VALLEY FINANCIAL MANAGEMENT, INC

ANNUAL DISCLOSURE STATEMENT

2023

Annual Disclosure Statement for 2023

Important Information to Advisory and Brokerage Clients

Valley Financial Management, Inc.

This annual disclosure statement contains important information regarding your account(s) opened with Valley Financial Management, Inc. ("VFM") and transactions therein. Please take the time to review this disclosure carefully and in its entirety and contact your VFM financial professional or VFM Compliance with any questions, complaints, or concerns. You may write to or call us at:

Valley Financial Management, Inc.
Chief Compliance Officer
350 Madison Avenue, 4th Floor
New York, NY 10017
212-407-4362

VFM is a wholly-owned subsidiary of Valley National Bank (the "Bank"), chartered as a national banking association. The Bank, in turn, is a wholly-owned subsidiary of Valley National Bancorp, a company whose shares are traded on the NASDAQ.

Banking products and services are provided through the Bank, and brokerage, advisory, and insurance products and services are provided through VFM. VFM is a registered broker-dealer and investment advisor, not a bank.

Non-deposit investment products (including brokerage, advisory, and insurance products described in more detail in this statement) offered through the Bank and VFM are:

- Not insured by the FDIC or any other federal or government entity;
- Not deposits or other obligations of, or guaranteed by Valley National Bank, VFM, their affiliates, or any other financial institution; and
- Subject to risks, including possible loss of the principal amount invested.

Investors and purchasers should carefully consider the risks, charges, fees, sales loads and/or expenses, review any applicable prospectus or offering information, and consider their personal financial situation and tolerance for risk before making any investment.

Your VFM financial professional will be pleased to meet with you at least annually or more frequently as you request. Please promptly inform your financial professional or VFM Compliance should your risk tolerance or financial situation change, or if you want to impose or change any reasonable restrictions on the management of your account(s).

VFM will arrange for certain services for you with its clearing broker Pershing, LLC ("Pershing").

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Legal or Tax Advice

VFM does not provide legal or tax advice. Please consult with your legal advisor or tax accountant as needed.

Applicable Law

Statements in this disclosure are subject to the terms and conditions in your customer agreement and other agreements you have with us (the “Customer Agreement”), which define and control our relationship with you. Unless defined in this disclosure, words and phrases used in this disclosure shall have the same meanings as such words and phrases in the Customer Agreement. You will also be subject to additional terms, conditions, and disclosures in agreements and other disclosures we send you from time to time, as well as any investment advisory agreements you have with us (including Form ADV Part 2A, which is available at https://www.leumiusa.com/LISI-Disclosures) when we act as investment adviser.

You should review this disclosure carefully, retain it with your records, and refer to it when we provide you with a recommendation of any securities transaction or investment strategy involving securities (including an account type recommendation). If you appoint someone as your agent, legal representative, or designate a trusted contact person, please be sure that he or she has a copy of this disclosure as well.

This disclosure (along with other disclosures we provide to you from time to time) is intended to, among other things, satisfy VFM’s disclosure obligations under the SEC’s Regulation Best Interest (Rule 15l-1 under the Securities Exchange Act of 1934, as amended) when we provide you with securities recommendations and recommendations of investment strategies involving securities.

This disclosure is current as of the date on the cover. The most up-to-date version of this disclosure is available at https://www.leumiusa.com/LISI-Disclosures. If we make changes that would require us to send you updated disclosures, we will send them to you by mail or electronically consistent with your delivery elections and the SEC’s requirements. We may amend this disclosure from time to time, and if you continue to accept our services after we deliver the amended disclosures to you, the amended disclosures will apply to you.

Regulation "Best Interest" and Form CRS

VFM is an SEC-registered broker-dealer and investment adviser.

We believe it is important for you to have the information you need to make decisions about how to save and invest for the future. This section provides details about our services so that you can better understand the services and investment products we offer to our retail brokerage customers, as well as their costs, our fees and compensation, and the conflicts of interest we have when we make investment recommendations to you.

VFM offers both brokerage and investment advisory accounts. When VFM makes recommendations in a broker-dealer capacity, it has an obligation to act in the best interest of its retail customers and a suitability obligation in its other customer relationships. When VFM acts as an investment adviser, it has a fiduciary obligation to its clients.

Our Capacity

We and our financial professionals will act as a broker-dealer unless we have entered into an investment advisory agreement with you. If you have both brokerage and advisory relationships with us, when we provide recommendations and other services for your brokerage account, we will be acting as a broker-dealer, and when we provide recommendations and advice for your advisory account (including to open an advisory account), we will be acting as an investment adviser. When we make a recommendation to you, we will expressly tell you which account we are discussing. We will also arrange for certain services for you with our clearing broker Pershing, LLC ("Pershing") including custody and clearing services. Pershing has no fiduciary responsibilities to you or your account and does not offer any tax, legal, or investment advice, or opinions on the suitability of any investment in connection with your account.

There Are Risks in Investing

If you purchase an investment, you should be aware of the following:

- Investments are NOT insured by the FDIC or any other federal or government entity;
- Investments are NOT deposits or other obligations of, or guaranteed by, Valley National Bank, VFM, their affiliates, or any other financial institution;
- Investments are subject to risks, including possible loss of the principal invested;
- Past performance is not a guarantee of future results; and
- Performance is NOT guaranteed.

Before making any investment decision, it is your responsibility to understand fully the investment product and the associated risks. Our financial professionals may recommend certain products that are considered complex or higher risk and that have unique risk considerations. You should talk to your financial professional about any recommended product or transaction to ensure you fully appreciate the risks. Also, information about the risks of particular investment products is typically available in the prospectus, offering document, or term sheet. Those documents are generally available online or you can ask your financial professional to provide you with a copy.

VFM may, in its sole discretion, with or without prior notice, prohibit or restrict trading of securities or substitution of securities in your account and refuse to enter any transactions with you or accept any transactions from you. We are committed to compliance with all applicable laws, rules and regulations, including those related to combating money laundering. In our discretion, VFM may decline to effect transfers of securities or other property to certain countries or persons.

To help us understand your goals, we ask you to, among other things, complete an account agreement that will help us identify potential solutions for your needs. To assist your financial professional in making recommendations, it is your responsibility to provide accurate and timely information about your age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and any other information you think is important for us to know about you. If your circumstances change, for example, as you get older or your employment or financial conditions change, you should update us promptly and review your account with your financial professional and consider making appropriate changes. As applicable, we will generally make recommendations to you based on the information you provide and our assessment of the product or service's potential risks, rewards, and costs.

Choosing Between Full-Service Brokerage and Advisory Relationships

Our services, fees, compensation, and conflicts differ depending on whether you work with us through a brokerage or advisory relationship. You should carefully consider and discuss with your financial professional which type of relationship is more appropriate for you. You can review our Form CRS, which provides a high-level summary of our brokerage and advisory services, on our website at https://www.leumiusa.com/LISI-Disclosures or ask your financial professional to provide a copy of the Form CRS.

With respect to a brokerage account, VFM and your financial professional are here to help, but you take the lead. Unless we state otherwise in writing, it is your responsibility to monitor your brokerage account and its investments. That means you need to review your trade confirmations and account statements for inaccuracies and notify us if your financial circumstances or investment objectives change. While we may provide investment recommendations and education from time to time, or upon your request, VFM and your financial professional are not paid to monitor your brokerage account or to make regular or on-going recommendations to you.

Except in limited circumstances, and pursuant to a separate written agreement with you, VFM does not make decisions about what securities to buy or sell for you in your brokerage accounts. We will only make trades in your account when you direct us to do so. You make the ultimate decision about your brokerage account investments. VFM has no obligation to update statements we made, or information we provided, about a previous recommendation. Nor are we responsible for your decision to modify, decline, or delay the implementation of our recommendation.

We believe that most retail investors benefit from receiving comprehensive, ongoing, professional investment advice and management services through one of our advisory programs. But we also know that an advisory relationship is not appropriate or available to everyone or every circumstance, and that some of our customers prefer to invest, partially or entirely, through a brokerage account. As such, we offer a choice to work with us through a brokerage relationship, an advisory relationship, or both.

The chart below highlights some of the key differences between our full-service brokerage and advisory services.

