

American Values Investments, Inc.

Firm Brochure

(Describes in conversational language information contained in Part 2 of form ADV)

November 5, 2023

American Values Investments, Inc. (formerly LeCraw Investment Management) was established in 1996 and is located in Gray, TN. We serve as a third-party money manager providing “American Values Stock Portfolio” models to financial service providers. To save space our name “American Values Investments, Inc.” will be shortened to “American Values”

<u>Official Headquarters</u> 198 Suncrest Street Gray, TN 37615	<u>Main Office</u> 198 Suncrest Street Gray, TN 37615	<u>Mailing Address</u> 198 Suncrest Street Gray, TN 37615
<u>Contact Information</u> Carter LeCraw, CEO Phone : 423-722-1776, ext #1 Fax : 423-722-1777 Email : carter@americanvalues.com	<u>Website</u> www.americanvalues.com <u>Twitter Page</u> www.twitter.com/_AmericanValues	

This brochure provides information about the qualifications and business practices of American Values Investments, Inc. If you have any questions about the contents of this brochure, please contact us at the telephone or email address provided above. The information in this brochure has not been approved or verified by the United States Securities Exchange Commission or any state securities authority and registration does not imply a certain level of skill or training.

Additional information about American Values Investments, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

2 - Material Changes

The following material changes have occurred since the last annual update which was December 22, 2022. First, George Parks has resigned from the firm and will not longer serve as the Chief Investment Officer. Mr. Parks will continue to be the portfolio manager for the American Values Equity fund through Parks Investment Management. Secondly, Matthew Albritton is no longer with the firm as the compliance coordinator. But, he will be providing bookkeeping services as an independent contractor. We have hired someone to be a compliance assistant to replace Mr. Albritton as a compliance assistant. Thirdly, we have eliminated all of our direct, individual clients and no longer offer direct services to the general public. Our main business model will be serving professional investment advisors by allowing them access to our portfolios for their individual clients. We also have also added a research subscription service for financial advisors who cannot access our portfolios through their registered investment advisory firm.

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4 - Advisory Business

Sub-Advisor Services

American Values serves as a sub-advisor to other investment advisory firms providing model equity portfolios for their clients. These firms maintain the client relationship and are responsible for assessing the investment goals and risk tolerance for each client. Similar to a mutual fund American Values provides stock portfolio models consisting of American Values Company stocks which the advisory firm can use for client assets. Normally, American Values Portfolios are one of several portfolios used by an investment advisor for a given client.

American Values Investing uses the discipline of time-tested investment basics while incorporating integrity, caring and courage. The process manages risk with diversification and by avoiding speculation. American Values Investing is a concerted effort to be driven by faith and grace rather than fear and greed. Perhaps the greatest benefit is the alignment of investments with many of the same values America was founded on. This strategy has the potential to create more wealth, but more importantly, it provides a way for investors to make a positive impact on America by investing in companies that we believe highly reflect timeless American values. This will be to the benefit of all Americans including our investors.

Types of Investments

As a sub-advisor, AVI offers three American Values Portfolio models each containing only American Values Stocks.

American Values Companies

American Values Companies are those public companies that we believe best reflect the values of Integrity, Caring and Courage. Companies are rated in nine different areas including, but not limited to: Teamwork, Servant Leadership, Employee Relations and Customer Relations. A company must score at least 400 out of 500 in our proprietary rating system in order to achieve American Values Company status. After reviewing several thousand companies less than 5% of public companies have earned the designation of American Values Company.

Education and Business Standards

Anyone giving advice on behalf of American Values is required to have sufficient knowledge and experience in personal financial matters which is determined by the management of AVI. They also must hold any licenses or other certifications required by applicable regulations.

Portfolio Manager

George Parks, the President of Parks Investment Management, serves as the Portfolio Manager for American Values. As such, he oversees the implementation of the decisions made by the investment committee which is comprised of Carter LeCraw, Kent Johnson and George Parks.

Mr. Parks graduated from Davidson College with a degree in Economics and earned his Certified Financial Planner while an employee at American Values. Mr. Parks served as the Chief Investment Officer for American Values for over 10 years and in 2022 left the firm to form his own RIA.

Investment Committee

The investment committee is made up of George Parks, Carter LeCraw and Kent Johnson. The education and business backgrounds of Mr. LeCraw and Mr. Johnson are provided in section 19 of this brochure.

