
INTRODUCTION

Valley Financial Group, Inc. ("VFG") is registered with the Securities and Exchange Commission as an investment adviser. Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

VFG provides financial planning and ongoing, continuous investment advisory services to individuals, families, trusts, charitable organizations and foundations, businesses, and pension plans. The financial planning process begins with establishing the client's goals and objectives through a discovery process. The financial plan then becomes a working document to help clients make decisions and navigate towards their goals. It will also be used for VFG to make investment recommendations in line with your goals.

VFG manages assets on a discretionary and non-discretionary basis. It is only in limited circumstances VFG will provide asset management services on a non-discretionary basis where you as the client make the ultimate decision regarding the purchase or sale of investments. VFG also utilizes third party managers, when appropriate for the client, to actively manage a portion of client assets. Specific security changes will be implemented by VFG, or in the case of assets managed by a third party manager, by such third party manager. VFG does, however, have the discretion to hire and fire the third party manager, in which case that change would be made in keeping with client objectives but not necessarily with prior client authorization.

For some clients, VFG may include certain asset based costs in the client's management fee known as a "Wrap Program". Accounts in the Wrap Program, VFG pays a fee to the custodian based on the total amount of client assets enrolled in the Wrap Program, thus taking on many of the clients' asset based costs. Fees included in the wrap fee include transaction fees, but do not include third party manager fees, expenses related to the use of margin, wire transfer fees, the fees charged to shareholders of mutual funds or ETFs, mark-ups and mark-downs, spreads, odd-lot differentials, fees charged by regulatory agencies, and any transaction fees for securities trades executed by a broker-dealer other than the primary custodian. There is no difference between how VFG manages wrap free accounts and how VFG manages other accounts. Clients may pay more or less than if the client had compensated VFG outside of the wrap fee program. VFG receives a portion of the wrap fee for our services. Please see the separate Wrap Fee Brochure for a more complete description of the Wrap Program.

For more detailed information, please refer to our Disclosure Brochure, the ADV Part 2A, under Item 4 Advisory Business.

➤ **Questions to Ask Your Professional:**

- *"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?

For clients whose assets are managed by the firm, investment advisory fees range from 0.00% to 1.00% and will be debited directly from each client's account. The advisory fee is paid quarterly, in advance, and the value used for the fee calculation is the net value as of the last market day of the previous quarter, including any cash in the client's account. For example, if your annual fee is 1.00%, each quarter we will multiply the value of your account by 1.00%, then divide by the number of days in that calendar year and multiply that number by days in the quarter to calculate our fee.

Financial planning services are included in your asset management services. There is no separate fee for financial planning services.

There are a number of other fees that can be associated with holding and investing in securities. For clients participating in VFG' wrap program, these include some fees that may be paid by VFG on your behalf, such as transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or commissions for the purchase or sale of a stock. All other fees will be deducted from your account. Expenses of a mutual fund or ETF will not be included in management fees, as they are deducted

from the value of the shares by the manager. Fees charged by independent third party managers are also separate and additional to any fees paid to VFG, and such managers will be authorized to separately debit fees from client accounts. 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. For more specific information regarding our fees, please refer our Disclosure Brochure, the ADV Part 2A under Item 5 Fees and Compensation.

➤ **Questions to Ask Your 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 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.

Certain employees of VFG are registered representatives of Purshe Kaplan Sterling Investments, Inc. (“PKS”). VFG is not affiliated with PKS other than as a registered representative. PKS is a registered broker-dealer and a FINRA member. In their separate capacity as registered representatives and principals of PKS, VFG employees’ will receive commissions for the implementation of recommendations for commissionable transactions.

VFG may utilize certain individuals to provide estate and tax planning services to clients, as part of VFG’s asset management services. These services are available to clients who have at least \$500,000 in assets under VFG’s management; however this minimum can be waived at the discretion of VFG. Neither VFG nor the attorneys or CPAs in this arrangement share in any of the revenue for these services. VFG attempts to mitigate any potential conflict of interest by disclosing this arrangement to clients, and informing the clients that they are always free to engage other companies that are not affiliated with VFG for legal and/or accounting services.

For more specific information regarding our fees, please refer our Disclosure Brochure, the ADV Part 2A under Item 5 Fees and Compensation, as well as Item 10.C of the ADV Part 2A for more information regarding related persons.

➤ **Questions to Ask Your Professional:**

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

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Financial professionals of VFG are paid a portion of the asset management fees collected from clients. Financial professionals are not rewarded sales bonuses. Please reference the above fee description section for conflicts of interest.

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

No. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS.

➤ **Questions to Ask Your Professional:**

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

ADDITIONAL INFORMATION

Additional information about our investment advisory services can be found at <http://www.valleyfinancial.com>. A copy of our relationship summary can also be requested by calling (215) 947-9190.

➤ **Questions to Ask Your Professional:**

- *“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?”*