Type of advice	**Brokerage**	**Advisory**
Recommendations	We provide recommendations from time to time or upon your request; investor education is also available to help you make decisions	We will offer you advice on a regular basis, for so long as you are enrolled in an advisory program
Monitoring	None, unless stated otherwise in writing	Generally yes, subject to the terms of your advisory agreement
Decision-making authority	You decide whether, when, and how to implement our recommendations, unless stated otherwise in writing (“non-discretionary”)	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”).

Primary costs, fees, and compensation	• Transaction-based fees for trades in your account; • Up-front commissions; • Sales concessions directly from an issuer or sales charges and expenses that are embedded in the purchase or sale price; • Administration and custodial fees; and/or • Mark-ups and mark-downs on trades.	Asset-based fees that are based on a percentage of your advisory assets under management; and/or Bundled fee for advice, custody, trading, and reporting ("wrap fee").
Account minimums	None, but some investment products have minimums.	The account minimum to maintain an advisory account is $100,000. This may be waived from time to time.
Available investments and products	We do not limit brokerage customers to proprietary products. Brokerage customers may purchase and sell any exchange-traded securities. Non-traded products, however, such as structured notes and mutual funds, are limited to issuers and sponsors with which VFM has a distribution or selling agreement.	Our investment advice will cover a limited selection of investments, exchange-traded securities, and mutual funds. Other firms could advise you on a wider range of choices, some of which might have lower costs.

Primary Relationship Manager conflicts	• Transaction-based compensation creates incentives to recommend: • Investments that result in greater compensation; • trading more frequently (and in larger amounts); and • investments offered by companies that provide financial professionals with training, travel expenses, gifts, entertainment, and meals to encourage and aid in the understanding and recommending their products.	Asset-based compensation creates incentives to recommend you: Increase the assets in your advisory accounts to increase compensation; and Invest through programs with higher fees.

Primary VFM conflicts	• Transaction-based compensation creates incentives to: • Offer and promote products and services from companies that offer us greater compensation; • Encourage you to trade more frequently (and in larger amounts); and • Encourage you to buy or sell securities that we typically trade on a riskless princi-pal basis so that we benefit from the price of the investment you buy or sell because we mark the price of your investment up ("markup") or down ("markdown").	Asset-based compensation creates incentives to: Encourage you to increase the assets in your advisory accounts to increase our fees; Encourage you to invest through programs with higher fees; Encourage you to invest in programs and models that result in greater compensation to us; and Trade less in a wrap-program.

You may prefer a brokerage account if you:

- Do not invest enough assets through us to meet the account minimums for our advisory programs;
- Do not desire, or do not want to pay for, ongoing advice, management, and monitoring services through an advisory program;
- Prefer to pay only for the investment transactions you choose to implement;
- Are comfortable making your own investment decisions, either with or without a recommendation from a financial professional;
- Are comfortable monitoring your account's performance and performing periodic rebalancing without the help of a financial professional;
- Are comfortable with the conflicts of interest transaction-based compensation creates for us and your financial professional; or
- Choose to maintain concentrated positions, such as employer securities or cash equivalents.

When you consider opening an account, you should discuss with your VFM financial professional (i) the investment advisory and brokerage account types available at VFM and (ii) the services and pricing for each. Based upon such information, you will determine which one or ones is in your best interest.

For more information on VFM's obligations to you and information about the Reg BI standard, please refer to VFM's Form CRS, available at https://www.leumiusa.com/LISI-Disclosures or ask your financial professional to provide a copy of the Form CRS. For questions related to Reg BI or which account type is in your best interest, or both, please contact your financial professional.

E-Delivery Option

You can choose to receive electronic versions ("e-delivery") of the documents that we mail to you. This service enhancement will help reduce the amount of hard-copy mail we send to you. If you consent to e-delivery you may revoke the consent at any time and receive all covered documents in hard-copy format.

Business Continuity

In conjunction with its parent (the Bank), VFM has developed a Disaster Recovery Plan on how it will respond to events that would significantly disrupt business. Significant business disruptions can vary from impacting a single building to an entire city or region. If only a single building, we would likely transfer operations to another local site and resume business from the new location. Longer and larger disruptions could mean shifting operations to an office location in a different region.

If, after a significant business disruption, you cannot contact us as you usually do, please call us at (800) 892-5430 for instructions and information.

Questions concerning the VFM Disaster Recovery Plan can be directed to the VFM Compliance Department at (212) 407-4362.

In addition to VFM's Disaster Recovery Plan, VFM's clearing firm, Pershing LLC, maintains its own business continuity plan, including redundant data centers and alternate processing facilities, to address interruptions to its normal course of business.

If VFM experiences a significant business interruption, you can call Pershing directly to process limited trade-related transactions, cash disbursements, and security transfers. Instructions to Pershing must be in writing and transmitted by facsimile at (201) 413-5368 or by postal service as follows:

BNY Mellon | Pershing LLC
P.O. Box 2065
Jersey City, New Jersey 07303-2065

For additional information about how to request funds and securities when you cannot contact VFM due to a significant business interruption, please visit the "Business Continuity & Other Disclosures" section of the Pershing web site at www.Pershing.com or call (201) 413-3635 for recorded instructions.

Confirmation of Trade Executions and/or Cancellations

Confirmations of trade executions or cancellations may be delayed, erroneous (e.g., due to computer system issues), or canceled/adjusted by an exchange or market center. Any reporting or posting errors, including errors in execution prices or cancellations, will be corrected to reflect what occurred in the marketplace; you will be bound by such terms. The cancellation of an order is not guaranteed. The order may only be canceled if the market center to which the order was routed receives the request to cancel and matches it with the order to be canceled before the order is executed. During market hours, it is rarely possible to cancel a market order or a marketable limit order because such orders are subject to immediate execution. You should not assume that any order has been executed or canceled until you have received a transaction or cancellation confirmation from VFM or Pershing.

Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance Act (FATCA) targets tax non-compliance by U.S. taxpayers with foreign accounts. FATCA focuses on U.S. taxpayers reporting about their foreign financial accounts and offshore assets and foreign financial institutions reporting about financial accounts held by U.S. taxpayers or foreign entities in which U.S. taxpayers hold a substantial ownership interest. The objective of FATCA is the reporting of foreign financial assets; withholding is the cost of not reporting.

VFM, as a U.S. financial institution (USFI), is required to withhold 30% on certain U.S. source payments made to foreign entities if we are unable to document such entities for purposes of FATCA. VFM must also report to the IRS information about certain non-financial foreign entities with substantial U.S. owners.

Reg S and/or Third-Party Services

Certain products and services are (1) available only to non-U.S. residents, and (2) offered through third-party services.

Special Disclosure for Israeli Customers

VFM receives compensation from third parties other than you in connection with the advice and sale of certain investment funds or other type of financial assets (such as structured products or mutual funds) (the "Securities"). The Securities are not registered with the Israel Securities Authority and are not otherwise a public offering of securities in the State of Israel. VFM also may directly or indirectly benefit, other than fees paid by you, in connection with your purchase and holding of securities through VFM.

When providing brokerage services VFM receives compensation, directly or indirectly, with respect to all purchase of stocks, bonds, mutual funds, annuity contracts, structured products, buying and selling options, and other investment products. Compensation to VFM includes commissions, transaction fees, concession fees directly from the issuer for new products, mark-ups or mark-downs on fixed income securities, sales charges, or expenses that are imbedded in the purchase or sale price.

In VFM advisory relationships and in its broker-dealer relationships: VFM receives payments including, but not limited to, mutual fund distribution and trailer ("12b-1") fees, revenue sharing from mutual fund sponsors and insurance companies, referral fees, account transfer and termination fees, and account maintenance fees. VFM also receives compensation from some funds or their affiliated service providers for shareholder servicing, recordkeeping, networking, administrative and other associated service fees. VFM receives payments from certain managers of alternative investments in connection with promotional efforts to help offset expenses incurred for sales events and meetings.

