



## CLIENT RELATIONSHIP SUMMARY (CRS) Form ADV Part 3 – March 14, 2023

Monarch Capital Management Inc. is registered with the Securities and Exchange Commission as an investment adviser and, as such, we provide advisory services rather than brokerage services. Brokerage and investment advisory services and fees differ and it is important for you, our client, to understand the differences. Additionally, free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing. This document is a summary of the services and fees we offer to “retail” investors, which are natural persons who seek or receive services primarily for personal, family, or household purposes.

### RELATIONSHIPS and SERVICES

#### What investment services and advice can you provide me?

Our firm offers the following investment advisory services to retail investors: **Portfolio Management Services and Financial Advisory Services**. Detailed information regarding our services, fees and other disclosures can be found in our Form ADV Part 2A Brochure by clicking this link <https://adviserinfo.sec.gov/firm/brochure/106244>. Please refer to Items 4, 7, 8 and 13.

**Account Monitoring:** If you open an investment account with our firm, as part of our standard service, we will monitor your investments on an ongoing basis.

**Investment Authority:** We manage investment accounts on a *discretionary* basis whereby **we will decide** which investments to buy or sell for your account. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

**Investment Offerings:** Monarch’s typical portfolio is a collection of individual stocks and bonds held for the long term with minimum turnover. Monarch attempts to minimize risk by investing in securities of profitable and established companies and by diversifying portfolios to avoid risk of large losses from over exposure to a single security. We assess your needs and customize an investment strategy and action plan that best meets your objectives.

**Account Minimums and Requirements:** In general, we do not require a minimum dollar amount to open and maintain an advisory account.

#### Key Questions to Ask Us

- *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?*

### FEES. COSTS. CONFLICTS. STANDARD OF CONDUCT

#### What fees will I pay?

The following summarizes the principal fees and costs associated with engaging our firm for investment advisory services. For detailed information, refer to our Form ADV Part 2A, Items 5 and 6, by clicking this link: <https://adviserinfo.sec.gov/firm/brochure/106244>.

- **Asset Based Fees** - Payable quarterly in advance based on the market value of assets under management at the end of the previous billing period;
- **Fixed Fees for Financial Advisory Services** - Payable as billed or quarterly in advance if ongoing services are provided;

- Clients may also pay additional fees and/or expenses not payable to Monarch. Examples of the most common fees and costs applicable to our clients are:
  - Custodian fees
  - Fees related to mutual funds
  - Transaction charges when purchasing or selling securities, such as brokerage commissions

*You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.*

**Key Questions to Ask Us**  
*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?*

**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.*

Because our revenue is derived from asset-based fees, we have an incentive to grow your account. We benefit from the advisory services we provide to you, but only by the fees you pay us for managing your account. Our firm does not receive any payments from anyone besides you for the advisory services we provide.

**How do your financial professionals make money?**

The financial professionals servicing your account(s) are compensated by receiving a salary and a bonus. The bonus is based on a percentage of the first year's advisory fee related to new business or new deposits to existing accounts with our firm. Additionally, we offer an equity incentive plan that enables employees to receive company stock as an award based on employee performance and company profitability. The equity incentive plan and the bonus compensation paid to our financial professionals involves a conflict of interest because they have a financial incentive to refer clients to our firm.

Refer to our Form ADV Part 2A, Items 5, 10, 12 and 14, by clicking this link <https://adviserinfo.sec.gov/firm/brochure/106244> to help you understand what conflicts exist.

**Key Questions to Ask Us**  
*How might your conflicts of interest affect me, and how will you address them?*

**DISCIPLINARY HISTORY**

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

No, our firm and our financial professionals currently do not have any legal or disciplinary history to disclose. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple research tool.

**Key Questions to Ask Us**  
*As a financial professional, do you have any disciplinary history? For what type of conduct?*

**ADDITIONAL INFORMATION**

You can find additional information about your investment advisory services and request a copy of the relationship summary at 260-422-2765 or click the following link: <https://adviserinfo.sec.gov/firm/brochure/106244>.

**Key Questions to Ask Us**

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

**Monarch Capital Management Inc**  
**March 14, 2023**

**Exhibit to Form CRS**

Monarch Capital Management Inc is required to update its Form CRS when information in the Form CRS becomes materially inaccurate. This Exhibit summarizes the following material changes to the firm's Form CRS, implemented on June 18, 2020:

- **How do your financial professionals make money?**

This section was updated to reflect a new equity incentive plan that enables employees to receive Monarch Capital Management, Inc. stock as an award based on employee performance and company profitability. The equity incentive plan available to our financial professionals involves a conflict of interest because they have a financial incentive to refer clients to our firm.