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FORM ADV PART 2A
BROCHURE

This brochure provides information about the qualifications and business practices of Veratis Advisors, Inc.. If you have any questions about the contents of this brochure, contact us at 919-460-8875. 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 Veratis Advisors, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Veratis Advisors, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual update on March 21, 2019, no material changes have occurred.

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Item 4 Advisory Business

Description of Firm
Established in 2001, Veratis Advisors, Inc. (VAI) is an independent, fee-only advisory firm providing services to corporate retirement plan clients and personal clients.

Advisory Services for Corporate Retirement Plan Clients
We provide retirement plan advisory services to plan sponsors. This includes Plan consulting and investment advisory services. Our investment advice is limited to publicly traded mutual funds, stable value collective trust funds, insurance company fixed accounts and the various methods available in the industry to assist retirement plan participants with their asset allocation decisions. We do not provide legal advice.

Our plan consulting services are tailored to each client by evaluating their needs and objectives and providing advice accordingly. We also assist our clients with the selection and monitoring of a menu of investment options that meet the needs of the plan participants.

We will consider a client's request for specific investment options and we will evaluate those options using the same methods and criteria used in our selection process for identifying the funds we recommend. If the funds do not meet the standards we require, we will inform the client that we will be unable to fulfill their request. Refer to the Methods of Analysis, Investment Strategies and Risk of Loss (Item 8) for additional disclosures on this topic.

Advisory Services for Personal Clients
Portfolio Management Services
We offer non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis. If you would like to use investments that do not meet our criteria for recommendation, you may do so, but we will not assume management responsibility for those assets.

Financial Planning Services
We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted, objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Types of Investments
We primarily offer advice on publicly traded mutual funds, exchange-traded funds, and cash equivalent instruments. Refer to the Methods of Analysis, Investment Strategies and Risk of Loss (Item 8) for additional disclosures on this topic.

In addition, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Assets Under Management
As of December 31, 2019, we provide continuous management services for $109,000,000 in client assets on a non-discretionary basis. We do not provide discretionary management services.

Item 5 Fees and Compensation

Advisory Services for Retirement Plan Clients
Our firm is paid only by its clients and receives no compensation from any other source. Advisory fees may be fixed-fees, ranging from $18,000 to $125,000 annually, or they may be asset-based fees, typically ranging from an annualized 0.25% to 0.90% of assets under management. In limited circumstances, a higher fee may be charged based on individual client circumstances as negotiated with the client. Fees may be negotiated in certain circumstances where VAI deems the standard fee schedule to be inappropriate for a particular client. Special circumstances which are considered in fee negotiations include factors such as geographic location of the client, employee education commitments, degree of interaction between the client and other retirement plan service providers, level of engagement risk, etc.

Hourly fees may be charged for services performed outside the scope of our normal arrangements. Clients will be notified of such services and fees before projects begin.

Fees may be charged for individuals participating in continuing education seminars provided by the firm.

Asset-based and fixed fees are billed every three months (in arrears), based on the current market value of the Plan assets on the last trading day of the three-month period. Hourly fees are due within 30 days of services rendered. VAI does not accept payments in advance of services.

You may terminate the service agreement upon 30 days written notice. You will incur a pro rata charge for services rendered prior to the termination of the service agreement, which means you will incur fees only in proportion to the number of days in the quarter for which you are a client.

VAI submits an invoice for services (in arrears) at the close of each quarter and the plan sponsor has the option of paying the invoice directly or sending it to the Trust for payment.

There are additional Plan-related fees a client may encounter that are not imposed or collected by VAI.