Portfolios

Currently, we have three portfolios:

1. **American Values Index** - This portfolio consists of an equal weighting of every stock of every American Values Company. (100-200 stocks)
2. **American Values Equity** - This portfolio consists of 20-30 stocks from within the American Values Universe. These companies are those which we believe have the best long-term investment merit within their respective sector.
3. **American Values Thirty** - This portfolio consists of the top 30 Values scoring stocks within the American Values Universe.

American Values Index – Portfolio Characteristics

1. **Primary Objective** - To provide a way for investors to make a positive impact on America.
2. **Investment Objective** – Long-term growth using the S&P 1500 Equal Weight TR index as the benchmark.
3. **American Values Companies only** - First and foremost the stocks held in this portfolio (and all American Values portfolios) are only those of American Values Companies. These are public companies that have attained a minimum score of 400 from our proprietary 500 point scoring system. Companies are rated in 9 categories which come under the three main values of Integrity, Caring and Courage. Currently, scoring is so stringent that less than 5% of all public companies have been able to attain the minimum score of 400.
4. **Long Term** - The stocks in this portfolio tend to be held for a long period of time. Some have been held for several years.
5. **Passive Management** – This portfolio is passively managed. The stocks are not selected based on any factor except that each company must score at least 400 on our in our values scoring system that measures integrity, caring and courage.
6. **Diversification** - This portfolio is diversified to the extent of the total number of American Values stocks. But, it does not adhere to a discipline of maintaining other normal diversification parameters such as capitalization, growth/value, or industry sectors.
7. **Equal Weight** – By being near equal weight each stock has the opportunity to contribute to performance in a meaningful way.
8. **Annual Rebalancing** - Annually, we rebalance to near equal weight for each stock as a disciplined approach to selling high and buying low. This type of rebalancing will also shift allocation from over performing sectors to under-performing sectors capturing any returns from mean reversion

American Values Equity Model – Portfolio Characteristics

1. **Primary Objective** - To provide a way for investors to make a positive impact on America.
2. **Investment Objective** – Long-term growth using the S&P 1500 Equal Weight Total Return as the benchmark. Stocks in this portfolio are selected because we believe they have the best long-term investment merit of companies within the American Values Company Universe based on sectors.
3. **American Values Companies only** - First and foremost the stocks held by this portfolio (and all American Values Portfolios) are only those of American Values Companies. These are public companies that have attained a minimum score of 400 from our proprietary 500 point scoring system. Companies are rated in 9 categories which come under the three main values of Integrity, Caring and Courage. Currently, scoring is so stringent that less than 5% of all public companies have been able to attain the minimum score of 400.
4. **Multi-Cap Blend** - The universe of American Values Companies (100-200 stocks) covers a balanced and broad spectrum of the overall market. As a result the Equity portfolio is a multi-cap blend.
5. **Active Management** – This portfolio is actively managed by the portfolio manager, George Parks. Stocks may be added, subtracted or substituted at any time.
6. **Diversification** - Stocks from at least a majority of sectors as described by Morningstar are included in this portfolio with no sector over 25% or its respective S&P percentage, whichever is larger.
7. **Stock Selection** - Stocks are ranked by investment merit in each of the Morningstar sectors. Rankings are determined by seven different metrics including: Strategic Advantage, Track record, Financial Strength, Earnings stability, Capital Allocation, Price to Earnings ratio, Buy/Sell ranking, and Buy/Sell ranking – preceding month. Stocks are selected based on our proprietary fundamental analysis which uses over 10 metrics including PE, ROE, Debt to Equity, Fair Value, and others. At least 60% of the sectors of the S&P 500 are represented with no sector over 25% or its respective S&P weight, whichever is larger.
8. **Long term** - Long term means investing in a stock until a better alternative at a better value is available, some stocks have been held for several years.
9. **Concentration** - Following the success of investment legends like Benjamin Graham, Philip Fisher, and Warren Buffet, we have found using a smaller number of high quality stocks has provided market competitive returns. A limited number of stocks can be better understood and more closely monitored.
10. **Equal Weight** - By being near equal weight each stock has the opportunity to contribute to performance in a meaningful way. It also allows for a blending of growth and value stocks.
11. **Annual Rebalancing** - Annually, we rebalance to near equal weight for each stock as a disciplined approach to selling high and buying low. It will also shift allocation from over performing sectors to under-performing sectors capturing any returns from mean reversion.
12. **Portfolio Manager** - George Parks of Parks Investment Management is the portfolio manager. Mr. Parks is part of the investment committee comprised of Carter LeCraw, Kent Johnson and Mr. Parks. Mr. Parks is not an employee of American Values Investments.

