AS OF JANUARY 1, 2022

Part 2A of form ADV

Firm Brochure

This brochure provides information about the qualifications and business practices of Verus Advisory, Inc. If you have any questions about the contents of this brochure, please contact us at 206.622.3700. 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 Verus Advisory, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

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Verus is a registered trademark of Verus Advisory, Inc.

ITEM 2. Material changes

Verus Advisory, Inc. has no material changes since its last annual update up to and including the date of this Firm Brochure.

Item 4 – Advisory Business

We have made stylistic changes and non-material amendments with the aim of making our disclosures clearer regarding our discretionary (OCIO) and non-discretionary (consulting) services and we encourage you to read this document in its entirety.

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ITEM 4. Advisory business

Verus is an independent, employee-owned provider of non-discretionary (consulting) and discretionary (OCIO) asset management services to a wide variety of institutional investors, including endowments and foundations, corporate defined benefit and defined contribution plans, public pension plans, and Taft-Hartley trusts. As of January 1, 2022, we provide services to institutional clients representing more than $665 billion in assets.

Verus distinguishes our services along the fiduciary definition of discretion. Our non-discretionary consulting business provides advice to clients representing approximately $656 billion in assets. Our regulatory assets under management, including our discretionary (OCIO) services, is more than $9 billion in assets, as detailed in Part 1 of our annual ADV filing. Verus' services, whether under the discretionary (OCIO) or non-discretionary (consulting) fiduciary governance model, are focused around the design of the entire portfolio, including investment policy, asset allocation, risk allocation and management, third-party investment manager evaluation, fiduciary education, and portfolio analysis. These services are delivered in a highly personalized manner by experienced investment professionals. Our services are tailored to client's enterprise objectives and guidelines and governed by an Investment Policy Statement established by the client's governing body.

Verus traces its roots back to 1986, when the firm was originally founded as Wurts, Johnson & Company. In 1996 the firm was renamed Wurts & Associates Inc. and in 2015 we renamed the company Verus Advisory, Inc. ("Verus") to better unify our brand and to reflect who we have evolved to become over the past decade given our substantial investments into capital markets, risk management and technical investment expertise.

Effective January 1, 2016, Verus Advisory, Inc. merged its operations with Strategic Investment Solutions, Inc. (based in San Francisco), with the remaining entity after the merger being Verus Advisory, Inc. Verus continues its enhance its services by adding key consulting professionals from different national regions of the United States, as well as tenured research, operations, and support staff.

Verus is proud to assist our clients in all of our core business lines, including discretionary (OCIO), traditional consulting, risk management and private markets. Verus believes in its mission statement:

We are stewards of the means to a better life.

Success at what we do preserves and elevates the well-being of individuals, families, and communities. We rely on objective observation, rigorous research, demonstrable facts, and measurable results to help guide our clients. Yet the true value of our work lies beyond what can be measured – what we do impacts people's lives.

Verus is 100% employee owned.

ITEM 5: Fees & compensation

Verus derives 100% of its compensation from retainer agreements between the firm and our clients. These arrangements can be a flat annual retainer fee, a percentage of assets under advisement or management (dependent upon the discretionary or non-discretionary nature of the relationship), hourly rates, or a combination of these arrangements. Management fees that are based on assets under management normally range between 0 and 50 basis points.

The fee structure for each client relationship is based on considerations such as the type of asset pool and types of fund holdings, while also taking account of the management structure, the complexity of the servicing requirement, and consultant time and travel expenses.

We may deduct fees from assets or bill them to the client, based on the client's preference. We bill monthly or quarterly in arrears and Clients typically pay within 30 days of presentation of an invoice. Client fees may be paid by check, EFT, or direct debit, as authorized by the client. Should a client elect to terminate a consulting or asset management relationship with us, we require 30-day written notice. Additionally, Verus allows clients to terminate the relationship, without penalty, as long as the termination notice is received within five days of the initial contract signing. If a client elected to pay fees in advance, they will receive a check with a refund prorated from the effective date of the termination through the end of that billing cycle.

For services provided outside the scope of the primary discretionary (OCIO) or non-discretionary (Consultant) agreement, the client and Verus may stipulates an hourly rate in a supplemental written agreement. Our standard hourly rates are as follows: Senior consultant ($600/hour), Consultant ($400/hour), Associate ($200/hour), Analyst ($150/hour).

All transaction, brokerage and custodian fees are paid by the client directly to the custodian, broker, and investment fund or investment manager. Please see the section labeled "Brokerage Practices" for further information.