Trading in Non-US Markets

Investments outside the U.S. are subject to additional risks associated with currency exchange rates, different accounting and financial standards, different taxation systems, and possible political and economic instability. VFM affiliates, including its clearing firm, Pershing LLC, and at times its parent, Valley National Bank, will exchange currency when VFM clients invest outside the U.S. and will charge a fee for their services. More favorable exchange rates may be available through other financial institutions, but VFM will not facilitate an exchange of currency with a third-party. In addition, VFM affiliates, including Pershing, that trade for VFM clients on non-U.S. securities exchanges charge for their services. Lower commissions and/or better securities prices may be available through financial institutions not affiliated with VFM.

Valley National Bank and VFM Privacy Commitment to Our Customers

This notice explains how we collect, use, and protect information about our individual customers. *Effective January 2021*

FACTS	**WHAT DOES VALLEY NATIONAL BANK DO WITH YOUR PERSONAL INFORMATION?**
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: • Social Security number and account balances • Transaction history and income • Assets and account transactions When you are no longer our customer, we continue to share your information as described in this notice.

How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Valley National Bank chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information	**Does Valley National Bank share?**	**Can you limit the sharing?**
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	**YES**	**NO**
For our marketing purposes - to offer our products and services to you	**YES**	**NO**
For joint marketing with other financial companies	**YES**	**NO**
For our affiliates' everyday business purposes - information about your transactions and experiences	**YES**	**NO**

For our affiliates' everyday business purposes - information about your creditworthiness	**YES**	**YES**
For our affiliates to market to you	**YES**	**YES**
For nonaffiliates to market to you	**NO**	**We Don't Share**
To limit our sharing	Call Customer Care at 800-522-4100; or write to: Valley National Bank Attention: Customer Care, Privacy Section 1445 Valley Road Wayne, New Jersey 07470. Please note: If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we may continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.	
Questions?	If you have any questions about this Privacy Policy Statement or about the security and confidentiality of your non-public personal information, please call the privacy representative in Customer Care at 800-522-4100. For calls made from outside of the U.S., please call 973-305-8800 or visit us at valley.com.	
Who we are		
Who is providing this notice?	Valley National Bank companies that use "Valley," "Valley National" or "VNB" in their names, including Valley Financial Management, Inc., and Metro Title & Settlement Agency Inc.	

What we do	
How does Valley National Bank protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We permit only authorized employees trained in the proper handling of customer information to access your information, and we require companies that work for us to protect your information.
How does Valley National Bank collect my personal information?	We collect your personal information, for example, when you: • Open an account • Pay your bills or apply for a loan • Make deposits or withdrawals from your account •Use your credit or debit card We also collect your personal information from others, such as credit bureaus, affiliates or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: • sharing for affiliates' everyday business purposes - information about your creditworthiness • affiliates from using your information to market to you • sharing for non-affiliates to market to you • state laws and individual companies may give you additional rights to limit sharing.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. • Our affiliates include companies that use "Valley," "Valley National" or "VNB" in their name, including Valley Financial Management, Inc.; and financial companies such as Metro Title & Settlement Agency Inc.
Non-affiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. • Valley National Bank does not share with non-affiliates so they can market to you.

Joint marketing	A formal agreement between non-affiliated financial companies that together market financial products or services to you. • Our joint marketing partners include insurance companies and other financial service providers.

Other important information
Valley National Bank will never ask for your personal account number or personal information via email. This Privacy Policy Statement is available in our branches and also may be viewed on our website: valley.com. If you provide us with an e-mail address, we may use it to contact you regarding your relationship with us, to advise you of our loan and deposit products, to provide you with information you may have requested from us or to conduct business of the Bank, including collection efforts, if necessary.

California Consumer Privacy Statement

The California Consumer Privacy Statement ("Statement") supplements Valley's Privacy Policy. It applies solely to California consumers and addresses personal information we collect online and offline. This Statement uses certain terms that have the meaning given to them in the California Consumer Privacy Act of 2018 and its implementing regulations (the "CCPA").

Please note that personal information we collect in connection with Valley products or services you obtain for personal, family, or household use, including your personal account with Valley, is not subject to the requirements of the CCPA because such data is already protected under existing laws including the Gramm-Leach-Bliley Act and California state privacy laws.

For more information about Valley's privacy practices please visit www.valley.com/privacy.

ADV Brochure

VFM is a SEC registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. For information regarding VFM's investment advisory services, please review its "Form ADV," "Part 2 Brochures," and "Part 3 Relationship Summary" available at the SEC's website at http://www.adviserinfo.sec.gov.

FINRA Public Disclosure

VFM is a SEC registered broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA"). For information regarding VFM's broker-dealer services, as well as disclosures relating to your Relationship Manager, please visit FINRA BrokerCheck at https://brokercheck.finra.org/. FINRA also has a Broker Check Help Line (800) 289-9999.

SIPC Protection

VFM is a Securities Investor Protection Corporation ("SIPC") Member. SIPC provides protection for securities accounts held by its members for their customers up to $500,000 (including $250,000 for claims for cash). Certain restrictions apply. Information regarding SIPC, including a SIPC Brochure, may be obtained by visiting SIPC's web site at www.sipc.org or by telephone at (202) 371-8300.

Financial Statement

A financial statement of VFM is available for your inspection upon written request.

Senior and Vulnerable Investors

If you are a senior investor, you need to be aware of potentially abusive or unscrupulous sales practices or fraudulent activities targeting senior investors. VFM's procedures and controls take into consideration the age and life stage of our customers. Should VFM detect apparent fraudulent activity in your account, VFM reserves the right to freeze distributions and withdrawals from the account until it can be reasonably determined there was not undue and inappropriate pressure or influence applied to you, the vulnerable person/owner.

Trusted Contact

If you are 65 years old or older, VFM requests that you provide it with Trusted Contact Person information for your account(s). Under FINRA regulations, VFM is authorized to contact the "Trusted Contact Person" (as defined by FINRA Rule 4512) designated for your account(s) and to disclose information about your account(s) to address possible financial exploitation, to confirm the specifics of your current contact information, health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney, or as otherwise permitted by law. Please contact your VFM Relationship Manager or VFM Compliance for additional information about this account feature.

Negative Interest Rate Charge

Non-dollar deposit balances may be subject to negative interest rates due to market conditions. The resulting charge, if applicable, will be reported as "Free Credit Balance Interest Charge" on your account statements, and will be reported on your Form 1099 and/or 1042.

Municipal Securities Rulemaking Board® ("MSRB"®) Rule G-10 Investor and Municipal Advisory Client Education and Protection

Under the Municipal Securities Rulemaking Board's ("MSRB") Rule G-10, VFM is required to notify clients who transact in municipal securities with VFM that:

1) VFM is registered with the U.S. Securities and Exchange Commission ("SEC") and MSRB and is a member of FINRA, and

2) An investor brochure is available on the MSRB website at www.msrb.org. This brochure describes

the protections provided by the Municipal Securities Rulemaking Board rules and how to file a complaint with an appropriate regulatory authority.

Important Information You Need to Know about Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, federal law requires financial institutions to obtain, verify, and record information that identifies each person who opens an account. This notice answers some questions about our Customer Identification Program.

What types of information will I need to provide?

When you open an account, your firm is required to collect the following information:

- Name
- Date of birth
- Address
- Identification number:
    - U.S. citizen: taxpayer identification number (Social Security number or employer identification number)
    - Non-U.S. citizen: taxpayer identification number; passport number and country of issuance; alien identification card number; or government-issued identification showing nationality, residence and a photograph of you.

You may also need to show your driver's license or other identifying documents.

A corporation, partnership, trust or other legal entity may need to provide other information, such as its principal place of business, local office, employer identification number, certified articles of incorporation, government-issued business license, a partnership agreement or a trust agreement.

U.S. Department of the Treasury, Securities and Exchange Commission, and FINRA rules require you to provide most of this information. These rules also may require you to provide additional information, such as your net worth, annual income, occupation, employment information, investment experience and objectives and risk tolerance.

What happens if I don't provide the information requested or my identity can't be verified?

VFM may not be able to open an account or carry out transactions for you. If VFM has already opened an account for you, we may have to close it.

Best Execution

For equity and option trades, when a VFM client places such orders the client's Relationship Manager enters them into Pershing's (VFM's clearing firm) order entry system for execution. VFM's Compliance department periodically reviews Pershing data reflecting the execution quality Pershing receives from venues where it routes equity and option orders.

