

ValGrowth Fund Management, LLC

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This brochure provides information about the qualifications and business practices of ValGrowth Fund Management, LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or e-mail address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority. Our e-mail for regulatory compliance is info@valgrowth.com.

ValGrowth Fund Management, LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the advisor.

Additional information about ValGrowth Fund Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

ValGrowth Fund Management, LLC

Our previous annual updating amendment was dated February 7, 2021. This item will be updated with the next annual updating amendment to reflect material changes to the Part 2.

Please contact us at (650) 592-1914 or warrenli@comcast.net if you would like a copy of our updated Part 2. Additional information about us is also available on the SEC's website at www.adviserinfo.sec.gov.

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ITEM 4: ADVISORY BUSINESS

Who we are

ValGrowth Fund Management, LLC (referred to as “we,” “our,” “us,” or “ValGrowth”) has been registered as an investment advisor since September 2005. Our principal owner and officer is Warren Li.

Services we offer

We provide Managed Accounts services that help clients enhance their wealth through investments in equity securities. We use our own proprietary investment strategy for investment decisions. The main goal is to achieve superior long-term appreciation of capital through investments in securities while also attempting to preserve capital and mitigate risk through diversification and hedging activities.

All accounts are managed as described above, and we do not tailor our advice to the specific needs of the client.

We do not provide portfolio management services to a wrap fee program.

Assets under management

We have \$5.2 million in discretionary assets under management as of August 31, 2021. We do not manage assets on a non-discretionary basis.

ITEM 5: FEES AND COMPENSATION

For clients who are qualified to pay a performance fee, we receive a performance fee which is calculated at the end of each calendar quarter. When profits for the current quarter exceed the unrecouped net losses for prior quarters, we will receive a performance fee of 20% of the profits generated. Solely for purposes of computing the performance fee, net profits and net losses include unrealized gains and losses. If you withdraw capital from your account, the performance fee for the amount withdrawn will be calculated as of the withdrawal date.

In order to pay a performance fee you must meet certain requirements. Typically our new clients must meet one of the following criteria:

- Have a net worth (or together with spouse have a net worth) of at least \$2.2 million, excluding value of primary residence.
- Have at least \$1.1 million invested with us.

Existing clients are subject to the standards in place at the inception of the relationship. Our Investment Management Agreement provides additional qualification standards.

Our investment management agreement provides additional qualifications standards. All performance fees will be charged in a manner that complies with applicable rules and regulations, including Section 260.234 of the California Code of Regulations.

Performance fee arrangements could create an incentive for us to make investments that are riskier or more speculative than would be the case in the absence of the arrangement. In some circumstances, we may receive increased compensation as a result of unrealized appreciation as well as realized gains.

For clients who do not meet the minimum requirements to pay a performance fee, we will charge an asset-based fee of 2%, with no performance fee. This asset-based fee will be billed quarterly in arrears, based on the value of the account as of the last day of the previous

You may end our advisory relationship by providing 30 days written notice. Upon termination, we will calculate the fees earned through the termination date and send you an invoice for the fees due.

Other Costs Involved

In addition to our advisory fees shown above, expenses associated with making investments on behalf of your account will also be incurred. These fees include:

- mutual fund loads (if applicable). These charges are paid to brokers as a form of commission.
- management fees for ETFs and mutual funds. These are fees charged by the managers of the ETF or mutual fund and are a portion of the expenses of the ETF or mutual fund.
- brokerage costs and transaction fees for any securities or fixed income trades. These are generally charged by your custodian and/or executing broker.

Additional information about brokerage costs and services is provided in “Item 12: Brokerage Practices.”

We believe the fees mentioned above are competitive; however you may be able to obtain similar services from other sources at a lower price.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

All clients are managed using the same investment style and trades are aggregated to avoid conflicts arising from the receipt of performance-based fees for a portion of the clients. Please see Item 5 for additional information regarding performance fees we receive.

ITEM 7: TYPES OF CLIENTS

We provide investment advice to individuals and high net worth individuals. Generally clients are required to maintain a minimum of \$100,000 of assets under management with us. This minimum may be waived at our sole discretion.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The investment strategies employed are based on value investment approach, and timing of the buy and sell to realize the value of the stocks. The investment is on equity only with majority long positions and occasionally short positions (not exceed 30%). The strategy can be levered to maximum of 50% but hardly used for more than 30% of portfolio value. The market capitalization size does not matter, and the

strategy has applied to both small stocks and large stocks. However, the strategy has often picked more small stocks than large stocks.