Verus does not accept compensation for the sale of securities or other investment products.

ITEM 6: Performance-based fees and side-by-side management

Verus does not accept any performance-based fees and does not have conflicts of interests that may otherwise be present with side-by-side management.

ITEM 7: Types of clients

Verus holds client relationships with a wide variety of institutional investors, including endowments and foundations, corporate defined benefit and defined contribution plans, public funds, Taft-Hartley trusts, and high net worth clients.

ITEM 8: Methods of analysis, investment strategies, and risk of loss

Investing in securities involves risk of loss that clients should be prepared to bear. This section describes our approach to analysis, investment selection, and risk assessment and management.

Verus' portfolio design methods are based upon the belief that each client's investment objectives should be approached on a holistic and customized basis. This approach necessitates a thorough understanding of the client's enterprise risk tolerance and objectives. We agree with industry research that shows the vast majority of portfolio results are driven by the asset and risk factor allocation, and as such we place heavy emphasis on this component throughout our portfolio design process. Our asset allocation process incorporates multiple tools including mean-variance optimization, scenario analysis and risk factor analysis in order to provide our clients unique and multiple perspectives on portfolio risk and diversification. Details on further methods of our analysis related to specific elements of our approach follow:

Investment policy statement

Verus assists clients with the creation, updating, and monitoring of investment policy statements. We will review the current investment policy statement and make appropriate recommendations regarding performance goals, risk control measures, and administrative procedures. Through this, we seek to enhance investment performance by providing a clearly defined strategic direction for the portfolio.

Each investment policy statement we advise on is tailored to the unique needs of the specific client. Within the context of our client's investment policy statement and guidelines, we seek to establish meaningful risk and returns objectives for the portfolio and asset class and thoughtfully delineate decision-making, while assigning specific responsibilities to respective parties.

Asset allocation

Based upon the client's risk tolerances and anticipated liabilities, we construct policy portfolios and utilize a multi-faceted process that includes mean-variance optimization, scenario analysis, and risk factor analysis to determine an optimal solution for the client.

The first set of models uses the familiar portfolio analytical tools described as the Mean Variance Optimization ("MVO") framework. This describes likely portfolio behavior using assumed relationships between asset classes, describing the behavior of asset classes using simple mean return, volatility and covariance. Those simplifications and assumptions are well understood to be flawed (most particularly relating to the non-normal behavior of markets) and we therefore use mathematical techniques to minimize those problems (using fat-tailed distributions where possible) and avoid simplistic optimization approaches which maximize those errors.

In order to estimate more reasonable return forecasts and model realistic drawdown risks, we employ our proprietary Scenario Analysis Model. This tool drives returns and risk forecasts using current and prospective valuations, GDP growth and inflation, and potential valuations that could occur during various economic and market scenarios. Overall, this method assures that the resulting asset allocation is strongly rooted within the realities of the capital markets.

Further risk factor evaluation tools allow us to gain deeper insight into portfolio risks. We examine the asset allocation structure relative to the five prominent risk factors found in most all asset classes. These factors include equity risk, interest rate risk, credit risk, inflation risk, and currency risk. This list is not exhaustive, and additional considerations may be warranted depending on the asset class considered.

Many of our pension fund clients require asset liability studies as part of the broader asset allocation process in order to properly execute their fiduciary obligations. We are experienced in utilizing the most recent actuarial valuations and the fund participant demographics towards addressing this requirement. By combining market-leading liability modeling tools and our firm's well-grounded and thoughtful capital markets insights, we seek to provide clients with an asset allocation that takes unique account of the plan's liability constraints.

Periodically, price anomalies within the capital markets present themselves, providing long-term investors with an opportunity to realize potential gains. Our research and investment team focus on how the capital markets are pricing risk factors on an absolute basis as well as relative to each other. This research, coupled with our work on the macro-economic environment, increases our awareness of these opportunities, allowing us to advise our clients to capitalize on these opportunities when they present themselves. Additionally, the nature of our discretionary client relationships ensures that execution upon such a trade idea is likely to be accelerated further.

For defined contribution plans, Verus is experienced in the designing of custom target-date model portfolios using either the plan's underlying fund options or a separate suite of investment managers. We may also design and monitor a custom asset allocation glide-path based on the unique demographics of the client investment programs.

Risk Allocation and management

Verus believes that it is much more efficient and useful to forecast risk, rather than return. The financial market dislocations that have been witnessed in recent history have bolstered this conviction and we have continued to seek to provide a more holistic, factor-based approach to risk allocation and management. Investment risk should be viewed as a precious and limited resource that should be employed with deliberate intent to generate the highest net-of-fee, risk-adjusted return, consistent with investment goals and beliefs.