1. Mutual funds charge management fees and may also charge 12b-1 fees as part of the expense of operating the fund. Such fees are ultimately borne by the client. These fees and expenses are described in each fund's prospectus and will usually include a management fee, other fund expenses and perhaps a distribution fee. If the fund imposes sales charges, a client may pay an initial or deferred sales charge as well. A part of the services VAI provides includes

assisting the client in determining the most appropriate mutual funds for each client's plan size and objectives.
2. Some investments may pay "soft dollars," "revenue sharing dollars," or "rebates." VAI does not accept these dollars. Any such monies will be paid to the clients, and VAI advises clients to use the funds either to offset retirement plan operation costs or to deposit the funds in the trust for allocation to participant accounts. The tracking, handling and ultimate disposition of these dollars are carried out by the custodian, trustee, and/or administration/recordkeeping firm. VAI does not take responsibility for the disposition of these dollars.
3. Transaction fees are charged by brokers executing trades in certain mutual funds and on all individual stock and bond trades.

VAI does not sell securities or any other type of investment product.

Advisory Services for Personal Clients

Portfolio Management Services

Our fee for portfolio management services is based on a percentage of the assets in your account. Our annual fee is up to 1.00% of your assets under management, which is billed and payable quarterly in arrears based on the balance on the last trading day of the previous quarter. We may, in certain circumstances, charge a fixed fee in lieu of an asset-based fee of no more than 1.00% of the client's assets under management. Our fee is determined by the service option(s) you select and the amount of your assets under management with our firm. Beyond the service option(s) selected and total asset levels, special circumstances that may impact fees include geographic location of the client, the location of review meetings, the number of review meetings per year, and other client-specific circumstances. We may also charge per hour fees, at a rate of up to $300 per hour, for services above and beyond the agreed portfolio management services. These services may include, but are not limited to, significant unsolicited investment plan changes, advanced financial planning, and research and analysis on investments not generally used by our firm.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

We will send you an invoice for the payment of our advisory fee, or you may choose to have your advisory fee paid directly from your account through the qualified custodian holding your funds and securities, an option which requires you to first provide us with a written authorization giving permission for this method of payment. The qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the portfolio management agreement upon 30 days written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client.

Transaction fees are charged by brokers executing trades in certain mutual funds and on all individual stock and bond trades.

VAI does not sell securities or any other type of investment product.

Financial Planning Services

Comprehensive financial planning services such as current and future income planning are included in the client's total portfolio management fee. However, for services beyond comprehensive financial planning (*e.g.* situational life-event planning needs), we may charge an hourly fee of up to $300 for such services. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee. Those clients who receive financial planning services only, with no assets under management, will be billed at the rate of up to $300 per hour.

We will send you an invoice for the payment of the financial planning fee, which is due within 30 days of receipt. We will not require prepayment of a fee more than six months in advance and in excess of $1,200.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. If the fund imposes sales charges, a client may pay an initial or deferred sales charge as well. Some mutual funds charge "loads" to purchase or sell their funds. For example, "A" shares of a fund charge an up-front fee or load, whereas "B" shares do not charge up-front fees but do charge a back-end load if the shares are sold within a certain time period. While we do not sell securities or any other type of investment product, and do not recommend these funds to clients, a client who already owns "B" shares may be charged a "back-end load" if the client sells them before the required retention period or fails to meet some other specified criteria.

You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information regarding our brokerage practices, refer to the Brokerage Practices section of this brochure.

IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan
2. Moving the funds to a new employer's retirement plan
3. Cashing out and taking a taxable distribution from the plan
4. Rolling the funds into an IRA rollover account

Each of these options has advantages and disadvantages and before making a change, we encourage you to speak with your CPA and/or tax advisor.

If you are considering rolling over your retirement funds to an IRA for us to manage, here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you should consider other types of investments.
   a. Employer retirement plans generally have a more limited investment menu than IRAs.
   b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
   a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
   b. You should understand the various products and services you may take advantage of with an IRA and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401(k) or retirement account, you could potentially delay your required minimum distribution beyond age 70 ½.
6. Your 401(k) may offer more liability protection than a rollover IRA; each state may vary. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan from your 401(k), but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts in order to determine whether a rollover is best for you. Prior to making a decision, if you have questions, contact your investment adviser representative or call our main number as listed on the cover page of this brochure.

