

**Verity Asset Management, Registered Investment Adviser**  
**Verity Investments, Inc., Broker-Dealer Member FINRA**

**Form CRS – Client Relationship Summary**

**November 30, 2023**

**Introduction**

Verity Asset Management is an investment adviser registered with the Securities and Exchange Commission. Verity Investments, Inc. is a broker-dealer registered with FINRA. These are affiliated firms. We feel it is important for you to understand how advisory and brokerage services and fees differ in order to determine which 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 investment advisers, broker-dealers and investing in general.

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

**VERITY INVESTMENTS, INC.**  
**BROKERAGE (COMMISSION-BASED)**

As a broker-dealer, our primary service is buying and selling securities for your account at your direction. Your financial professional can offer recommendations to buy, sell, or hold securities, but you make the final investment decisions.

The general philosophy behind our recommendations is to help you achieve balance and diversification in your overall investment portfolio in a manner consistent with your individual risk tolerance, financial goals, and financial circumstances. However, your accounts may lose money; there is generally no guarantee.

**VERITY ASSET MANAGEMENT**  
**INVESTMENT ADVISORY (FEE-BASED)**

As an investment adviser, our primary service is managing your account on a discretionary basis which means that based on your stated objectives, investment decisions to buy, sell, or hold securities in your account are made by us on your behalf.

Your account(s) may lose money; there is no guarantee that management strategies will perform as anticipated.

***Additional information is found in Items 5 and 7 of our Firm Brochure, Form ADV Part 2. Our Firm Brochure is available online at <https://www.verityinvest.com/adv2a/>***

**Monitoring**

We do not provide monitoring services for your brokerage accounts. Your financial professional may voluntarily review your holdings and may or may not make recommendations to you based on those reviews. These reviews do not represent an account monitoring service.

Our advisory account services include ongoing monitoring of your advisory accounts. Securities will be bought or sold at our discretion according to the strategies you have selected.

### Investment Offerings

As a broker-dealer, we offer only mutual funds, variable annuities, and similar products from an extensive array of companies. We do not have any proprietary products.

As an investment adviser, we do not have specific limitations on the securities on which we offer advice. We do have one proprietary product, the Verity U.S. Treasury Fund.

### Account Minimums

Other than limited exceptions related to particular product types, we generally do not require a minimum account size to open a brokerage account.

Most advisory programs have minimum account size requirements. We do not have any specific account minimums, but some of our investment strategies do require minimum investments.

### Questions to Ask Us

- *Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

### What fees and costs will I pay?

Fees and costs affect the value of your account over time. Please ask your financial professional to give you personalized information on the fees and costs that you will pay.

#### BROKERAGE (COMMISSION-BASED)

In a brokerage account, the fee you pay is based on the specific transaction and not the value of your account. The amount you pay will depend on how much you buy and what type of investment you buy. With mutual funds, the fee (typically called a “load”) reduces the value of your investment. You will incur these charges when you buy securities, and you will pay upfront and/or ongoing fees, including service fees, to a mutual fund or other product issuer, a portion of which is paid to us as a commission in connection with your transaction.

Depending upon your account type, you may also incur periodic IRA custodial fees, as well as processing, service, and other account fees upon certain events or occurrences. Mutual funds and variable annuities have additional embedded expenses that will reduce the value of your investments over time. Variable annuities and share classes of some mutual funds may also

#### INVESTMENT ADVISORY (FEE-BASED)

In an investment advisory account, the fee you pay is asset-based and calculated as a percentage of the total value of the assets in your account under our management, including cash. You will incur an ongoing advisory fee which is collected at the end of each quarter at the rate you agreed upon in your investment advisory agreement. The fee may not include any trading commissions, trade execution fees or custody fees in cases where those apply. In addition, it does not include embedded expenses for investment products such as mutual funds.

Because we and your financial professional are compensated based on the amount of assets in your account, we have an incentive to try to increase your assets under management. Our advisory fees generally range from 0.75% to 2.25%, decreasing based on the total value of your account managed assets, but rates can be higher or lower in some cases.

charge you “surrender charges” to sell the investment.

The prospectus contains fee details and other information about each mutual fund or variable annuity. Contact your financial professional to obtain a prospectus, which should be read carefully before investing or sending money.

**Additional information about our fees is in Item 5 of our Firm Brochure, Form ADV Part 2. Our Firm Brochure is available online at <https://www.verityinvest.com/adv2a/>**

Over time, the advisory fees may be higher than the transaction charges you would have paid in a brokerage account. To determine whether an investment advisory account is appropriate for you, you should carefully analyze the projected costs of an investment advisory account versus a brokerage account based on factors such as expected size, volume and frequency of transactions, projected holding period and the investment management and other advisory services provided by our Firm and your financial professional.

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.

#### Question to Ask Us

- ***Help me understand how 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 providing recommendations as my broker-dealer or when acting as my investment advisor?**

***When we provide you with a recommendation as your broker-dealer or act as your investment adviser,*** we have to act in your best interest and not put our interests 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 recommendations and investment advice we provide you. Some examples are listed below:

#### **BROKERAGE (COMMISSION-BASED)**

Commissions differ from one product to another, which creates a financial incentive for both our Firm and your financial professional to recommend products that have higher commissions. As examples, mutual fund share classes have differing commissions; annuities often pay higher commissions than mutual funds, particularly for accounts of \$100,000 and above; commissions on some annuity products are higher than others; commissions are higher on annuities with higher and/or longer surrender periods.

#### **INVESTMENT ADVISORY (FEE-BASED)**

We have a financial incentive to recommend a rollover or transfer of assets from your retirement plan account if we will receive a new or higher fee on the new account. We also have a financial incentive to select our proprietary mutual fund rather than an alternate fund for your account since the Fund charges a management fee in addition to the fee we charge for advisory services.

Higher fees charged for some of our models or strategies are normally to cover higher expenses;

Our Firm and your financial professional will also receive new or higher commissions when you change from one mutual fund or variable annuity company to another, which creates an incentive to recommend that you change companies.

however, there may in some cases be a financial incentive for the firm to promote a strategy with a higher expense.

Over time, advisory fees may be greater than the transaction fees in a brokerage account. Although advisory accounts provide expanded services, we may have a financial incentive to recommend advisory services over brokerage services.

#### Question to Ask Us

- *How might your conflicts of interest affect me, and how will you address them?*

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

Our financial professionals are compensated as a percentage of the revenue sources described below:

##### **BROKERAGE (COMMISSION-BASED)**

- Commissions, based on transactions in brokerage accounts, including mutual funds and variable annuities, which vary by product.

##### **INVESTMENT ADVISORY (FEE-BASED)**

- Advisory fees, which are generally assessed quarterly based on assets under management at the rate you agreed upon with your financial professional.

The percentage of revenue that your financial professional received will generally increase as total revenue earned from their client accounts increases.

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

No, Verity Asset Management and Verity Investments, Inc. do not have any legal and disciplinary histories, but yes, some of our individual financial professionals do. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a simple search tool to research the firms and our individual financial professionals.

#### Question to Ask Us

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

#### Additional Information

You can find additional information about our investment advisory services on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD# 158667 and our brokerage services at [www.investor.gov](http://www.investor.gov) BrokerCheck ([www.BrokerCheck.org](http://www.BrokerCheck.org)) by searching CRD # 41527 . You may contact us at 800-247-6717.

#### Questions to Ask Us

- *Who is my primary contact person? Is he or she a representative of the investment adviser or the broker-dealer?*
- *Who can I talk to if I have concerns about how this person is treating me?*