Other than risks involved in equity, the strategy has following particular risks: 1) since a large portion of investment is in small stocks, the performance will be more volatile than S&P 500. 2) The small stocks also involve more liquid risk than large stocks when buy or sell those stocks. 3) The frequency of trading appears higher than other investments, there will be more transaction cost though we try to negotiate with brokers for best price.

All investments involve different degrees of risk. You should be aware of your risk tolerance level and financial situations at all times. We cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you. We have no information of this type to report.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As a registered investment advisor, we are required to disclose when ValGrowth or our principal have any other financial industry affiliations. Neither ValGrowth nor our principal has outside business affiliations.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

We have adopted a set of enforceable guidelines (Code of Ethics), which describes unacceptable conduct by ValGrowth and our associated persons. Associated persons include officers, directors, employees and independent contractors that have access to client information. Summarized, this Code of Ethics prohibits us from:

- placing our interests before yours,
- using non public information gathered when providing services to you for our own gains, or
- engaging in any act, practice or course of business that is, or might be considered, fraudulent, deceptive, manipulative, or in violation of any applicable law, rule or regulation of a governmental agency.

Please contact us if you would like to receive a full copy of this Code of Ethics.

Personal Trading for Associated Persons

We may buy or sell some of the same securities for you that we already hold in our personal account. We may also buy for our personal account some of the same securities that you already hold in your account. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by your transactions.

We may restrict trading for a particular security for our accounts or those of our associated person if there is a pending trade in that security in a client account. Trades for our accounts (and those of our associated persons) will be placed as part of a block trade with client trades, or individually after client trades have been completed. Additional information about block trades is provided in the Aggregation of Orders section of “Item 12: Brokerage Practices.” When our trades are placed after our client trades, we may receive a better or worse price than that received by the client.

ValGrowth and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.

All persons associated with us are required to report all personal securities transactions to us quarterly.

ITEM 12: BROKERAGE PRACTICES

Selection of Brokers

We require that you establish a brokerage account with Interactive Brokers, (“IB”), a FINRA-registered broker-dealer, member SIPC, to maintain custody of your assets and to effect trades for your accounts. Although we require that you establish your accounts at IB to provide services to you, it is your decision to custody assets with IB. If you do not wish to place your assets with IB, then we cannot manage your account. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. We feel that the costs associated with trading with IB are reasonable in relation to the services provided. However, by directing brokerage to IB, we may be unable to achieve most favorable execution for your transactions, and this practice may cost you more money. We are independently owned and operated and not affiliated with IB.

IB provides us with access to its institutional trading and custody services, which are typically not available to IB retail investors. These services generally are available to independent investment advisors on an unsolicited basis. These services are not contingent upon us committing to IB any specific amount of business (assets in custody or trading commissions). IB’s brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

IB generally does not charge separately for custody services for our client accounts maintained in its custody, but is compensated by you through commissions and other transaction-related or asset-based fees for securities trades that are executed through IB or that settle into IB accounts.

IB also makes available to us other products and services that benefit us but may not directly benefit you. Many of these products and services may be used to service all or some substantial number of our accounts.

Aggregation of Orders

There are occasions on which portfolio transactions will be executed as part of concurrent authorizations to purchase or sell the same security for another client or one or more of our associated persons.

We may choose to block (aggregate) trades for your account with those of other client accounts and personal accounts of persons associated with ValGrowth. When we place a block trade, all participants included in the block receive the same price per share on the trade. The price is calculated by averaging the price of all of the shares traded. Due to the averaging of price over all of the participating accounts, aggregated trades could be either advantageous or disadvantageous. Commission costs are not averaged. You will pay the same commission whether your trade is placed as part of a block or on an individual basis. The objective of the aggregated orders will be to allocate the executions in a manner that is deemed equitable to the accounts involved.

Soft Dollars

The receipt of goods and/or services from the required custodian in connection with providing advice to clients is seen by the regulators as “soft dollars.” The additional services we receive from IB, as disclosed in Item 14 below, would fall under this description of soft dollars.

