

Client Relationship Summary

Value Monitoring, Inc. (VMI), is registered with the Securities and Exchange Commission as an investment adviser. 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. Free and simple tools are available for you to research firms and financial professionals at www.investor.gov/CRS, which also provides educational materials about investment advisers, broker- dealers and investing.

What investment services and advice can you provide me?

VMI offers investment advisory services to retail investors, institutional investors and high net worth individuals and is also a sub-advisor to a private investment fund. Our advisory services include financial planning, portfolio management for retail investors and pooled investment vehicles, asset allocation, tax planning, tax research, and insurance related advice and referrals to individuals, pension and profit-sharing plans, trusts and estates, charitable organizations, and corporations or other business entities. VMI uses technical, quantitative, and momentum analysis to assess trends and to allocate among various market segments within the equity and fixed income markets.

- As part of our standard services, VMI will design a strategy with you to achieve your investment goals, and regularly monitor your account. On a quarterly basis, VMI provides information to you that reflects changes in your account during each month for the previous quarter. Our accounts are managed on a discretionary basis which means we don't need to call you when buying or selling in your account. You will sign an investment management agreement giving us this authority; which will remain in place until you or we terminate the relationship.
- The Private Investment Fund (the "Fund") typically requires a minimum initial investment of at least \$2,000,000 and a minimum account balance of \$2,000,000. Separately Managed Accounts ("SMA") require clients to initially maintain a minimum of \$500,000 in assets under management with VMI. These account minimums may be waived by VMI.

Ask your VMI Advisor:

Given my financial situation, should I choose an investment advisory service? 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 will I pay?

- The Private Fund – As compensation for its sub-advisory services, VMI is paid a portion of the management fee. This fee is at a rate of 2% of gross assets per annum, is assessed on a monthly basis, and is deducted from the investor's account in the Fund on the first business day of the month. VMI may aggregate purchase or sales of any security for a client's account. When transactions are aggregated for all participating accounts, all transaction costs incurred will be shared on a pro rata basis amount for all participating accounts. Private Fund investments made through insurance products carry separate fees and costs that are determined by the insurance company.
- Separately Managed Accounts – VMI generally receives an annual management fee equal to a percentage, typically 2%, of gross assets under management and will be calculated and billed monthly in arrears. In addition to the management fee, the client is responsible for various required fees such as bonding and any fees, expenses or charges incurred by or on behalf of the SMA related to custodial services provided for the account, transactions effected for the account, including brokerage and execution charges,

Ask your VMI Advisor:

Help me understand how these 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?

markups and commissions and any other service provided for the account by any person other than VMI. Also consider carefully and review disclosures on your pension plan. The more assets there are in a retail investor's account, the more a retail investor will pay in fees, and the firm may therefore have an incentive to encourage the retail investor to increase the assets in his or her account.

- VMI manages the Fund and SMAs on a side-by-side basis with certain of the Fund and SMAs using the same investment strategy. Potential conflicts of interest may exist when VMI buys or sells securities for multiple client accounts. VMI has adopted policies and procedures with the aim to ensure the fair and equitable treatment of the Fund and SMAs managed side-by-side by VMI. You will pay fees and costs whether you make or lose money on your investment. Fees and costs will reduce any amount of money you make on your investment over time. Please make sure you understand what fees and costs you are paying.

For additional information, please see items 4 and 7 of our Form ADV, Part 2A brochure.

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest 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 investment advice we provide you. Here are some examples to help you understand what this means:

- Example 1: If your account value goes up, although the management fee percentage may stay the same, the total management fee you pay will increase.
- Example 2: If your account value goes down, although the management fee percentage may stay the same, the total management fee you pay will decrease.

Ask your VMI Advisor:

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

For additional information, please see items 4, 5, 8, 10, 11, 12 and 14 of our Form ADV Part 2A Brochure.

How do your financial professionals make money?

VMI's professionals are paid from management fees only and do not receive sales commissions in connection with sales of interests in a client account. VMI does not receive any performance-based compensation from the Fund nor from its SMA clients. VMI's portfolio managers generally manage multiple portfolios for various clients. When a portfolio manager manages more than one client account, a potential conflict exists for the portfolio manager to intentionally or unintentionally treat one client account more favorably than another. This potential conflict can be most apparent when one portfolio has a higher fee or a different fee structure than another portfolio.

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

No. You may visit www.investor.gov/crs, for a free and simple search tool to research us and our financial professionals.

Ask your VMI Advisor:

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

Additional Information

For additional information, Form ADV Part 2A and a copy of this Form CRS can be found at www.adviserinfo.sec.gov, by calling 650-451-3410, emailing client@valuemonitoring.com, or by visiting our website at www.valuemonitoring.com.

Ask your VMI Advisor:

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