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

We do not enter into performance-based arrangements with our clients or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above (Item 5) and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We provide retirement plan services to plan sponsors. Our typical minimum is $5,000,000 in Plan assets, but this minimum may be negotiated on a case-by-case basis.

We also offer investment management services to individuals (other than high net worth individuals) and high net worth individuals. We typically require a minimum of $1,000,000 to open and maintain a managed account; however, such minimum may be lowered in our sole discretion depending on individual client circumstances.

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

Our Methods of Analysis and Investment Strategies
We use both quantitative and qualitative analysis to select and monitor mutual funds, exchange traded funds (ETFs, stable value collective trust funds and insurance company fixed accounts. Although our process is thorough, it does not guarantee investment performance. Past performance is no guarantee of future returns and it is possible that investors may incur a loss when investing.

Due to the fact that we recommend publicly traded mutual funds, ETFs, stable value collective trust funds and insurance company fixed accounts, the material risks to which our clients are exposed are 1) management risk and 2) market risk. Management risk is the risk that the portfolio managers may underperform their stated benchmarks. Market risk is the portion of return impacted by movement in the underlying asset class. The investment strategy we recommend is "buy and hold". We do not recommend frequent trading.

We may also use one or more methods of analysis or investment strategies when providing investment advice to you.

Fundamental Analysis - analysis of mutual funds and exchange-traded funds (ETFs) from many angles, which encompasses a wealth of information across six main categories: operations, performance, risk statistics, financial data, composition, and diversification. The resulting data help identify the fundamental strength of a fund on an absolute basis, relative to alternative options, and compared to its appropriate category or benchmark.

Risk: Although the information gathered through fundamental analysis helps determine the strength of a fund, information can change rapidly such as a change in the management team or the underlying strategy that is implemented. These factors could impact the fund in a way that may alter the fund's fundamental strength in a short period of time.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

For our personal clients, our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including, for example, a change in your current or expected income level, tax circumstances, or employment status.**

Tax Considerations for Personal Clients

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is only one of many considerations in the management of your assets held in taxable accounts. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the Tax Optimized Lots accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

We primarily recommend publicly traded mutual funds, ETFs, stable value collective trust funds and insurance company fixed accounts. However, we may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be feasible to list all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

1. Mutual Funds and Exchange Traded Funds

Mutual funds and ETFs are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs

generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (*i.e.* borrows money) to a significant degree, or concentrates in a particular type of security (*i.e.* equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". "Open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its underlying index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their underlying indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its underlying index, or its weighting of investment exposure to such securities may vary from that of the underlying index. Some ETFs may invest in securities or financial instruments that are not included in the underlying index, but which are expected to yield similar performance.

2. Stable Value Collective Trust Funds

A stable value collective trust fund is an investment option available primarily to qualified retirement plans such as a 401(k) plan. It is a managed portfolio of highly rated corporate or government, short-term and intermediate-term bonds with a principal protection wrapper provided by a life insurance company. The objective of the fund is to generate a stable yield while preserving investor principal. Historically, these funds have been able to generate yields that have outperformed the typical money market fund at no greater risk. They do this by managing a portfolio of bonds just like any other bond fund, except any losses of principal resulting from fluctuating bond prices are made up by the insurance company wrapper.

3. Insurance Company Fixed-Interest Funds

An insurance company fixed-interest fund is a group annuity contract, whereby retirement plan participants receive a contracted interest amount for a specified term, used as protection for short-term cash needs, much like a stable value fund. However, with the annuity, rather than charging an explicit expense ratio, the issuing company invests in fixed income instruments in order to obtain a return greater than the contracted interest rate, or crediting rate, and keeps the "spread" between the crediting rate and the actual returns achieved.