Verus has developed proprietary risk analytics infrastructure for calculating and communicating the risk-oriented metrics of client portfolios to the staff and governing boards or committees. This application is an element of our risk management approach and includes dollar allocation to each asset class, geographic allocation, currency allocation, rate and spread duration, equity exposure, active risk, scenario analysis and stress test results, portfolio Value at Risk (VaR) compared to standard portfolios and asset classes, historical VaR relative to the benchmark, and total portfolio risk decomposition by asset class.

This risk infrastructure is extensively adopted by Verus to serve its client relationships through the use of holdings-based analysis. This includes receiving more regular overviews of risk factors relative to asset classes.

In addition, returns-based analysis using our risk infrastructure is part of our standard non-discretionary consulting package. This involves quarterly analysis of risk factors relative to asset classes. Verus can also

offer the full suite of discretionary risk solutions to its non-discretionary clients through its Risk Advisory Services service offering. However, for these clients, this integrated, more regular, holdings-based service is offered at an additional rate.

Investment manager evaluation

Our manager research team covers a broad universe of traditional and alternative investment managers for our clients. Our research approach involves a healthy dose of constructive skepticism as we believe risk factors, the macro-economic environment, and market momentum drive the majority of returns within actively managed portfolios. For this reason, the firm integrates our advanced perspectives about risk and capital markets into manager research.

Our process for evaluating managers combines both qualitative and quantitative elements. It includes universe screening, manager interviews, and on-site visits with the goal of accessing managers with the potential for generating strong risk-adjusted net-of-fee returns. The result is a dynamic assessment of managers that we are confident in recommending to our clients.

Fiduciary education

Verus continually monitors the markets and will provide education to our clients in order to further our clients' knowledge and understanding of the numerous aspects of their investment decisions and obligations as fiduciaries. We believe that the ability to translate complex investment concepts and strategies to fiduciaries is key, and we believe that the way advice is communicated is equally important, which is why such communication must be customized to the needs of each client.

We provide mid-cycle memos, Topics-of-Interest papers, and asset class outlooks, and conduct conference calls to keep our clients updated on significant events that may affect their plan, including any pertinent changes to the investments within the plan and opportunities that may be forming within the markets.

Portfolio analytics

Since the inception of our firm, we have been engaged in portfolio analysis and performance measurement. Verus uses its own proprietary software as well as software provided by third party service providers to calculate performance at the total fund, manager, and asset class level. The scope of these resources allows us to provide a variety of comparative benchmarks and peer group comparisons towards providing deeper insight into performance.

Discretionary services

Verus offers its clients an 'outsourced CIO' (OCIO) discretionary investment management solution for managing all, or a segment of their assets within agreed upon investment guidelines, using the processes and resources described above. Verus utilizes the same philosophical foundation and technical approach in our discretionary asset management practice that is utilized in our non-discretionary practice. Our OCIO client relationships are for those clients who desire to collaborate strategic decisions and delegate more of their decision-making responsibilities to an external entity. Verus' discretionary services are highly customized to meet each client's unique needs.

Risk of loss

All investing involves risks that should be considered carefully. Additionally, any investment strategy should be cognizant of the strategy's associated fees, as these can have a material impact on performance.

Portfolios designed to earn a higher return than short-term government treasury securities have a higher potential for loss. A standard equity-debt portfolio experiences significant drawdown(s) turning adverse market conditions. However, our unique strategy reduces drawdown risk by building diversified portfolios, utilizing active risk budgeting and employing opportunistic tail risk hedging.

ITEM 9: Disciplinary information

All advisors are required to disclose all legal or disciplinary events that are material to a client's or prospective client's evaluation of their advisory business or the integrity of its management. Verus has no such events to disclose.

ITEM 10: Other financial industry activities or affiliations

Neither Verus nor any management person is registered or has an application pending to register as a broker-dealer or a registered representative of a broker dealer.

Verus Advisory, Inc. is a Portfolio Manager registered with the Ontario Securities Commission ("OSC"), Canada. Neither Verus nor any management person is registered or has an active or pending application to become a futures commission merchant or commodities pool operator, trading advisor, or any associated person of such activities.

Neither Verus nor its management persons have a related party relationship or arrangement that is material to our business with any of the following: a broker-dealer, securities dealer, or government securities dealer or broker; investment company or other pooled investment vehicle, other investment adviser or financial planner; futures commission merchant, commodity pool operator, or commodity trading adviser; banking or thrift institution, accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; sponsor or syndicator of limited partnerships.