American Values 30 – Portfolio Characteristics

1. **Primary Objective** - To provide a way for investors to make a positive impact on America.
2. **Investment Objective** – Long-term growth using the S&P 1500 Equal Weight TR index as the benchmark.
3. **American Values Companies only** - First and foremost the stocks held in this portfolio (and all American Values portfolios) are only those of American Values Companies. These are public companies that have attained a minimum score of 400 from our proprietary 500 point scoring system. Companies are rated in 9 categories which come under the three main values of Integrity, Caring and Courage. Currently, scoring is so stringent that less than 5% of all public companies have been able to attain the minimum score of 400.
4. **Stock selection** – This portfolio consists of the 30 stocks of the 30 American Values Companies with the highest American values scores.
5. **Passive Management** – This portfolio is passively managed. The stocks are not selected based on any factor except that each company stock must be in the top 30 scoring companies in our values scoring system that measures integrity, caring and courage.
6. **Long Term** - The stocks in this portfolio tend to be held for a long period of time. Some have been held for several years.
7. **Diversification Risk** - This portfolio is diversified to the extent of the total number of American Values stocks. But, it does not adhere to a discipline of maintaining other normal diversification parameters such as capitalization, growth/value, or industry sectors as is found in our Equity portfolio. It will also tend to have less diversification than the Index portfolio.
8. **Equal Weight** - By being near equal weight each stock has the opportunity to contribute to performance in a meaningful way.
9. **Annual Rebalancing** – Annually, we rebalance to near equal weight for each stock as a disciplined approach to selling high and buying low. This type of rebalancing will also shift allocation from over performing sectors to under-performing sectors capturing any returns from mean reversion.

Ownership

Our Founder and CEO, Carter LeCraw and his wife Deborah LeCraw, are the only shareholders owning more than 25% of the company stock.

5 - Fees and Compensation

As a sub-advisor fees are based on asset size and range up to 60 basis points per annum depending upon the negotiated fee agreement with each investment firm to which we provide services.

6 - Performance-Based Fees and Side-By-Side Management

American Values Investments does not participate in performance-based Fees or side-by-side management.

7. Types of Clients

Registered Investment Advisory Firms

Registered Investment Advisory firms can make our model portfolios available for use by their financial representatives for their clients by signing a sub-advisory agreement with American Values.

Investment Professionals

Investment professionals can offer our American Values portfolios if a sub-advisory agreement is completed with the Registered Investment Advisory Firm where the financial professional is registered. If you are an investment professional and would like to consider offering our American Values Portfolios to your clients feel free to contact us directly. If they do not have access to our portfolios they can purchase a research subscription that will give them access, not only to our research but also to updated lists of the stocks in our three portfolios.

Individuals and Families

We do not offer our services direct to individuals or families. Below are some retail financial advisory firms that offer our portfolios to the public.

Values First Advisors www.valuesfirst.com (423) 218-1403	First Advisors National www.fanria.com (770) 814-4235	Sapphire Financial Strategies www.wardwenholz.com (406) 728-4740
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If you have an investment advisor that is not listed above, you may contact us directly to see if we can arrange for your advisory firm to gain access to our American Values portfolios.

8 - Methods of Analysis, Investment Strategies and Risk of Loss

Primary Objective

Our main goal is to use investing to impact America by investing in stocks of companies that best reflect American values, the Judeo-Christian values upon which America was founded. Investment performance is secondary to our primary objective. We believe this to be in the best interest of all Americans including investors.

Methods of Analysis

Strategies

AVI uses long term trading and short term trading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Risks

Risks that apply to all American Values portfolios:

- Given our mission it is only fair for investors to understand that, even though we believe our investment strategy has good potential for competitive financial returns, we intend to always keep the higher purpose of impacting America before the lesser, but still important, goal of investment performance. Since, therefore, our primary goal is not investment performance, situations might arise where we would make a decision to invest in a company even though we felt there were more financially attractive companies in which to invest.
- There is substantial risk when committing funds to equity markets and investors should be prepared to for the potential of significant losses.
- Our portfolios are strictly limited to the extremely small group of companies we have identified as American Values Companies. The normal size of this universe ranges from 100-200 stocks which represents less than 5% of all traded stocks. Therefore, even if there are more attractive stocks outside this universe they will not be chosen.
- We do not try to "time" the market and normally maintain 90-100% exposure to the equity markets within our American Values portfolios.
- Our portfolios are near equal weight and all equity positions are returned to near equal weight for each stock once per year. This may have a negative impact on overall performance.
- Past performance is no assurance of future results.