For fixed-income trades, VFM's trading desk will make a reasonable effort to seek the best executable prices in the marketplace. VFM's traders seek to obtain the best execution level available based on their professional judgment and takes into consideration, among other things: (1) trading characteristics of the security and character of the market for the security (e.g., price, volatility, and relative liquidity); (2) size and type of transaction; (3) number of primary markets; (4) transactions costs; (5) opportunity for price improvement; (6) accessibility of quotation sources including speed of execution; and (7) any special handling instructions guiding the execution of the order. VFM will use reasonable diligence to ascertain the best inter-dealer market for the security and buy or sell in such markets so that the price to the customer is as favorable as possible under prevailing market conditions.

For equity, option, and fixed-income transactions, VFM conducts regular and rigorous reviews for execution quality.

Customer Order Protection

To the extent permitted by rule or law, when VFM's trading desk handles your orders, a Valley National Bank trading desk may separately transact – without knowledge of your orders – for its principal account at prices that would satisfy your orders. You should know that the Valley National Bank's trading desk's execution prices could be better, the same, or worse than the prices you receive for the same security when VFM handles your orders.

Overview of Our Compensation and Conflicts

Compensation Paid from Your Brokerage Account

<u>Commissions and Sales Charges.</u> You will pay us a "commission" or other "transaction-based" fee, such as an up-front load (a commission charged at the initial purchase that reduces the amount invested), a "trail" (an on-going fee for the transaction that is charged as long as you hold the investment), or both an up-front load and a trail, for each trade in your brokerage account.

Commissions present conflicts of interest. Specifically, because we are paid per transaction and based on the amount you invest, we and our Relationship Managers have an incentive to encourage you to trade more frequently and in greater amounts. Additionally, commissions vary from product to product, and therefore, we earn more from recommendations that result in an investment with a higher commission. We mitigate these conflicts by disclosing them to you, and by establishing policies, procedures, and risk-based supervision to review product recommendations. We also do not conduct or permit sales contests that are based on the sale of specific securities or types of securities.

For more information about the commissions that apply to particular transactions, please see the applicable section below for the investment product you are considering, the applicable prospectus, term sheet, or other offering documents and the confirmation statements we provide to you after the transaction. Commissions are shared with your Relationship Manager. Commissions may be negotiated, and you may pay more or less than similar customers for identical transactions depending on your particular circumstances, including the size of your account, the services you have applied for, and any separate agreement between us.

Riskless Principal. 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 and sell it to the buyer. 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, but such mark ups and mark downs must fall within our internal guidelines.

Types of securities commonly traded on a riskless principal basis include fixed income securities. We disclose as required by FINRA rules the price of the securities we buy and sell on a riskless principal basis on the confirmation statement you receive in connection with the transaction. This compensation is shared with your Relationship Manager. Markups and markdowns may be negotiated, and you may pay more or less than similar customers for identical transactions depending on your circumstances, including the size of your account, the services you have applied for, and any separate agreement between us. Mark-ups and mark-downs create an incentive for us to recommend securities that we buy and sell on a riskless principal basis. We mitigate these conflicts by disclosing them to you, limiting the mark ups and mark downs pursuant to our internal guidelines and by establishing policies, procedures, and risk based supervision to review product recommendations.

Equity, option, and mutual fund transactions routed through Pershing will be executed with VFM acting in an agent capacity. VFM will only receive the commission on each transaction. VFM's commission for each "agency" transaction is stated on the confirmation that the customer receives from Pershing, our clearing broker.

Miscellaneous Fees and Charges. You may also pay other fees not related to transactions, such as account transfer fees, account maintenance fees, activity assessment fees, account termination fees, outgoing wire fees, account transfer fees, and postage and handling fees.

Third-Party Compensation with Respect to Your Brokerage Investments

VFM and its affiliates receive compensation from investment products (including mutual funds) and their sponsors, advisors, and affiliates (collectively, "Investment Sponsors") in connection with certain investments you make in your brokerage account. This compensation creates a conflict for us to offer and encourage sales of investment products that result in us receiving greater compensation over those that result in less compensation (or no compensation). Your Relationship Manager has a conflict when recommending that you purchase (and continue to hold) investment products that pay greater amounts over those that pay less because they receive a percentage of certain types of trails and service fees (discussed below) in their compensation. We mitigate these conflicts by disclosing them to you, and by establishing policies, procedures, and risk-based supervision to review product recommendations. (See below "Your Relationship Manager's Compensation").

The types of third-party compensation we receive with respect to your investments and related conflicts are described below.

Trails and Service Fee Compensation. We and our affiliates receive ongoing compensation from mutual funds, annuities, and other sources. This compensation (commonly known as "12b-1 fees," "trails" or "shareholder servicing fees") is typically paid from the assets of the mutual fund, annuity, or other source under a distribution or servicing arrangement with the investment product or Investment Sponsor and is calculated as an annual percentage of invested assets. The amount of trails we receive varies from product to product, and creates an incentive for us to recommend that you purchase and hold investments that generate greater trails. For more information about trail compensation, please refer to the section of this Disclosure for the type of security you are considering, and the applicable prospectus, term sheet, or offering document. Your Relationship Manager receives a percentage of certain trail fees his or her customers' brokerage investments generate for the firm. (See the section "Your Relationship Manager's Compensation").

Product Sponsor Support and Marketing Allowances. Investment Sponsors may pay, or reimburse, us for the costs associated with education or training events that are attended by our employees, agents, and representatives, and for conferences and events that we sponsor. We offer Investment Sponsors who make these payments opportunities to speak and to market their products to our financial professionals at these events and conferences. In addition, we receive reimbursement from certain Investment Sponsors for technology-related costs, such as those to build systems, tools, and new features to aid in servicing customers. These arrangements can result in your financial professional better understanding the Investment Sponsor and its products and can influence your financial professional to recommend products of Investment Sponsors that provide these benefits. We receive these types of payments with respect to annuities, variable universal life policies and mutual funds. These payments are not shared directly with your financial professional.

Some Investment Sponsors, as well as other third parties such as our custodian and clearing broker, provide our Relationship Managers training, travel expenses, gifts, entertainment, and meals to encourage and aid in the selling or recommending their products (which includes services), which means that our Relationship Managers are incentivized to recommend their products over others. Investment Sponsors pay us (and our affiliates) different amounts of product support. Any gifts, entertainment, or reimbursements received are not tied to sales in your brokerage account or dependent on, or related to, the level of assets in your brokerage account with the Investment Sponsor. We have adopted policies and procedures intended to address this conflict, including limits on the value, frequency, and nature of these types of compensation.

Payment for Order Flow. The SEC and FINRA require that all broker-dealers inform their customers when a new account is opened, and on an annual basis thereafter, of payment for order flow practices (compensation received for placing orders through specialists on national securities exchanges, over-the-counter market makers, and alternative trading systems) relating to equity and option trading.

VFM does not receive payment for order flow regarding equity and option orders. To review VFM's most recent "Held NMS Stocks and Options Order Routing Public Report," go to www.orderroutingdisclosure.com (broker-dealer full name "Leumi Investment Services Inc" (n/k/a Valley Financial Management, Inc.)).

VFM routes equity orders to Pershing, LLC (its clearing firm) and Pershing then sends these equity orders to exchanges or broker-dealers during normal business hours and during extended trading sessions. Some of these market centers provide payments to Pershing or charge access fees depending upon the characteristics of the order and any subsequent execution. In addition, Pershing may execute certain equity orders as principal. For the details relating to Pershing's payment for order flow practices, please see Pershing's SEC rule 606 disclosures at www.orderroutingdisclosure.com (broker-dealer full name "Pershing LLC").

In addition, VFM routes listed option orders to Pershing, which may receive payments for directing listed options order flow to certain options exchanges. Compensation is generally in the form of a per option contract cash payment. For the details relating to Pershing's payment for order flow practices, please see Pershing's SEC rule 606 disclosures at www.orderroutingdisclosure.com (broker-dealer full name "Pershing LLC").

