



## Wrap Fee Program Brochure

### Form ADV Part 2A

Valued Investing  
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708-945-0233  
[www.ValuedInvesting.com](http://www.ValuedInvesting.com)

This brochure provides information about the qualifications and business practices of Valued Investing. If you have any questions about the contents of this brochure, please contact us at [support@ValuedInvesting.com](mailto:support@ValuedInvesting.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Valued Investing is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

Added “Assets Under Management” section with the total calculated as of June 30<sup>th</sup>, 2013.

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## Services, Fees and Compensation

### General Firm Information

Valued Investing is an internet-based investment advisor that manages client portfolios using values-based and risk tolerance criteria provided by clients at the website [www.ValuedInvesting.com](http://www.ValuedInvesting.com). Valued Investing was incorporated under Delaware law as Valued Investing, Inc. in November 2013. The principal owner of Valued Investing, Inc. is the CEO, Zach Lupei.

### Advisory Services and Investment Strategy

Valued Investing provides investment management based on the individual social values of clients. Client portfolios are managed to reduce or eliminate exposure to certain business activities—such as civilian firearms manufacturing, tobacco production, gambling, or animal testing—based on preferences of each client. Clients are able to filter out these types of businesses by selecting the filters that best match their personal values using the Valued Investing online interface.

Currently, client portfolios are only invested in domestic equities, but Valued Investing plans to offer access to additional asset classes in the future. Portfolios contain individual stocks, and each portfolio typically consists of 10-25 companies selected from the universe of domestic mid- and large-cap stocks. Portfolios are constructed using the Valued Investing Framework, which is algorithmic asset allocation software that builds diversified portfolios by taking the following into consideration:

- 1) The social values of a client as determined by the filters selected.
- 2) The risk tolerance of a client as determined by a questionnaire.
- 3) A proprietary database of business activities for the domestic mid- and large-cap companies.
- 4) A ranking of potential investments attractiveness based on financial and market analysis.
- 5) A set of diversification rules to reduce industry concentration and lower risk.

The client's social preferences act as a constraint of the portfolio construction, meaning that filters will not be knowingly violated in order to improve industry diversification or add attractively priced securities. Clients should be aware that certain filters, such as fossil fuel production, could reduce portfolio diversification and increase portfolio risk by eliminating whole industries (Oil & Gas) from the portfolio. Diversification rules also act as a constraint during asset allocation because they may prevent additional investment in a sector if the portfolio has already reached its maximum allocation in that sector. The

remaining inputs to the algorithm, investment attractiveness and risk tolerance, are not constraints on allocation, but the algorithm uses these inputs as it seeks to optimize the portfolio.

### Fees and Compensation

Clients pay a wrap-fee of 0.60% of their assets under management, which covers all services and costs for maintaining an account with Valued Investing. This fee includes advisory services, research, transaction costs, custodian costs, administration, account reporting and any other incidental expenses associated with account maintenance. Valued Investing only provides investment management and advice through the wrap fee program and services cannot be purchased separately. Fees are non-negotiable, although Valued Investing may, at its sole discretion, offer some accounts with fees that differ from the standard fee schedule.

Valued Investing does not charge fees in advance. Fees are calculated on a monthly basis and deducted from client accounts. The monthly fee is calculated by multiplying the applicable annual fee rate by the end-of-month account balance and dividing by 12.

**Example:** An account with a balance of \$12,000 at market close would have a monthly fee equal to  $[\$12,000] \times [0.60\%] / [12] = \$6.00$

Valued Investing manages all client investments directly and does not use outside portfolio managers. All fees are paid directly to Valued Investing.

### Assets Under Management

As disclosed in Valued Investing's Form ADV Part 1, the firm manages \$36,614 of client assets on a discretionary basis. The total is calculated as of June 30, 2014. The firm manages no assets on a non-discretionary basis.

## Account Requirements and Types of Clients

Valued Investing accepts all clients with a minimum initial deposit of \$500. All clients are provided with the same services. Fees for clients vary based on account balance and this is detailed in section titled Services, Fees and Compensation. Valued Investing is currently only accepting individuals as clients and does not have institutional clients.

## Portfolio Manager Selection and Evaluation

Valued Investing manages all client portfolios directly. All clients are enrolled in the Valued Investing Wrap Fee Program. No outside portfolio managers are considered.

## Client Information Provided to Portfolio Managers

Valued Investing manages all client portfolios directly. No information is shared with other portfolio managers.

## Client Contact with Portfolio Managers

Valued Investing manages all client portfolios directly. Clients do not have other portfolio managers to contact.

As an internet advisor defined by SEC rule [17 CFR 275.203A-2], Valued Investing may only provide investment advice through the interactive website at [www.valuedinvesting.com](http://www.valuedinvesting.com).

Technical support can be reached at [support@valuedinvesting.com](mailto:support@valuedinvesting.com).

## Additional Information

### Disciplinary Information

Valued Investing has not been the subject of any disciplinary events by regulators, nor has any employee been subject to disciplinary action by regulators.

### Other Financial Activities and Affiliations

Neither Valued Investing nor its management has any affiliations or industry activities to report.

### Code of Ethics

Valued Investing's code of ethics requires that all employees conduct themselves with the highest standards of honest conduct and business ethics. Above all, Valued Investing and its employees have the fiduciary responsibility to put client interests ahead of their own. A copy of Valued Investing's Code of Ethics is available to clients and prospective clients upon request.

### Participation or Interest in Client Transactions and Personal Trading

Valued Investing, Inc. employees are allowed to purchase and sell securities that are held in client portfolios. However, employees may not purchase or sell any security prior to the execution of any pending transactions for client accounts. In accordance with the Code of Ethics, all employees must sign a document stating they will comply with their fiduciary obligations to clients and applicable securities laws, and that they understand the specific requirements relating to personal trading, insider trading, conflicts of interest, and confidentiality of client information.

## Review of Accounts

Clients are given continuous access to securities position and cash balances through an online portal. Additionally, clients receive quarterly reports that provide performance, position and account information. Valued Investing will periodically contact clients through email to highlight new product features and enhancements that may allow for further customization of client portfolios.

Valued Investing advisors conduct only limited, non-periodic reviews of client accounts when automated alerts indicate that portfolios need advisor attention.

Valued Investing monitors the business practices and corporate governance practices of client portfolio companies. At the advisor's discretion, client portfolios will reallocated or rebalanced to compensate for changing business activities at portfolio companies.

## Client Referrals and Other Compensation

In the future, Valued Investing may run promotional campaigns to gain new clients through referrals. These promotions may reward existing or prospective clients with reduced fee arrangements (permanent or for a limited time) or additional services.

Valued Investing may also pay third parties to refer prospective clients to the site. Such promotions would compensate third parties using standard online fee structures such as pay for clicks or new accounts. Valued Investing will disclose any promotional campaigns for client referrals in updated versions of this filing, Form ADV Part 2A.

## Financial Information

Valued Investing is not required to disclose financial information because clients do not prepay advisory fees. Additionally, Valued Investing has not been subject to adverse financial conditions that would necessitate such a disclosure.



## Client Brochure Supplement

### Form ADV Part 2B

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## Valued Investing, Inc. Management Profiles

### **Zach Lupei**

Born 1985

#### Education Background

BS Engineering, Harvey Mudd College 2008

#### Business Background

2008 –2012	Manager, SpaceX
2012 –2013	Analyst, Oaktree Capital
2013 – present	CEO, Valued Investing, Inc.

#### Disclosures

Disciplinary Information: None

Other Business Activity: None

Additional Compensation: None

Supervision: As CEO, Mr. Lupei is not subject to supervision.