4. Concentrated Position Strategy

If the client has a concentrated position that could materially impact future outcomes, Veratis may discuss the use of a collar option or protective put strategy to reduce security-specific risks while the position size is reduced to an agreed upon level. The use of options is not a part of Veratis's core investment strategy and will be used only for certain clients. If used, the client acknowledges that Veratis is in no way responsible for the range of outcomes that may result from options strategies, including outcomes that may be less favorable than continuing to maintain the concentrated position. The client also understands that there are potential costs including options premiums, fees and tax. The client will pay all costs associated with the use of an options strategy, regardless of the amount of these costs. Veratis is unable to predict the amount of potential costs and risks at any point prior to implementation or while the strategy is being executed.

When discussing options strategies with clients, Veratis must explain the strategies and their potential advantages, disadvantages, costs, and primary risks, and the client must acknowledge his/her understanding of these considerations in an executed Investment Policy Statement. The client acknowledges that this explanation represents a good faith effort to assist the client with making an informed decision, but there may be unforeseen risks that may not be anticipated at the time of the explanation.
Decisions related to concentrated positions, including the use of a collar options strategy, are made solely by the client. Veratis will assist the client with the implementation of the strategy, but the client must respond in a timely manner to requests for trading approvals in order to effectively execute the strategy. If the client is not responding in a timely manner, the risks of the strategy may increase.

Item 9 Disciplinary Information

VAI has not been involved in any legal or disciplinary events.

Item 10 Other Financial Industry Activities and Affiliations

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker
2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. Other investment adviser or financial planner
4. Futures commission merchant, commodity pool operator, or commodity trading adviser
5. Banking or thrift institution
6. Accountant or accounting firm
7. Lawyer or law firm
8. Insurance company or agency
9. Pension consultant
10. Real estate broker or dealer
11. Sponsor or syndicator of limited partnerships

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

A brief description of our code of ethics is presented below. A copy of our code of ethics is available to any client or prospective client upon request.

Officers and employees of VAI are expected to conduct themselves in an ethical and professional manner, to act in accordance with all federal and state laws and regulations pertaining to our investment advisory services, and to conduct business in a manner that is free of bias and is in the best interest of our clients.
No officer or employee shall accept any monetary compensation, privilege, or gift from any outside party. This includes, but is not limited to, custodial and record-keeping firms, mutual fund families and their distributors, insurance companies, banks, brokerage firms, and other advisory firms.

The firm will receive compensation from clients only in a full disclosure, fee only arrangement.

VAI and its officers or employees may buy or sell securities for their personal accounts that are the same as those recommended to clients. In addition, any related persons may have interest or position in a security that has been recommended to a client. It is a policy of VAI that no person employed by the firm may purchase or sell any security immediately prior to a transaction being implemented for an advisory account, thereby preventing the firm, its officers or its employees from benefiting from transactions placed on behalf of advisory accounts.

Officers and employees of the firm are forbidden to act on non-public information and must submit their holdings in personal investment accounts both initially and annually. Their transaction history must be submitted quarterly to the firm's Chief Compliance Officer. In addition, officers and employees must obtain preapproval of transactions in initial public offerings or limited offerings if these offerings have any direct or indirect relation to a client of the firm.

Item 12 Brokerage Practices

In selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation, VAI considers accuracy, support, name recognition, revenue sharing levels and fees. The VAI Code of Ethics strictly prohibits recommendations for any reason other than the best interest of our clients.

Brokerage Practices for Personal Clients
We recommend the brokerage and custodial services of Charles Schwab ("Custodian"). We believe that the recommended Custodian provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by the Custodian, including the value of the Custodian's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

Research and Other Soft Dollar Benefits
We do not have any soft dollar arrangements.