Specific Risks - American Values Equity Portfolio:

- This portfolio consists of only 20-30 companies. If only a few of these stocks have poor investment results it could have a significantly negative impact the overall portfolio.
- Even though we have an investment team this portfolio is primarily managed by one individual, George Parks of Parks Investment Management. Without his leadership, the portfolio could go down in value.

Specific Risks - American Values Index Portfolio:

- This portfolio is composed of every stock in the American Values Company Universe whether or not they have good prospects for investment returns. This could have a negative impact on the portfolio performance.
- Since there are more positions (100-200) in this portfolio there will be more trades upon rebalancing. This could result in higher tax consequences than not rebalancing.

Specific Risks - American Values 30 Portfolio:

- This portfolio is composed of the top 30 Values scoring stocks from within the American Values Universe whether or not they have good prospects for investment returns
- This portfolio is not diversified similar to the American Values Equity portfolio, therefore it will, most likely, be a higher risk portfolio.

9 - Disciplinary Information

American Values Investments, Inc. has had no disciplinary actions against the firm.

10 - Other Financial Industry Activities and Affiliations

American Values is not involved in other financial activities besides the offering of our investment portfolio models to other Registered Investment Advisory firms and offering research subscription services to financial professionals.

11- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Code of Ethics

On July 2, 2004, the U.S. Securities and Exchange Commission adopted a new rule and rule amendments under Section 204 of the Investment Advisers Act of 1940. Under this new rule, every registered investment advisory firm is required to adopt a Code of Ethics. Accordingly, American Values has adopted a Code of Ethics, the full text of which is available to you upon request.

American Values has several goals in adopting this Code. First, American Values desires to comply with all applicable laws and regulations governing its practice. We believe that compliance with such regulations is a signal to our clients that we exist to serve them, not ourselves, and that we support the efforts of those organizations dedicated to upholding the law.

Next, the management of American Values has determined to set forth guidelines for professional standards, under which all associated persons are to conduct themselves.

American Values has set high standards, the intention of which is protect client interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith and fair dealing with clients. All associated persons are expected to strictly adhere to these guidelines, as well as the procedures for approval and reporting established in the Code. American Values has instituted, as a deterrent, a policy of disciplinary actions to be taken with respect to any associated person who violates the Code.

American Values has adopted specific policies and procedures designed to assist in the implementation of the guidelines outlined in the Code. Our procedures include specific steps taken with regard to the treatment of aggregated or bundled trading activities. This also includes policies and procedures relating to the required approval and reporting of the personal securities transactions of our personnel; required holdings reports for personnel; insider trading education and prohibitions; and client privacy protection. Such policies and procedures will serve to assist in reviewing the effectiveness of the implementation of the Code on an ongoing basis.

Conflicts of Interest

American Values employees do invest in many of the same companies that are recommended in our model portfolios. Any individual purchase or sale of stocks of these companies must be approved in writing beforehand by the CEO to prevent prohibited practices like front-running.

12 - Brokerage Practices

For investors accessing our portfolios through other investment advisory firms the brokerage firm will be determined by you and/or your investment advisor, not American Values.

13 - Review of Accounts

For investors who access our American Values Portfolios through other investment advisors

These investors' accounts are monitored by their investment advisor and not American Values. American Values does actively monitor and manage the American Values portfolios into which the assets of these investors have been invested. This includes the initiating of buying or selling of stocks within these portfolios. This is normally on a discretionary basis such that American Values is not required to get approval before initiating these transactions. The investor's investment advisor determines the allocation to the model portfolio in their account not American Values.

14 - Client Referrals and Other Compensation

Other Compensation: Referral Fees

American Values does not pay referral fees.

AVI does not receive any economic benefit, directly or indirectly from any third party for advice rendered to AVI's clients.