Equity, option and mutual fund transactions routed through the clearing broker will be executed with VFM acting in the capacity of "Agent." It is intended that the commission on each transaction will be the only remuneration VFM receives for each transaction. The commission for each "agency" transaction shall be disclosed on the customer's trade confirmation. VFM does not anticipate receipt of any additional revenue as a payment for order flow.

Error Correction. If a trade error occurs in your brokerage account caused by VFM or your Relationship Manager, we will reimburse your account for any resulting monetary loss. If a trade correction is required because of your action or inaction (e.g., if you do not make full payment for purchases or fail to deliver negotiable securities for liquidations before trade settlement), you will bear any resulting monetary loss, and we will retain any monetary gain. In the case of a trade that requires a correction and that resulted in a monetary gain to the customer, such gain may be removed from the account and may result in a financial benefit to VFM.

Foreign Currency Transactions. Pershing may execute foreign currency transactions as principal for your account. Pershing's currency conversion rate will not exceed the highest interbank conversion rate identified from customary banking sources on the conversion date or prior business day, increased by up to 1%, unless a particular rate is required by applicable law. VFM may also increase the currency conversion rate. Conversion rates may differ from rates in effect on the date a dividend, interest payment, or corporate action is credited or declared. Unless you instruct VFM otherwise, Pershing will automatically convert foreign currency to U.S. dollars for dividends, interest, and corporate actions.

Credit Interest/Free Credit Balance

You may receive interest on positive account balances, referred to as "free credit balances," provided the funds are awaiting reinvestment, subject to certain minimum balances and time requirements. VFM may receive compensation from Pershing LLC, its clearing firm, based on the amount of free credit balances in its customer accounts. If you currently maintain free credit balances in your account solely for the purpose of receiving credit interest, and have no intention to invest the funds in the future, contact VFM to discuss your investment options. If you sell a bond you do not own and it runs past a coupon payable date, you are responsible for the interest on the bond. This notification only applies to those accounts that currently have a balance awaiting reinvestment and that receive credit interest.

In accordance with applicable law, rules and regulations, your free credit balance is not segregated and VFM may use these funds in our business. You have the right to receive, in the normal course of business, any free credit balance and any fully paid securities to which you are entitled, subject to any obligations you owe in any of your accounts.

Compensation for Other Services and Other Conflicts Related to Our Brokerage Activities

We are a broker-dealer and investment adviser, and our Relationship Managers can offer various types of advisory and brokerage programs, as well as insurance services. This presents a conflict of interest because, depending on the customer's investment profile, we are incentivized to recommend those services on which we earn more over those on which we earn less.

We and our affiliates may buy or sell securities acting as broker or agent for other customers. We may give advice and take action in the performance of our duties to a customer that may differ from advice given, or in the timing and nature of action taken, with respect to that of another customer. Moreover, we offer brokerage services with respect to products held on our platform, as well as with respect to account assets held directly with third-party sponsors. We generally earn more revenue when assets are held in investment accounts with us, and not directly with a third-party sponsor. When selling insurance policies, the compensation paid to VFM may vary depending on several factors, including the insurance policy and the applicable insurer, the volume of business VFM provides to the insurer or the profitability of the insurance policies that VFM sells on behalf of the insurer.

In sum, VFM charges different fees and expenses for different products and services. Your Relationship Manager can explain in detail these products and services and the fees and expenses associated with each. In addition, if you have questions about fees and expenses for product and service provided you can contact VFM Compliance. Please note that for some products the compensation structure will also be included in the offering materials or term sheets and for other products the fees and expenses will be detailed on trade confirmations. We mitigate these conflicts by disclosing them to you, and by establishing policies, procedures, and risk-based supervision to review product recommendations.

Your Financial Professional's Compensation

Your financial professional is paid in part through sale of securities or products, asset-based fees (for advisory accounts) and service fees (on mutual funds).

Your financial professional also is eligible to receive other benefits based on his/her production (sales). Certain products will pay more incentive compensation to our financial professionals. This compensation may also include additional benefits, such as conferences (e.g., for education, networking, training, and personal and professional development) and other forms of non-cash compensation that generally increase in value as the sales your financial professional makes increase. These benefits create an incentive for your financial professional to recommend certain transactions, products, and services over others to maximize his/her production to obtain the benefits. Certain customer relationships overseen by us and your financial professional may have similar investment objectives and strategies but may be subject to different fee schedules or commission rates. Thus, we and your financial professional have an incentive to favor customer accounts that generate a higher level of compensation. We mitigate these conflicts by disclosing them to you, and by establishing policies, procedures, and risk-based supervision to review product recommendations.

Select Information about Securities Available on Our Platform

Mutual Funds. A mutual fund is a pooled investment fund that is professionally managed and invests in a bundle of securities pursuant to a specified investment strategy. We generally recommend investments in mutual funds when a customer's investment profile indicates that a long-term investment in a fund with diversified exposure to a particular asset class or strategy would meet the customer's investment objectives. The risks associated with mutual fund investments depend on the fund's investment strategy and are disclosed in the prospectus. Mutual fund shares are purchased and sold at the end of each trading day based on the net asset value of the fund. When you invest in a mutual fund, you purchase a share that represents your interest in the fund.

The share classes available on our platform for Relationship Managers to recommend are described in the next section. Depending on your eligibility, you may be able to invest in the funds on our platform at a different financial institution using different share classes than those we make available and recommend. As such, you may be able to obtain the same investment products from other financial institutions at lower cost.

Share Classes and Our Compensation. Mutual fund shares come in different classes, each with different fees and fee structures. We offer and recommend A, C, and I share classes. Specific fees and fee structures of each share class, including the amount charged and when it is collected, vary depending on the mutual fund and are described in the mutual fund's prospectus, but here is a general discussion of the share class fee structures for mutual funds on our brokerage platform:

> **Class A.** Class A shares charge an upfront sales fee, or front-end load, that is deducted from your initial investment and paid to us as a commission for selling the shares to you. Front-end loads vary, sometimes they are 0%, but can range up to 5%, which we share with your Relationship Manager. Class A shares also pay us trails in the form of "Rule 12b-1 fees" for distribution. Rule 12b-1 fees vary but can range up to 1.5%, which we share with your Relationship Manager.
>
> **Class C.** Class C shares charge a contingent deferred sales charge ("CDSC"), typically 1%, if you sell your shares before a certain period, typically within one-year. The CDSC is paid to the mutual fund company and is not shared with us or your Relationship Manager. Generally, Class C shares convert to Class A shares after 10 years. Please refer to your mutual fund's prospectus regarding when your Class C shares would convert to Class A shares if they are convertible. Class C shares pay us trails in the form of "Rule 12b-1 fees" for distribution. Rule 12b-1 fees vary and can range up to 1.5%, all of which is paid to us and shared with your Relationship Manager.
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> **Class I Shares or Other "Institutional" Shares**. Class I or other "Institutional" shares generally charge lower internal expenses than Class A or C shares. Class I shares do not have assessed sales charges. Class I shares are usually only available for purchase for large dollar amounts (typically $1 million or more) unless purchased within a "fee-based" or "advisory" program where the purchase minimum may be waived. Some fund companies offer Institutional share classes other than I, sometimes seen as Adv, F, F2, I2, I3, or Z share classes. Not all investors may qualify for these share classes; these share classes may have higher or lower expenses than typical Institutional share classes.

Share Class Conflicts. You should not assume that we will recommend a mutual fund or share class with the lowest possible expense ratio available. A customer who holds a more expensive share class of a mutual fund will pay higher fees over time – and earn lower investment returns – than if it held a less expensive share class of the same mutual fund. Because Class A shares pay us a front-end load when you buy a share and ongoing 12b-1 fees that are lower than those we receive for Class C shares, we and your Relationship Manager have an incentive to recommend that you trade in and out of Class A shares more frequently and to buy Class A shares and other investments that pay us additional and higher front-end loads and other compensation. Because Class C shares pay us higher 12b-1 fees for so long as you hold the shares, we and your Relationship Manager have an incentive to recommend that you purchase and hold Class C shares for longer periods and to buy Class C shares that pay us higher 12b-1 fees. We mitigate these conflicts by disclosing them to you, and by establishing policies, procedures, and risk-based supervision to review product recommendations.

