

## Form ADV, Part 3 – Form CRS – Client Relationship Summary

June 9, 2020

### Verdis Investment Management, LLC

#### Introduction

This Form CRS provides information about the qualifications and business practices of Verdis Investment Management, LLC (“Verdis”). If you have any questions about the contents of this brochure, please contact Verdis at [info@verdisinvestment.com](mailto:info@verdisinvestment.com) or (610) 397-1600. Brokerage and investment advisory services and fees differ and that it is important for you to understand the differences to determine what type of account is right for you. There are free and simple tools available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS) which also provides educational materials about broker-dealers, investment advisers, and investing.

#### Relationships and Services

##### What investment services and advice can you provide me?

Verdis offers Wealth Advisory Services (“WAS”), which are currently offered exclusively to Verdis’ principals, employees and their respective family members/family entities. Through WAS, Verdis determines appropriate asset allocation models and builds portfolios using investments in non-Verdis Vehicles as well as Verdis’ Funds.

For a Wealth Advisory Account, Verdis generally requires a minimum of \$20 million in investible assets for an investor. Depending on the arrangement with a Client, Verdis will make recommendations with respect to asset allocation and third-party investment managers or a pooled fund managed by the Manager, either directly to the Client or to the custodian or trust company used by the Client. Wealth Advisory Clients (“WAC”) who invest in Verdis Funds may be granted information rights that are superior to those offered to other Clients.

Recommended questions to ask your investment adviser: *“Given my financial situation, should I choose an investment advisory service? Why or why not?”*; *“How will you choose investments to recommend to me?”* and *“What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?”*

#### Fees, Costs, Conflicts, and Standard of Conduct

##### What fees will I pay?

Verdis bills WACs quarterly in advance and Verdis’ billing policies are mandatory; Clients may not choose to be billed otherwise. Fees for WAS may be asset-based or fixed, as negotiated with the Client. Verdis may waive or charge different types of fees for these services, in its discretion. Verdis’ fees for WAS are separate and apart from fees charged with respect to investments in Verdis Funds. As a result, except as otherwise agreed, WAC’s who invest in a Verdis Fund pay two levels of fees with respect to such investments: the Wealth Advisory fee for Verdis’ asset allocation and non-discretionary or discretionary advice service (including advice with respect to investments in Verdis Funds) and the applicable Verdis Fund Fees, which cover Verdis’ investment advisory services to the Verdis Funds. Verdis typically does not charge any additional fees associated with its management services, however, additional services that warrant additional fees would be clearly outlined in the Client’s advisory contract. Some of the securities purchased for a Client from broker-dealers could involve fees, commissions or charges. Verdis will not receive any compensation in these cases and will only be compensated pursuant to the advisory contract with the Client.

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*You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.*

Recommended question to ask your investment adviser: *“Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?”*

### **What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

**When we act as your investment adviser**, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice, we provide you. Here are some examples to help you understand what this means.

Verdis has material business relationships with the General Partnerships (“GP”) of Verdis Funds. While Verdis serves as the GP for the Verdis Funds in the Verdis Hedged (VH) strategy and Verdis Opportunistic Global Equity (VOGE) strategy, a separate GP, Verdis Private Equity Partners, LLC serves as GP to the Verdis Private Equity (VPE) strategy. A third GP, Verdis Real Assets Capital, LLC serves as the GP for the Verdis Funds in the Verdis Real Assets (VRA) strategy. A fourth GP, VRAF III GP, LLC, serves as the GPs for the Verdis Funds in the VRE and VER strategies. A fifth GP, University Terrace GP LLC, serves as the GP to the VDRE strategy.

Recommended question to ask you investment adviser: *“How might your conflicts of interest affect me, and how will you address them?”*

### **How do your financial professionals make money?**

Verdis employees receive an annual salary. Verdis does not provide sales-based compensation in the form of sales commission. Employees receive a discretionary bonus. Verdis does not charge management advisory assets based on a performance fee.

### **Disciplinary History**

#### **Do you or your financial professionals have legal or disciplinary history?**

We do not have any financial professionals that have a disciplinary history. Please visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and any of our financial professionals.

Recommended question to ask your investment adviser: *“As a financial professional, do you have any disciplinary history? For what type of conduct?”*

### **Additional Information**

Additional information about Verdis is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Verdis is 134445. To request up to date information and a copy of your relationship summary, you can reach us at (610) 397-1600.

Recommended question to ask your investment adviser: *“Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?”*