Risk Advisory

Verus™

At a glance

$448 BILLION IN ASSETS*

$445 Billion AUA
$3 Billion AUM
156 client relationships

CLIENT ORIENTED

62% of our current clients have been with Verus for over 10 years.

PROACTIVE COMMUNICATION

Educating clients about the economy, markets, and portfolio construction is a key component of our service. Deeper risk analytics enhance the quality of communication.

RISK EXPERTISE

Verus has unique experience in risk modeling and measurement. With BarraOne as our back-end risk engine, our dedicated risk team of analysts and developers create customized, risk monitoring tools to improve communication and decision making.

100% EMPLOYEE OWNED

Established in 1986, we operate with an independent business philosophy and structure.

Innovative solutions for dynamic risk

An effective risk system helps fiduciaries understand not only what they own, but what are the biggest risks to the portfolio. The Verus team's thought leadership and analytical capabilities on risk and related topics is unparalleled in the consulting industry, and by scaling our proprietary technology with MSCI's BarraOne, we provide a complete implementation of a holdings-based risk system.

Today's high-speed, global investment environment is more complex and integrated than ever before, and it's essential for plan sponsors and fiduciaries to know, with the utmost clarity, what they actually own.

Clean data

At the base of a portfolio is its data, and custodial data inaccuracies are more common than one might think. Verus' experienced risk team tenaciously tracks down these inefficiencies and has proven processes to convert quality data to useful information.

Effective communication tools

Our proprietary risk management tools are designed to help minimize surprises through improved communication. Through multiple measures of risk - exposure, standard deviation, Value-at-Risk, scenario and stress tests – our reports provide our clients a high level of visibility and familiarity into their portfolios.

Efficient decision-making

Verus' goal is to help our clients be better informed decision-makers. With data they can trust and effective communication tools, we help our clients to be more confident and effective in their decision-making.

Optimize, not eliminate, risk

We believe that risk is the driver of returns, and that risk is more easily managed than returns. Risk is not confined to measures of standard deviation or volatility; it's also specifically about the potential loss of capital, which can be driven by a multitude of events. Institutions typically focus on achieving returns with little discussion or knowledge of the risk incurred - Verus can provide these insights and work with your institution to better understand them.

Our risk advisory services are available both as a standalone offering and as a comprehensive solution combining our non-discretionary consulting with our risk advisory services. From plan sponsors who feel they are underutilizing BarraOne to a complete implementation of a holdings-based risk system, Verus has the solution for large plan fund sponsors who appreciate the importance of incorporating risk into the management and supervision of their investments.

**Includes Verus' total assets under advisement; preliminary as of 7/1/2018.*

Risk Advisory

Bringing transparency to risk

The rationale for focusing on risk is not to eliminate risk entirely. The goal is to knowingly take risks and to avoid unintended risks. Risk is the currency with which we buy our investment returns.

Verus professionals provide clients with a proprietary Risk Dashboard system for calculating and communicating the level and nature of portfolio risk. Through proprietary risk dashboards, Verus effectively translates complex formulas and statistics into meaningful information and communication tools. The team has significant experience in working with investment staff and board members to incorporate portfolio risk concepts into investment policy and monitoring processes. Our approach combines education, communication and integration:

Education

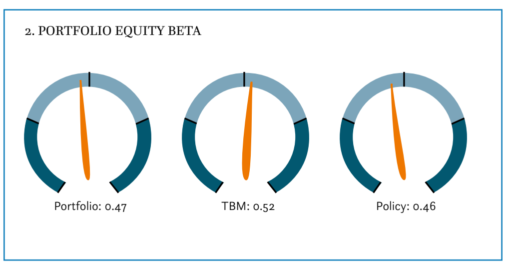
We work with investors to build a risk-centric culture that considers the return/risk trade-off in all investment decision making.

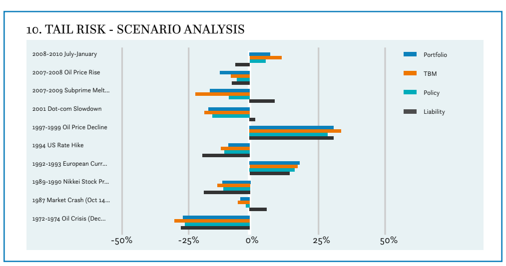
Communication

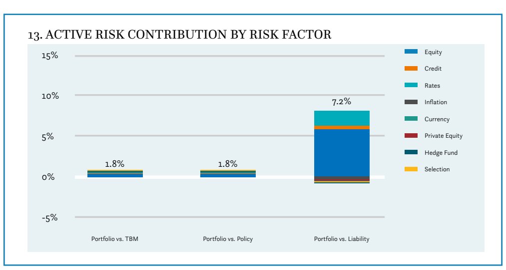
We use our proprietary Portfolio Risk Dashboard to communicate portfolio positioning, improving and simplifying decision-making.

Integration

We guide fiduciaries in investment policy design and construction, establishing a framework for ongoing monitoring and management to ensure that intended and realized risks are well aligned.







Portfolio Risk Dashboard

Adequate oversight requires a thoughtful risk monitoring framework

Risk allocation:

Allocations by risk buckets and asset class analysis

Risk diversification:

Diversification - risk factors, geographic, economic sensitivity and ex-ante returns

Active risk budgeting:

What and where are the active risks?

Primary risk factor analysis:

Attributes of rates, credit, equity, inflation and currency risk buckets

Performance review:

Did the portfolio meet the objectives

Performance attribution:

Positive and negative contributions to absolute and relative returns