Verus does not receive compensation derived directly or indirectly from broker dealers, third party administrators, other investment advisors that may be recommended to our clients, or other outside financial service providers.

Verus maintains policies and procedures to respond to and disclose potential conflicts of interest regarding the provision of services along the continuum of services available, allocation of information both internally and externally on an equitable basis regarding firm generated investment research and capital markets analysis as well as limited capacity investment opportunities. Our policies and procedures also prohibit: the purchase of securities for our own account or to buy or sell securities between clients; the receipt of soft dollars, to not sponsor any wrap fee programs or act as adviser or sub-adviser to a wrap fee program, to not compensate any third parties for referral of clients to Verus, to not recommend proprietary products to clients; and to comply with best execution requirements.

Under no circumstances does Verus accept fees, whether hard or soft, from investment managers as a potential inducement to be included in client portfolios or recommended to clients.

ITEM 11: Code of ethics, participation or interest in client transactions and personal trading

We have adopted a Code of Ethics (the "Code"). Our Code reflects our expectations of appropriate ethical conduct by our employees. The Code provides guidance and specific standards of conduct for situations where violations, inadvertent or otherwise, could occur in the conduct of business. Employees must avoid situations where their personal interest conflicts with the interests of Verus or our clients. The Code describes appropriate conduct surrounding gifts, outside employment, fiduciary appointments, political activities and personal investments and trading activities. In addition, the Code prohibits dishonest and fraudulent acts and reaffirms our commitment to client confidentiality. Every employee is required annually to sign a statement acknowledging that he or she has reviewed, understood, and agrees to follow the standards set forth in the Code. On an annual basis, each employee is also required to make and attest to making all disclosures that may be required by the Code of Ethics, including our zero-dollar limit for gifts received from investment managers or service providers.

A copy of our Code of Ethics is available upon request from any client or prospective client.

Employees of Verus may, from time to time, purchase or sell shares of the same securities which are held in our clients' accounts. Given the types of investments we recommend, and the market value and liquidity of these types of investments, we do not believe there is a material risk that employees' personal trades that may coincidentally be placed at or near the time of client trades would in any way be deemed material or detrimental to our clients. Verus maintains a restricted list of all clients who are listed on a public exchange and prohibits employees from trading in these securities. If employees own these securities prior to joining Verus, they are required to obtain pre-clearance prior to selling any positions.

Our policy prohibits trading on any material non-public information - insider trading. To maintain this policy, Verus requires all employees to establish connections between their personal brokerage accounts and the Verus Personal Security Trading platform established with a third-party vendor. Specified outside brokerage accounts of the employee and immediate family members must be disclosed and added to the system to require pre-clearance for all security trading from those accounts. Annual attestation is required by all employees that they have added all required brokerage accounts to the Verus Personal Security Trading platform. The Code is designed to ensure that the personal securities transactions, activities, and interests of the employees of Verus will not interfere with making decisions in the best interest of our clients.

ITEM 12: Brokerage practices

Verus does not receive any research or other products or services from a broker-dealer or a third party in connection with client securities transactions. We do not accept "soft dollar" payments or benefits from any broker-dealer or third party.

Verus may advise non-discretionary clients regarding brokerage and custodial firms for their investment portfolio as may be requested. Although recommending a broker-dealer to a client when requested poses the potential conflict of interest of receiving client referrals from a particular broker-dealer rather than fulfilling a client's interest in receiving the most beneficial execution, the advice given by representatives of our firm is not colored by any associated payments, and the considerations weighed are intended to be in the client's best interest. These considerations include, but are not limited to, the firm's fee structure, size, activity within the commission rebate business, and rebate rate. Due to the size of our clients and persistent interactions with different service providers, we are kept abreast of market leaders and industry best practice. We cannot guarantee that the execution costs or fees incurred by our clients through a brokerage or custodian are lower than available elsewhere. Lower fees for comparable services may be available from other sources.

It is the policy of Verus to not accept client instructions for directing brokerage to a particular broker-dealer. A potential conflict may arise between the client's desire to direct a trade to a particular broker-dealer and Verus' fiduciary responsibility to seek best execution and negotiate commissions to enable the client to participate in aggregated trades – both of which may save the client money. The Firm may approve a client request, however, after appropriate review and approvals and disclosure to the client of the potential conflict.

For our discretionary client relationships, we will select brokerage service providers for trade execution. The service provider(s) that Verus selects is based on the same considerations as with the advice given to our non-discretionary client relationships. These determinations are made through consultation between Verus and its clients.