15 - Custody

American Values does not serve as a custodian. American Values financial advisory firms are responsible for determining which custodian they use for their clients, not us.

16 - Investment Discretion

For investors who access our American Values Portfolios through other investment advisors

American Values does not have discretionary authority on these accounts but does have discretionary authority to make changes to the American Values Model portfolios. The RIA firms have the option to reject these changes for their clients but normally do not reject them.

17 - Voting Client Securities

American Values Investments, Inc. does not as a rule vote your proxies. Proxies or other solicitations are not sent by American Values but directly from your custodian. You may contact American Values with questions regarding a particular solicitation by calling 423-722-1776.

18 – Financial Condition

AVI neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

Neither AVI nor its management has any financial condition that is likely to reasonably impair AVI's ability to meet contractual commitments to clients.

AVI has not been the subject of a bankruptcy petition in the last ten years or at any time in the past.

19 – Requirements for State-Registered Advisers -- Executive Officers and Management Persons

The education and background of our executive officers, and IAR who has direct contact with our clients are provided below.

Carter Buck LeCraw, Founder and CEO

Mr. LeCraw graduated from Georgia Tech in 1975 and then served four years as an officer in Navy. He received the Certified Financial Planner, CFP® designation in 1987 and founded what is now American Values Investments in 1996. He is married with one son, plays tennis and is a member of Marvin's Chapel Methodist Church in Johnson City, TN.

* Certified Financial Planner™, CFP®, designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. To

receive authorization to use the designation, the candidate must meet education, examination, experience and ethics requirements, and pay an ongoing certification fee..

Kent Johnson, Research Director

Mr. Johnson received a B.S in Business Administration Magna Cum Laude and an M.B.A. from California State University. He joined American Values Investments in 2014. Previously, Kent spent 31 years in the aerospace industry including Jet Propulsion Laboratory (JPL) as the manager of acquisition planning and compliance. He was awarded the NASA Exceptional Achievement Medal.

- American Values or any of our executive officers or management personal does not actively engage in any other business (other than giving investment advice).
- Our firm or a *supervised person* does not participate in performance based fees.
- The firm or any of our *management personal* have not been *involved* in an any award or arbitration claim alleging damages in excess of \$2,500 involving or found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - (a) an investment or an *investment-related* business or activity;
 - (b) fraud, false statement(s), or omissions;
 - (c) theft, embezzlement, or other wrongful taking of property;
 - (d) bribery, forgery, counterfeiting, or extortion; or
 - (e) dishonest, unfair, or unethical practices.

American Values or any of our management personal does not have any relationship or arrangement with an issuer of securities.

**Item 1 - Brochure Supplement for
Carter LeCraw, CEO, American Values Investments, Inc.
CRD# 1011306
October 17 , 2023**

This brochure supplement provides information about Carter LeCraw, and supplements the American Values Investments, Inc. ("American Values") brochure. You should have received a copy of that brochure. Please contact American Values at (423) 722-1776 if you did not receive American Values's brochure, or if you have any questions about the contents of this supplement.

Additional information about Carter LeCraw is available on the SEC's website at
www.AdviserInfo.sec.gov.

• ***Item 2 - Educational Background and Business Experience***

Carter LeCraw (year of birth 1953) was the Founder of American Values Investments, Inc. in 1996 and serves as CEO/CCO, and Chairman of the Board of Directors.

- Bachelor of Science (BS) in Industrial Management earned from Georgia Tech in 1975
- Served as a Navy Officer in the Supply Corps from 1975-1979.
- Certified Financial Planner™, CFP®

CFP® - Certified Financial Planner

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- o Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- o Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and

client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

- o Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- o Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals. Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:
 - i. Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
 - ii. Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients
 - iii. CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Item 3 - Disciplinary Information

There is no disciplinary information to report regarding Carter.

Item 4 - Other Business Activities

Carter has no other business activities to disclose.

Item 5 - Additional Compensation

Carter has no other income or compensation to disclose.

Item 6 – Supervision

Carter LeCraw is the Chief Executive Officer and co-owner of American Values. As Chief Compliance Officer, Carter supervises all duties and activities of the firm and provides supervisory oversight to the staff; he also participates as a team member on the investment committee. Carter may be contacted at (423) 722-1776, extension #1

Item 7 - State Requirements for State-Registered Advisers

Carter has no event to disclose with respect to this item; further he has never been the subject of any bankruptcy petition.