



Form CRS Relationship Summary for Valley Financial Management, Inc.

April 30, 2022

Valley Financial Management, Inc. (“VFM,” “we” or “us”) is an SEC-registered broker-dealer and investment adviser. VFM is a member of FINRA and SIPC. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?	
Brokerage Services	Advisory Services
We offer brokerage services to retail investors. If you open a brokerage account, you will pay us transaction-based fees , generally referred to as commissions, every time you buy or sell an investment.	We offer advisory services to retail investors. If you open an advisory account, you will pay an on-going asset-based fee for our services.
You may select investments or we may recommend investments for your account, but you will make the ultimate investment decision for your investment strategy.	We offer several advisory programs. We will offer you advice on a regular basis, perform due diligence on investments, monitor your account for performance and style drift, and send you regular reports.
For brokerage accounts, we do not provide you with investment advice on a regular basis, and we do not monitor your brokerage account for you, unless we state otherwise in writing.	We will discuss your investment goals, design with you a strategy to achieve your investment goals, and regularly monitor your account. We will contact you (by phone or email) at least annually to discuss your portfolio.
We can offer you additional services to assist you in developing and executing your investment strategy and monitoring the performance of your account but you might pay more. Account statements will be delivered to you either monthly or quarterly (depending on activity) in paper or electronically.	You can choose an account that allows us or a designated manager to buy and sell investments in your account without asking you in advance (a “ discretionary account ”) or we will give you advice and you decide what investments to buy and sell (a “ non-discretionary account ”).
Brokerage clients may purchase and sell any exchange-traded securities, and we do not offer proprietary products. Non-traded products (for example, structured notes and mutual funds) are limited to sponsors with which VFM has a selling agreement.	Our investment advice will cover a limited selection of investments, exchange-traded securities and mutual funds. Other firms could provide advice on a wider range of choices, some of which might have lower costs.
There are no account minimums to maintain a brokerage account.	The account minimum to maintain an advisory account is \$100,000. We can waive this from time to time.

For additional information, see our website (www.leumiusa.com), our Form ADV brochure available at Investor.gov and our annual Disclosure Statement.

Ask your financial professional:

1. Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?
2. How will you choose investments to recommend to me?
3. What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

What fees will I pay?	
Brokerage Services	Advisory Services
<p><i>Transaction-based fees.</i> You will pay us a fee every time you buy or sell an investment. This fee, often referred to as a “commission,” is based on the value of the specific transaction and not the value of your account. This fee is usually a separate commission when your transaction is in stocks or exchange-traded funds. When your transaction is in other investments, such as bonds, the fee might be part of the price you pay for the investment and is called a “markup” or “mark down.” With mutual fund transactions, this fee (typically called a “load”) reduces the value of your investment.</p>	<p><i>Asset-based fees.</i> You will pay an on-going fee each quarter based on the value of the cash and investments in your advisory account. Your fee and the amount we pay your financial professional generally does not vary based on the type of investments we select on your behalf. The asset-based fee reduces the value of your account and will be deducted from your account.</p>
<p>Some investments (such as mutual funds and variable annuities) charge additional fees that will reduce the value of your investment over time. You may have to pay fees such as “surrender charges” to sell mutual funds or variable annuities.</p>	<p>Some investments such as mutual funds charge additional fees that will reduce the value of your investment over time.</p>
<p>Our fees vary and are negotiable. The amount you pay will depend, for example, on how much you buy or sell, what type of investment you buy or sell, and what kind of account you have with us.</p>	<p>Our fees vary and are negotiable. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account.</p>
<p>We charge you additional fees, such as custodian fees, account maintenance fees, and account inactivity fees.</p>	<p>Our fees do not include retirement plan administration fees, trustee fees, wire transfer fees, etc.; taxes or fees imposed by exchanges or regulatory bodies; or other transaction-related fees and charges not included in advisory fees.</p>
<p>The more transactions in your account, the more fees we charge you. We have an incentive to encourage you to engage in transactions often.</p>	<p>The more assets you have in the advisory account, including cash, the more you will pay us. We have an incentive to encourage you to increase the assets in your account to increase our fees. You pay our fee quarterly even if you do not buy or sell.</p>
<p>You may prefer a transaction-based fee if you do not trade often or if you plan to buy and hold investments for longer periods of time.</p>	<p>Paying an advisory fee could cost more than paying commissions if there are few trades in your account. You may prefer an asset-based fee if you want continuing advice or want someone to make investment decisions for you. You also may prefer an advisory account if you prefer the certainty of a quarterly fee regardless of the number of transactions you have.</p>

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

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and our annual Disclosure Statement.

Ask your financial professional:

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 providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interests 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 recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

Brokerage Services
When you place an order with us to buy certain securities, we may purchase them on the open market for our own account and then sell them to you from our inventory. Similarly, when you place an order to sell a security, we may find a buyer on the open market, and then purchase the security from you for our own account and sell it to the buyer from our inventory. These transactions are known as “ riskless principal transactions. ” When we act as riskless principal, we mark up the price you pay or mark down the price you receive, which is a benefit to us. We have an incentive to encourage you to trade with us this way so we can earn a profit on these trades.
Certain products that we can sell to you have recurring fees (for example, mutual funds that pay us distribution fees) or pay us higher fees, such as selling a structured note in the primary offering versus a corporate bond on the secondary market or an equity.

Brokerage Services and Advisory Services
We can make extra money by selling you or advising you to invest in certain investments, such as mutual funds or VFM Strategic Portfolios, because they are offered by companies that either pay our firm to offer their investments or are managed by our firm.
We have an incentive to offer or recommend certain investments, such as mutual funds or alternative investments (e.g., hedge funds or private equity funds) when the manager or sponsor of those investments shares the revenue it earns on those investments with us.
We invest “free credit balances” in your advisory or brokerage account by automatically “sweeping” these balances into bank accounts with Pershing LLC (“Pershing”). We have an agreement with Pershing and we receive compensation based on the amount of the free credit balance in your account.

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Ask your financial professional:

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

How do your financial professionals make money?

VFM financial professionals are paid in part through sales of securities or products, asset-based sales charges (for advisory accounts) and service fees (on mutual funds). Fees and costs are paid directly or indirectly by retail investors as well as product sponsors. Certain products pay more incentive compensation to our financial professionals than other products.

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

Yes. Visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Ask your financial professional:

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

For Additional Information

- For additional information about our brokers and services, visit Investor.gov or BrokerCheck (BrokerCheck.Finra.org), our website and your account agreement.
- For additional information on advisory services, see our website (www.leumiusa.com) and our Form ADV brochure available at Investor.gov.
- This relationship summary is available on our website (www.leumiusa.com). To receive up-to-date information and a printed copy of this relationship summary call (212) 407-4362.