Economic Benefits
As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

Schwab - Your Custody and Brokerage Costs
For our clients' accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. For some accounts, Schwab may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. In addition to commission rates and/or asset-based fees Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought

or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

Schwab Advisor Services
Schwab Advisor ServicesTM (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage - trading, custody, reporting and related services - many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

Services that Benefit You
Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You
Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping and client reporting

Services that Generally Benefit Only Us
Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Technology, compliance, legal, and business consulting
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services
The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. We may have an incentive to request that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see first paragraph above) and not Schwab's services that benefit only us.

Brokerage for Client Referrals
We may receive referrals from custodians; however, we receive no "soft dollars" or research benefits, compensation, favors or gifts from any broker-dealer in exchange for referrals.

Directed Brokerage
We routinely require that you direct our firm to execute transactions through Charles Schwab. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Block Trades
We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

Item 13 Review of Accounts

Review Process for Retirement Plan Accounts:
Our Retirement Plan Team conducts research and gathers data related to fund reviews. The types and frequency of reviews occurs as follows:

1. Daily - Performance of recommended funds (which includes those used in client portfolios, as well as other funds VAI has selected for monitoring).
2. Monthly - Recommended funds are reviewed for conformance with investment selection and monitoring criteria. Client portfolio allocations are reviewed.
3. Quarterly - A more detailed analysis is performed on recommended funds and reports are provided to each client. Research is conducted to identify new funds for potential selection as recommended funds.
4. Semiannually - a thorough quantitative and qualitative analysis is performed on all recommended funds, and reports are provided to each client.

More frequent reviews occur during periods when market volatility is higher than normal.

Reports, which include tables and/or charts, are provided to you on the following schedule:

1. Quarterly Reviews for you include performance data and other pertinent information regarding

individual funds, portfolios and related benchmarks, as well as a market commentary.
2. Semiannual Reviews with you include quantitative and qualitative information related to economic conditions, trust level diversification, fund level performance and issues to be monitored, model portfolio performance and statistics, and consulting items.

Review Process for Personal Client Accounts:
One of our investment advisor representatives will monitor your accounts on an ongoing basis and will conduct account reviews with clients at least annually, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- Contributions and withdrawals
- Year-end tax planning
- Market moving events
- Security specific events, and/or
- Changes in your risk/return objectives

Veratis will provide you with quarterly performance reports. In addition, you will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

We will review your financial plan to determine if the investment advice provided is consistent with your investment needs and objectives. We will also update the financial plan at your request. At our sole discretion, reviews and updates may be subject to the hourly rate specified in your advisory agreement. If you implement the financial planning advice provided by our firm, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

Item 14 Client Referrals and Other Compensation

Neither VAI nor a related person directly or indirectly compensates anyone who is not a VAI employee for client referrals.

Charles Schwab & Co., Inc. - Institutional
We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisers whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 - Brokerage Practices). The availability to us of Schwab's products and services is not based on our giving particular investment advice, such as buying particular securities for our clients. We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals. Refer to the Brokerage Practices section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

Item 15 Custody

VAI does not have custody of client funds.

<u>For Personal Clients</u>
As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or

other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

For Retirement Plan Clients
You have the option of paying advisory fees directly or requesting the fees be paid by Plan assets. Veratis will submit invoices directly to the custodial firm for Plans where the Client directs the invoice to be paid by the Plan assets. For Clients who elect to pay the invoice directly to Veratis, the terms for payment are "net 30" beginning the 7th calendar day following the end of the service period. The Client agrees that it is obligated to pay all fees due whether or not there are assets in the Plan and irrespective of any election by Client to transfer assets out of the Plan in whole or in part, or to close the custodial account of the Plan.

Item 16 Investment Discretion

VAI does not accept discretionary authority to manage investment accounts of our clients.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

VAI does not accept the authority to vote client securities. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

Item 18 Financial Information

VAI neither requires, solicits, nor accepts fees from clients in advance of services provided.

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of more than $1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

VAI has never been the subject of a bankruptcy petition.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Your Privacy
We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis.

If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures.

If you have questions about our privacy policies contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.

Trade Errors
In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits
We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.