Breakpoints. Some mutual funds offer discounts or reduced sales charges on Class A shares based on the total amount you invest with the mutual fund company. The investment amount needed to receive a discount is known as a "breakpoint." Mutual fund companies may allow you to combine your holdings with those of certain family members to reach a breakpoint. "Rights of accumulation" allow you to combine your mutual fund purchase with your existing investment in the mutual fund company to reach a breakpoint. You may also be able to benefit from a breakpoint by agreeing to invest a specified dollar amount in a mutual fund over a specified period in a "Letter of Intent." Each mutual fund prospectus describes its breakpoint policies, including how you can reach breakpoints. Because we receive a lower front-end load when you reach a mutual fund breakpoint, we have an incentive to recommend that you invest in mutual funds that do not have breakpoints, or to invest in different mutual fund families so that you do not reach a breakpoint with respect to a particular mutual fund family.

VFM and your Relationship Manager generally earn more compensation for transactions in mutual funds than transactions in ETFs

Other Fees and Expenses. Mutual fund shares incur several other fees and expenses that are discussed in detail in mutual fund prospectuses. A general discussion follows below:

Ongoing Fees and Expenses – Mutual funds deduct ongoing fees and expenses to cover the mutual fund's annual operating expenses and distribution activities, including investment management fees that are paid to the fund's manager. You pay these fees and expenses indirectly because they are deducted from your assets on an ongoing basis. These fees can vary significantly, are included in the fund's "expense ratio" and are disclosed in the mutual fund's prospectus.

Redemption Fees - Some mutual funds charge a fee when you redeem fund shares (a "redemption fee"). A redemption fee is a one-time fixed fee that can range up to 1% of the redemption proceeds. Redemption fees are paid to the fund to compensate it for expenses associated with the repurchase.

Mutual Fund Revenue Sharing and Additional Compensation – VFM receives compensation from some funds or their affiliated service providers for shareholder servicing, recordkeeping, networking, administrative and other associated service fees. Revenue-sharing payments are in addition to sales charges, annual distributions and service fees (referred to as "12b - 1" fees), applicable redemption fees and deferred sales charges and other fees and expenses disclosed in the fund's prospectus fee table. Revenue-sharing payments are generally paid out of the fund's investment advisor, distributor or other fund affiliate's revenues or profits and not from fund assets, however, fund affiliate revenues or profits may be in part derived from fees earned for services provided and paid for by the fund. This fact presents a conflict of interest for VFM to promote and recommend those fund families with larger revenue-sharing arrangements. To mitigate this conflict of interest, Relationship Managers do not receive additional compensation as a result of these revenue-sharing payments.

Additional Information. For more information about investing in mutual funds, please see the SEC's "Mutual Funds," available at https://www.investor.gov/introduction-investing/investing-basics/investmentproducts/mutual-funds-and-exchange-traded-1. If you are interested in investing in a particular mutual fund, please review the mutual fund's prospectus, which you can request from your Relationship Manager.

Exchange Traded Funds ("ETFs")

Similar to a mutual fund, an exchange-traded fund ("ETF") is a pooled investment fund that is professionally managed and invests pursuant to a specified investment strategy. ETFs are offered in virtually all asset classes and provide exposure to different markets and industry sectors. The risks associated with ETF investments depend on the fund's investment strategy and are disclosed in the prospectus. When you invest in an ETF, you purchase a share that represents your interest in the fund. Unlike mutual fund shares, ETF shares can be purchased and sold throughout the trading day.

Compensation and Conflicts. Unlike mutual funds, ETFs do not have share classes. When customers buy or sell an ETF in a brokerage account, they pay a brokerage commission to VFM each time, which is shared with your Relationship Manager. The commission is based on the customer's investment amount and is described in our fee schedule. VFM and your Relationship Manager have an incentive to trade ETFs more frequently and in larger amounts to generate greater commissions. VFM and your financial professional generally earn more compensation for transactions in mutual funds and variable annuities than transactions in ETFs.

Other Fees and Expenses. ETFs deduct ongoing fees and expenses to cover the ETF's annual operating expenses and distribution activities, including investment management fees that are paid to the fund's manager. Customers pay these fees and expenses indirectly because they are deducted from the ETF's assets on an ongoing basis. These fees can vary significantly and are included in the ETF's expense ratio.

More information about ETFs, including their ongoing fees and expenses and overall expense ratio, is available in the ETF's prospectus.

Additional Information. For more information about investing in ETFs, please see the SEC's "Exchange-Traded Funds," available at https://www.investor.gov/introduction-investing/

investing-basics/investmentproducts/mutual-funds-and-exchange-traded-2. If you are interested in investing in a particular ETF, please review the ETF's prospectus, which you can request from your Relationship Manager.

Fixed Income

Fixed income securities are debt securities and generally provide scheduled payments to the investor through the security's maturity date. We offer a variety of fixed income securities, including U.S., state, municipal, governmental agency, corporate and emerging market bonds, and brokered certificates of deposit ("CDs").

Fixed Income securities can provide a means of preserving capital and earning a predictable return. Bond investments provide steady streams of income from interest payments before maturity. Investments in fixed income securities may also be recommended as part of a portfolio to provide customers the proper diversification based on their investment objective, risk appetite, and time horizon.

As with any investment, bonds have risks. These risks include:

Credit or default risk. The issuer may fail to timely make interest or principal payments and thus default on its bonds.

Interest rate risk. Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower interest rate, you might have to sell it at a discount.

Inflation risk. Inflation is a general upward movement in prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest.

Liquidity risk. This refers to the risk that investors won't find a market for the bond, potentially preventing them from buying or selling when they want.

Call risk. The possibility that a bond issuer retires a bond before its maturity date, something an issuer might do if interest rates decline, much like a homeowner might refinance a mortgage to benefit from lower interest rates.

The risks associated with fixed income securities depend on the particular security and are disclosed in the statements and other disclosures we make available to you in connection with a particular fixed income offering.

Compensation and Conflicts. When you place an order for a fixed-income security, we mark-up the price you pay or mark-down the price you receive, which is a benefit to us. This compensation is shared with your Relationship Manager. Mark-ups and mark-downs may be negotiated, and you may pay more or less than similar customers for identical transactions depending on your circumstances, including the size of your account, the services you have applied for, and any separate agreement between us. Because we mark-up or mark-down prices when you purchase and/or sell fixed income securities, we have an incentive to recommend fixed income transactions more frequently and in larger amounts. We also have an incentive to recommend longer-term or duration bonds because they typically have greater mark-ups or mark-downs,but note that shorter maturity fixed income securities present a potential to trade with more frequency due to the nature of the maturity. We mitigate these conflicts by disclosing them to you, limiting the mark ups and mark downs pursuant to our internal guidelines and by establishing policies, procedures, and risk based supervision to review product recommendations.

Additional Information. For more information about investing in fixed income, please see the SEC's "Bonds," available at https://www.investor.gov/introduction-investing/investing-basics/investment-products/bonds-orfixed-income-products/bonds and "Certificates of Deposit (CDs)," available at https://www.investor.gov/introduction-investing/investing-basics/investment-products/certificates-deposit-cds. If you are interested in investing in a particular fixed income security, please review the securities' offering documents, which you can request from your financial professional.

Equity Securities

Equity securities includes over the counter stock and American Depositary Receipts (ADRs).

Our Compensation. You pay a commission to buy or sell based on the quantity of shares purchased or sold and their corresponding stock price. The commission amount will be shown on your trade confirmation. Your Relationship Manager receives a portion of the commission. VFM mitigates these conflicts by disclosing them to you and by establishing policies, procedures, and risk-based supervision to review product recommendations.

Additional Information. For additional information on the risks of investing in equities, see FINRA's investor education webpage, available https://www.finra.org/investors/learn-to-invest/types-investments/stocks.

Structured Notes

VFM offers investments in structured products. Structured products are financial instruments whose performance is generally derived from a wide range of underlying components including but not limited to a single security or basket of securities, an index or basket of indices, the relationship between two interest rate curves, a commodity or basket of commodities, a foreign currency or basket of currencies, or an actively or passively managed fund or collection of funds (each, a "Structured Note").

