotiated and set forth in the Investment Advisory Agreements.

Item 14. Client Referrals and Other Compensation

Veta does not expect to pay compensation to third-party solicitors or to affiliates for Client referrals. We do not take referral fees or receive sales awards or other similar incentives for providing investment advisory services to our Clients. We are occasionally invited to social events with a broker/dealer. These activities are recorded in a travel and entertainment log which is reviewed by compliance staff.

Item 15. Custody

Veta will not maintain custody of Client securities or assets, which are held at qualified custodians.

Item 16. Investment Discretion

At the request of a Client, we will exercise discretion to choose investments, the timing of transactions, and make allocation trades. The Client can set whatever limitations on this discretion it chooses; such discretion is outlined in the investment policy agreed to with the Client, and reports that facilitate compliance monitoring are provided to the Client periodically.

We do not exercise execution precedence for any one Client over another, and trades are typically placed for execution on a first-come-first-served basis according to our trade allocation policy, in line with the core guiding principle of treating all Client orders and executions fairly, and in due turn with other Client orders. In addition, when multiple Client portfolios require that the same contract be traded, we use a multi-order ticket system which allows a trader to send multiple trades for the same contract at the same time and randomizes the sequence in which they are transmitted

to the broker, removing the risk of execution order bias.

Each Client's strategy is designed with their goals and objectives in mind. This may mean that we buy a certain investment for one Client that we sell for another Client. Each recommendation or trade is made specifically for the particular Client. We do not participate in agency cross transactions.

Item 17. Voting Client Securities

Veta will not engage in proxy voting.

Item 18. Financial Information

Veta does not require the payment of fees or other compensation six months or more in advance. There exists no financial condition of which Veta is currently aware that would impair Veta's ability to meet contractual commitments to its Clients. Veta has not been the subject of a bankruptcy petition within the past 10 years.