In the event Verus transacts in the same security for multiple discretionary accounts on the same trading day, Verus will allocate the trades fairly among all accounts transacting in the security. "Fair" does not mean identical treatment of each account, but rather no account will be discriminated against in the allocation of the security.

When executing aggregate orders for those accounts that incur ticket charges on orders, aggregate orders will not reduce or eliminate these charges. Verus allocates aggregate transactions so that no one client is favored over another. Securities executed in an aggregate order are allocated to each client account on a pro-rata basis, taking into consideration the size of each order placed for the individual account. There may be instances where Verus will increase or decrease the size of an order allocated to an account to avoid allocating odd lots or a de minimis number of shares. When an aggregate order is not completed in full, Verus will allocate the executed portion of the trade in accordance with stated policy.

When a security transaction results in multiple execution prices, the price for the transaction allocated with each lot to the participating accounts will be the weighted average price per share for all shares executed in the order, whether a full or partial execution. It is Verus' policy not to favor one account over another by offering better pricing in an aggregate transaction.

Client assets are managed in separate accounts with no aggregation with other client accounts.

ITEM 13: Review of accounts

Our clients receive performance reports quarterly, usually 30 to 45 days after its culmination. In addition, almost all clients meet with their relationship team at least quarterly. At each performance review, the consultant will discuss the client's plan asset allocation relative to its policy. We will provide follow-up analysis and asset allocation reviews when adding an asset class or when making any incremental changes to the investment policy. Additionally, a review of the asset allocation is conducted annually and at such other intervals as may be appropriate. The discussion surrounding the annual studies is strategic in nature while the quarterly discussions are more performance related. If no such changes occur sooner, Verus will recommend a formal asset allocation study at least every three years, or when market conditions so warrant.

Due to the nature of discretionary client relationships, the client reviews, portfolio management communication reports, risk dashboard positions and other items are more continuous through the use of daily and intraday market evaluations and daily portfolio management tools.

ITEM 14: Client referrals and other compensation

Through the course of servicing client relationships and having frequent interactions with investment managers, it is possible we could be referred to a third party with regards to our services. We do not, however, pay any third party for client referrals or recommendations. We also reject any compensation from any source other than our clients.

ITEM 15: Custody

Verus does not take possession of account assets under either the non-discretionary or discretionary client relationship governance models. The client's custodian(s) holds all client funds and account information, and this is the repository for information on performance. We encourage clients to carefully review custodial statements and compare them with our performance reports. Clients who elect to permit in writing a direct debt of fees payable to Verus is a form of custody that Verus will accept from time to time.

ITEM 16: Investment discretion

Verus assumes discretionary authority of some asset pools or portfolios under client contractual relationships. The extent of this discretion and size of the pool depends on the terms of the Investment Management Agreement ("IMA") and Investment Policy Statement ("IPS").

ITEM 17: Voting client securities

Verus does not normally vote proxies. Verus may accept voting responsibility for discretionary clients and in very limited circumstances for some non-discretionary clients. In the event Verus has agreed to vote proxies for a client, we vote those proxies consistent with the best interests of our clients. We maintain written policies and procedures as to the handling, research, voting and reporting of proxy voting. Our policy and practice include the responsibility to monitor corporate actions, receive and vote

client proxies as may be agreed, disclose any potential conflicts of interest and maintain all relevant and required records.

In the absence of specific voting guidelines from the client, we vote all proxies from an issuer the same way for each client. Clients may, however, place reasonable restrictions on our voting authority. We generally vote in favor of routine corporate housekeeping proposals such as the election of directors and selection of auditors. In reviewing proposals, we consider the opinion of management, the effect on management, the effect on shareholder value, and the issuer's business practices. We identify any conflicts of interest by reviewing our relationship with the issuer of each security to determine if any financial, business, or personal relationship exists. If a material conflict of interest exists, we will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy.

Verus may assist clients in identifying a third party to direct proxies and monitor proxy voting programs. Additionally, we may provide opinions on how clients should vote their proxies but acknowledge that we may be unaware of all the facts and circumstances that should be considered by a non-discretionary client towards achieving their economic interests.

ITEM 18: Financial information

After over 30 years in business, we are financially stable with measured growth throughout our history. We are unaware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. As evidence of our financial and organizational stability, many of our investment professionals invested their own personal capital in the firm over time as part of our continued efforts to diversify the ownership of the company.

We do not foresee any conditions under which we would be impaired in our ability to meet contractual obligations or service standards.