When you invest in a Structured Note, you must assess several characteristics and risks that may not be present in other investments, including risks related to movements in the underlying reference components ("Underlying") and the effect of such movements on payouts under the terms of the Structured Note. Some Structured Notes offer protection of the invested principal (contingent on the ability of the issuer to repay its senior unsubordinated obligations at maturity), whereas others offer limited or no protection of the principal. Because Structured Note principal and interest payments may be tied to the performance of the Underlying, a change in the value of those underlying reference components can affect the return on the Structured Note in a different manner than the same change in value would affect the return of non-structured obligations.

VFM offers products in primary or secondary markets for a fee. VFM may also offer Structured Notes from or issued by entities that have a business relationship with VFM and/or its affiliates. VFM receives compensation and other benefits for selling you Structured Notes, such as mark-ups and concessions. Because VFM receives compensation when you purchase or sell Structured Notes, VFM has an incentive to recommend that you buy Structured Notes more frequently and in larger amounts. The compensation is included or deducted from your purchase or sale price. It is important for you to review all related disclosures regarding the terms of your Structured Note. Structured Notes may not be in the best interest of all investors.

This disclosure is not meant to provide an all-inclusive list of potential risks and factors to consider; rather, it is intended to highlight some of the significant factors and special risks associated with Structured Notes. Important information and risks specific to each Structured Note offering will be disclosed in the offering materials for the specific product, and you should carefully review all related disclosures. You should be prepared to hold the Structured Note until maturity, although some Structured Notes allow the issuer to “call” (redeem) them before maturity. If you do not fully understand how Structured Notes work, as well as their associated risks, you should not invest in them.

General Risk Factors

1. Price Volatility

Fluctuations in currency exchange rates, interest rates, commodity rates, index levels, credit spreads, or the market value of an underlying security or commodity, or portfolio of securities or commodities may affect the value of a Structured Note. Because Structured Note payments can vary based on factors that are not present in non-structured obligations (such as maturity of the Structured Note, the volatility of the underlying reference components or portfolio of securities, interest rates, foreign currencies, or commodities), the market value of a Structured Note can change in a manner different from non-structured obligations. Further, a change in interest rates or a change in the volatility of the Underlying can affect the value of a Structured Note even though the value of the Underlying is unchanged (and vice versa). Additionally, the magnitude, frequency, and rate of change in the value of a Structured Note can be significantly greater than that of non-structured obligations. Because the characteristics of a particular Underlying are so important to how these securities perform, it is important to review the disclosure documentation, including any term sheet, carefully to ensure that you fully understand the nature of the underlying reference components.

2. Pricing and Value of Structured Investments

VFM offers new issue Structured Notes at different prices and terms. Other firms may offer structured notes with better terms. VFM's Structured Note offerings are limited to issuers with which VFM has a selling agreement. Unless the relevant offering documents specifically state otherwise, Structured Notes are not listed on any exchange—meaning they are not readily tradable. Dealers do not have to quote bid and offer prices for Structured Notes, and each dealer establishes its own prices for individual Structured Notes. Also, prices typically reflect the concession to VFM and costs associated with the risks of hedging any particular Structured Note. Consequently, the values that appear on your account statements with respect to any Structured Note holding are indicative and may not be executable at that level. At your request, VFM will endeavor to find the best price available for your Structured Note in the prevailing marketplace but that price may not reflect the value on your account statements, or based upon illiquidity, may not reflect fair value.

3. Liquidity

Structured Notes are generally not designed to be actively traded. You should be prepared to hold your Structured Note until maturity. Typically, if there is any liquidity available for a Structured Note, it is provided by the issuer of the investment as a service to investors. There is no assurance that a secondary market will develop and that you will be able to sell a Structured Note before maturity or redemption. While the issuer may generally intend to support a secondary market for its Structured Notes, neither VFM nor an issuer are under any obligation to establish or create such a secondary market. Further, any such secondary market, if established, may not be liquid. It may, therefore, be difficult or impossible to close out an existing position or sell a security if rates or market prices have moved adversely, or to assess the value of your position or your exposure to risk after purchasing the Structured Note. Even if you purchase a Structured Note in a secondary market transaction, given that there is no assurance that a secondary market will develop for the specific Structured Note, you should be prepared to hold it until maturity.

4. Loss of Principal

Structured Notes usually do not guarantee that they will pay the initial purchase price (the principal) at maturity and they may be valued substantially less than the initial purchase price, depending on the performance of the underlying reference components. You may lose part of or all your investment. Some Structured Notes contain a feature that is designed to return, at a minimum, the investor's initial investment, or some stated portion of the initial investment, at maturity. Such features will be contingent on the ability of the issuer to repay its senior unsubordinated obligations at maturity; Structured Notes are always subject to credit risk and do not provide a guarantee against default of the issuer. Structured Notes are not Federal Deposit Insurance

Corporation ("FDIC") protected. The return of principal for many Structured Notes is contingent upon the performance of the underlying reference components. If the Underlying do not trade at or above a predefined level ("principal barrier"), you may receive only some portion of the initial investment. Further, the return of principal for many Structured Notes is based on performance of the Underlying with the lowest returns. Because your initial investment will be marked-to-market, the value of your Structured Note at any time over its life likely will be more or less than the stated principal amount you would receive at maturity. Therefore, if you sell a Structured Note before maturity, you could also lose a substantial amount of your principal.

5. Income Risks

Many Structured Notes do not pay a fixed rate of interest; instead, their interest or coupon payments are often contingent based upon the Underlying. The coupon payment for many Structured Notes is based on performance of the Underlying with the lowest returns and, if the Underlying does not trade at or above a predefined level ("coupon barrier") on an observation date, no coupon payment will be made. Likewise, if the Underlying remains below the coupon barrier on future quarterly observation dates, no coupon payments will be made. Also, the interest rate earned may be lower than the interest rate available on other investments with the same maturity and could even be as low as zero.

6. Appreciation Risk

In contrast to equity ownership, whose gains are potentially unlimited, Structured Notes often have an explicit cap on the maximum rate of return, regardless of the performance of the underlying reference components. If the return of the Underlying at maturity exceeds the maximum return of the Structured Note, the Structured Note will underperform relative to a direct investment in the underlying asset.

7. Call Risk

Some Structured Notes have a redemption feature that allows the issuer (without your consent) to call the debt before maturity. Different types of call features may be exercised at the issuer's sole discretion (issuer callable) or may be exercised automatically (auto-callable) if a specified, predetermined condition occurs. If a Structured Note is redeemed before maturity, the payment you receive will depend upon its stated terms. If a Structured Note is called, you may not be able to reinvest the proceeds of the investment in a similar investment with similar risk and return characteristics.

8. Counterparty Credit

Structured Notes require that the issuer or guarantor make payments to you with respect to the Structured Note. We refer to the issuer or guarantor as "the Counterparty." Because the Counterparty must make substantial payments to you during the term of each Structured Note, you must evaluate the credit risk of transacting business with the Counterparty. The Structured Notes are obligations of the Counterparty, not VFM; accordingly, any change in the creditworthiness of the

Counterparty could affect the value of the Structured Note. Counterparty default may lead to the complete loss of your investment. You should evaluate the creditworthiness of the Counterparty before making your investment decision.

9. Reference Components

VFM does not warrant, and is not responsible for, the structure, method of computation, or publication of any underlying reference components such as currency exchange rates, interest rates, commodity rates, indices of such rates, or equity indices.

10. Using Structured Notes to Hedge Risks

Structured Notes can be purchased to hedge all or part of the risk of ownership, or prospective ownership, of another investment. You should understand both the risks you face and the profit opportunities on the investment being hedged that you may be foregoing by buying the Structured Note.

11. Taxes

Structured Notes have potentially complex tax implications. VFM is not a tax advisor and does not offer tax advice. You are encouraged to carefully review the offering materials and consult with your tax and/or legal advisors.

You should carefully consider the specific characteristics of any investment, including Structured Notes, before investing. This risk described above are not intended to enumerate all risks associated with investing in Structured Notes. Important information and risks specific to each Structured Note will be disclosed in the associated offering materials, and you should carefully review all related disclosures. You should also carefully review your trade confirmation and any other supplemental disclosures for a description of the specific terms of your Structured Note. As you would with any investment, please undertake a thorough review of the legal, credit, tax, accounting, and economic considerations associated with Structured Notes in reaching a determination as to their appropriateness for you. As a reminder, VFM does not provide tax, legal, or accounting advice.