ITEM 13: REVIEW OF ACCOUNTS

Warren Li, Managing Member provides a daily review of client holdings. The review is mainly check if the stocks fit strategies employed, or any change of the factors for the strategies. Margin and diversity are also frequency checked.

All clients receive a written performance report on a monthly basis.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

IB's products and services that assist us in managing and administering your accounts include software and other technology that:

- (i) provide access to your account data (such as trade confirmations and account statements);
- (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- (iii) provide research, pricing and other market data;
- (iv) facilitate payment of our fees from your account; and
- (v) assist with back-office functions, recordkeeping and client reporting.

We do not pay for client referrals.

ITEM 15: CUSTODY

If you give us authority to deduct our fees directly from your separately managed account, we have custody of those assets. In order to avoid additional regulatory requirements in these cases, we follow the

procedures outlined in “Item 5: Fees and Compensation.” You will also receive quarterly statements directly from custodian of the account that details all transactions in the account.

ITEM 16: INVESTMENT DISCRETION

As one of the conditions of managing your account, you are required to provide discretionary authority for us to manage your assets. Discretionary authority means that you are giving us a limited power of attorney to place trades on your behalf. This limited power of attorney does not allow us to withdraw money from your account, other than advisory fees if you agree to give us that authority.

You grant us discretionary authority by completing the following items:

- Sign a contract with us that provides a limited power of attorney for us to place trades on your behalf. Any limitations to the trading authorization will be added to this agreement.
- Provide us with discretionary authority on the new account forms that are submitted to the broker/dealer acting as custodian for your account(s).

ITEM 17: VOTING CLIENT SECURITIES

We do not accept the authority to vote proxies on your behalf. You will receive proxies and other related paperwork directly from your custodian. Upon request we will provide guidance about voting a specific proxy solicitation.

ITEM 18: FINANCIAL INFORMATION

We do not charge or solicit pre-payment of more than \$500 in fees per client six months or more in advance. We have never filed for bankruptcy and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual obligations to clients.

ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Principal Executive Officers and Management Persons

Our principal executive officer is Warren Li. Additional information regarding Mr. Li’s education and business background is provided on Part 2B.

Neither ValGrowth nor any management person has had an award against it or otherwise been found liable in an arbitration claim or in a civil, self-regulatory organization, or administrative proceeding.

California Disclosure Requirements

In our opinion, all material conflicts of interest regarding ValGrowth, our representatives or any of our employees which could reasonably be expected to impair our rendering of unbiased and objective advice to an advisory client under Section 260.238(k) of the California Code of Regulations have been disclosed.

BROCHURE SUPPLEMENT
ITEM 1: COVER SHEET

Warren X. Li

ValGrowth Fund Management, LLC

3005 Seabrook Court
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(650) 868-3668

September 8, 2021

This Brochure Supplement provides information about Warren X. Li that supplements the ValGrowth Fund Management, LLC Brochure. You should have received a copy of that Brochure. Please contact Warren Li, Managing Member at (650) 868-3668 or warrenli@comcast.net if you did not receive ValGrowth Fund Management, LLC's Brochure or if you have any questions about the content of this supplement.

Additional information about Warren X. Li is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Warren X. Li was born in 1962.

Educational Background

<u>School Name</u>	<u>Degree</u>	<u>Year</u>	<u>Major(s)</u>
YuZhou University, China	BS	1983	Computer Science
Chongqing University, China	MS	1985	Computer Science
University of Western Australia	PhD	1996	Computer Science

Employment Background

Mr. Li has been the Managing Member of ValGrowth Fund Management, LLC, an investment advisory firm, since April 2005.

ITEM 3: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of each investment advisor representative providing investment advice to you. There is no information of this type to report.

ITEM 4: OTHER BUSINESS ACTIVITIES

Mr. Li is not involved in any other business activities.

ITEM 5: ADDITIONAL COMPENSATION

Mr. Li does not receive any economic benefit from any non-client for providing advisory services.

ITEM 6: SUPERVISION

Mr. Li, Managing Member, is the owner and sole person providing investment advice on our behalf. His telephone number is (650) 868-3668.

ITEM 7: REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Investment advisors who are registered with a state regulatory agency rather than the SEC are required to provide information about a wider range of disciplinary information than that described above. Mr. Li has not declared personal bankruptcy and has no disciplinary information to report.