Verus sharpens focus on OCIO, Risk, and Consulting

Verus to sell Strategic Partnership business to Goldman Sachs Asset Management; names Ian Toner Chief Investment Officer, and Max Giolitti Chief Risk Officer.

SEATTLE, WA – February 16, 2017 – Verus has reached a definitive agreement to sell its Strategic Partnership business to Goldman Sachs Asset Management ("GSAM"). The key employees responsible for managing this business, including Jeffrey Scott, CFA and his team, will be joining GSAM. The transaction is anticipated to close in the next few months. Verus will retain their core business lines including the OCIO business not being transferred to GSAM, traditional consulting, risk management, and private markets consulting.

Verus chief executive officer Jeffrey MacLean explained, "When we set out to build our OCIO business, we were fortunate to grow our business with a handful of large and unique institutional clients given the acumen and capabilities of Jeffrey Scott and his team. However, this part of our business absorbed a tremendous amount of our capacity and required a great deal of operational support that wasn't central to our core business or our original OCIO vision. By partnering with a world-class solutions provider such as GSAM, we are able to ensure the clients under our Strategic Partnership umbrella would be given the opportunity to have their expanding needs met for many years to come and allow Verus to focus on our core competencies."

Jeffrey Scott, CFA joined Verus in 2011 from his post as CIO at the Alaska Permanent Fund Corporation. Over the past five years he helped Verus build the risk culture and systems which will carry on under Max Giolitti's leadership as chief risk officer for Verus. Giolitti also joined Verus in 2011 from Alaska Permanent Fund Corporation.

Scott was heavily involved in servicing the strategic partnership clients. Since joining Verus in 2013 from Russell Investments, Ian Toner, CFA has partnered with Scott to provide leadership to the firm's investment resources and intellectual content creation, allowing Scott the necessary capacity to serve these relationships. Toner will succeed Scott as chief investment officer, and will retain his current oversight responsibilities over strategic and macroeconomic research, asset allocation methodologies, private and public markets research, and investment manager diligence. He will take on oversight of the OCIO portfolio management functions.

Departing CIO Jeffrey Scott stated, "I have enjoyed working at Verus over the last five years and I will miss working with my Verus colleagues. Max Giolitti and I have worked together at Microsoft, Alaska

Verus

Permanent Fund, Tahoma Capital, and now Verus. He has been instrumental in creating the framework and tools necessary to understand the role of risks in portfolios. Ian has provided excellent leadership to our investment professionals. He has been the primary thought leader behind our research publications and a voting member in our discretionary strategy setting process. These two will do a tremendous job leading the investment process at Verus going forward."

Joining Scott at GSAM will be deputy chief investment officer Omer Tareen, CFA, managing director Scott Day, CFA, and supporting portfolio management staff and analysts.

About Verus

Verus is an independent, employee-owned provider of non-discretionary consulting and discretionary management services to a wide variety of institutional investors, representing over $333 billion in assets*, including endowments and foundations, corporate defined benefit and defined contribution plans, public pension plans, and multi-employer trusts. Verus, renamed from Wurts & Associates in April 2015, was initially founded by William Wurts in 1986. Mr. Wurts sold the majority of his equity to employees in 2006 and the remainder in 2013. Verus' investment beliefs are framed by five key principles: The first is that enterprise objectives and risk tolerance should guide all decisions. The second is that asset allocation and risk exposures drive portfolio results. Third, economic factors and valuation drive long-term asset class returns. Fourth, risk and diversification must be viewed through multiple lenses. Lastly, fees and costs must be minimized... and justified.

**Estimate as of January 1, 2017, excluding Strategic Partnership business.*

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