

CASE STUDY

Verity Investments, Inc: Unwinding Complexity



Challenge

Finding a custodian that could assist with the complex situations and demands of the new business model.

Solution

Trust Company's technologically advanced systems provided depth and complexity required to handle virtually any variation in strategy, style, or matter of compliance.

Benefits

- Ability to structure its investment strategies with any assortment of assets.
- Due to the omnibus trading capabilities and asset-based custody fees aided in the cost-containment mindset.
- Streamlined Verity's trading processes and the custodian's proactive client services efforts helped ensure ongoing efficiencies.
- The money manager was free to direct its energy and resources toward firming its position as a fee-based service provider.

"In our extensive search for a custodian that could help us move our business in this new direction, other intermediaries failed, for one reason or another, to meet our needs. Trust Company not only met all of our initial requirements but has been extraordinarily flexible in addressing evolving circumstances with an approach that is always responsive and frequently proactive in its effort to satisfy every reasonable request."

Gordy Wegwart

President

Verity Investments, Inc.



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Established in 1996, Verity Investments, Inc. has long provided money management expertise as a broker-dealer, with an emphasis on the non-ERISA 403(b) market. As the firm built upon the core competencies of optimal investment planning expertise, an uncompromising level of client service, and an unwavering focus on cost effectiveness, it ultimately determined that it was better suited to work as a fee-based investment advisor. So, in early 2005, Verity shifted to a fee-based approach. Currently working with about 2,400 households, Verity has about \$140 million under management.



Business Issue

Upon deciding to alter its business model, Verity started looking for a custodian that could handle a broad spectrum of assets, including load and no-load mutual funds, closed end funds, individual securities, and exchange traded funds; offered a flexible trading platform that could accommodate the shifts dictated by its tactical asset allocation strategy; and could help maintain low expenses. In addition, the firm needed a partner that could handle the idiosyncrasies of the 403(b) market such as varied fee structures, smaller accounts, systematic monthly investments, and client driven requirements that required slight modifications to existing investment strategies. In short, Verity's tendency to work with complex situations translated into considerable demands on its custodian.

Challenge

Finding a custodian that could assist with the complex situations and demands of the new business model.

Unwinding Complexity

To start, Trust Company of America, an unencumbered independent custodian, offered complete access to the investment universe, allowing Verity to structure its investment strategies with any assortment of assets. Beyond that, its omnibus trading capabilities and asset-based custody fees aided in Verity's cost-containment mindset. But perhaps most importantly, Trust Company's technologically advanced systems provided the depth and complexity required to handle virtually any variation in strategy, style, or matter of compliance. Meanwhile, Trust Company's *TCAdvisor II* platform streamlined Verity's trading processes and the custodian's proactive client service efforts helped ensure ongoing efficiencies.

As Trust Company consistently proved adept at managing Verity's myriad of requirements and requests, the money manager was free to direct its energy and resources toward firming its position as a fee-based service provider.

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The logo for Trust Company of America features a stylized 'T' icon with a star above it, followed by the word 'Trust' in a large, serif font, and 'Trust Company of America' in a smaller, all-caps, sans-serif font below it.

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