Compensation and Conflicts. For new issues, you pay the initial offering price of the Structured Notes, which is set by the issuer. The offering price includes costs and fees associated with purchasing the Structured Notes and a selling concession paid to VFM, as well as structuring and hedging costs of the issuer. The compensation paid to VFM varies depending on the type of Structured Notes and the features of the Structured Notes, such as maturity and payout profile. All costs associated with the new issue offering are disclosed in the prospectus, offering documents, and/or term sheets. VFM mitigates these conflicts by disclosing them to you and by establishing policies, procedures, and risk-based supervision to review product recommendations.

Additional Information. For more information about investing in structured products, please see the SEC's "Structured Notes" available at https://www.sec.gov/oiea/investor-alerts-bulletins/ib_structurednotes.html. If you are interested in investing in a particular structured product, please review the product's offering documents, and our Structured Noted Disclosure Statement which you can request from your financial professional.

Options. Options are contracts giving the owner the right to buy or sell an underlying asset, at a fixed price, on or before a specified future date. Options are derivatives (they derive their value from their underlying assets). The underlying assets can include, among other things, stocks, stock indexes, exchange traded funds, fixed income products, foreign currencies, or commodities.

Two of the most common types of option contracts are calls and puts. A call option is a contract that gives the buyer the right to buy shares of an underlying stock at the strike price for a specified period. Conversely, the seller of the call option is obligated to sell those shares to the buyer of the call option who exercises his or her option to buy on or before the expiration date.

A put option is a contract that gives the buyer the right to sell shares of an underlying stock at the strike price for a specified period. Conversely, the seller of the put option is obligated to buy those shares from the buyer of the put option who exercises his or her option to sell on or before the expiration date.

Options like other securities carry no guarantees, and investors should be aware that it is possible to lose all your initial investment, and sometimes more. For example: 1) option holders risk the entire amount of the premium paid to purchase the option. If a holder's option expires "out-of-the-money" the entire premium will be lost; 2) option writers may carry an even higher level of risk because certain types of options contracts can expose writers to unlimited potential losses. Other risks associated with trading options include:

Market Risk – Extreme market volatility near an expiration date could cause price changes that result in the option expiring worthless.

Underlying Asset Risk – Since options derive their value from an underlying asset, which may be a stock or securities index, any risk factors that impact the price of the underlying asset will also indirectly impact the price and value of the option.

Please ask your Relationship Manager for more information about the minimum account and other requirements to be approved to trade options.

Compensation and Conflicts. We receive a commission when you buy and sell options. Option commissions are calculated using the number of contracts and the price of the option. Our Relationship Managers are also compensated from a portion of the commission. Because we receive a commission when you purchase and sell options, we have an incentive for you to engage in options transactions more frequently and in larger amounts. We disclose the amount of any commissions of any options you buy or sell on your trade confirmations.

Additional Information. For more information about options, please see the SEC's "Investor Bulletin: An Introduction to Options" available at: https://www.investor.gov/introduction-investing/general-resources/news-alerts/alerts-bulletins/investor-bulletins-63. Also please see the Options Clearing Corporation's publication "Characteristics and Risks of Standardized Options" located at http://www.optionsclearing.com/about/publications/character-risks.jsp and, if applicable, the "Special Statement for Uncovered Writers" you receive when you are approved to buy and sell options. Please contact your Relationship Manager if you would like to have another options booklet or Special Statement sent to you.

IRA Rollovers and Other Qualified Accounts. Individual Retirement Accounts ("IRAs") and other qualified accounts provide tax advantages for retirement savings. There are different types of retirement accounts that we offer, including:

> **Traditional IRA.** Contributions typically are tax-deductible, and you pay no taxes on IRA earnings until retirement, when withdrawals are taxed as income.
>
> **Roth IRA.** Contributions are made with after-tax funds and are not tax-deductible, but earnings and withdrawals are tax-free.
>
> **SEP IRA.** Allows an employer, typically a small business or self-employed individual, to make retirement plan contributions into a traditional IRA established in the employee's name.

Please contact your financial professional regarding these and other types of qualified accounts that may be available.

Compensation and Conflicts. If you roll over assets from an employer-sponsored retirement plan, such as a 401(k) plan, into an IRA with us, we and your financial professional will earn compensation on those assets, for example, through commissions, fees, and third-party payments. This creates an incentive for us to recommend and encourage you to roll over assets from your plan to us. We mitigate these conflicts by disclosing them to you and by establishing policies and procedures, and risk-based supervision to review these securities recommendations. You should be aware that the fees and commissions you pay for an IRA likely will be higher than those you pay through your plan, and there can be custodial and other maintenance fees, including IRA termination fees.

Additional Information. For more information about your rollover options, please refer to "FINRA's IRA Rollover – 10 Tips to Making a Sound Decision" available at https://www.finra.org/media-center/news-releases/2014/finra-issues-new-investor-alert-ira-rollover-10-tips-making-sound.

Margin. Through execution of a margin agreement, eligible customers can borrow cash against the value of certain assets held within their custody account. Your written margin agreement with Pershing or VFM provides for certain important obligations by you. The margin agreement is a legally binding agreement, cannot be modified by conduct, and no failure on the part of Pershing or VFM at any time to enforce its rights under the margin agreement shall, in any way, be deemed to waive, modify or relax any of the rights granted to Pershing or

VFM, including those rights vested in Pershing or VFM to deal with the collateral on all loans advanced to you. Customers should carefully review the terms and conditions of the margin agreement.

The Federal Reserve Board ("FRB") and applicable exchange rules provide guidance regarding whether a purchase may be made on margin, how much of the purchase price must be in your account at the time you place your order, and your margin maintenance requirements. VFM reserves the right, at any time and without notice to you, to impose stricter requirements than those of the FRB or applicable exchange rules.

You will be charged interest daily on all debit balances that you owe to VFM and on credit extended to you by VFM for the purpose of purchasing, carrying, or trading in securities or otherwise.

Securities purchased on margin in your account are held as collateral by VFM and Pershing for the loan extended to you. If the market value of securities in your account declines, so does the value of the collateral supporting your loan and you may be required to deposit more money or securities to maintain your line of credit. If you are unable to do so, Pershing and VFM may sell all or a portion of your pledged assets without prior notice to you.

Margin accounts are risky. It is important that you fully understand the risks involved in trading securities on margin. These risks include, but are not limited, to:

- You may lose more funds or securities than you deposited in your margin account;
- VFM or Pershing may force the sale of securities or other assets in your account(s);
- VFM or Pershing may sell your securities or other assets in your account(s) without contacting you;
- You are not entitled to choose which securities or other assets in your account(s) would be liquidated or sold to meet a margin call;
- VFM or Pershing may increase its "house" maintenance margin requirements at any time and is not required to provide you with advance written notice; and
- You are not entitled to an extension of time on a margin call.

Short Selling. If you are engaged in short selling a security, you will incur a charge due to certain borrowing costs for that particular security.

Compensation and Conflicts. When you trade on margin or obtain a credit line, Pershing will charge interest on the loans extended to you and VFM and its financial professionals will generally share in a portion of this compensation. The receipt of this compensation creates an incentive for VFM and its financial professionals to recommend that customers use margin. VFM seeks to address this conflict of interest by disclosing to customers the payment of compensation to VFM and its financial professionals when a client uses margin and by imposing best interest standards on customers seeking to use margin.

Additional Information. For more information about margin accounts please see the SEC's "Investor Bulletin: Understanding Margin Accounts" available at: https://www.investor.gov/introduction-investing/general-resources/news-alerts/alerts-bulletins/investor-bulletins-29.

Securities-Backed Line of Credit. Securities-based lending ("SBL") allows clients to use the securities held in their accounts as collateral for a bank loan with VFM's parent, Valley National Bank. Clients need to enter a separate arrangement with Valley National Bank to use the securities held in their account as collateral for a loan. For more information, please contact your Relationship Manager for the terms and conditions concerning use of securities held at VFM and Pershing for a Valley National Bank line of credit.

Additional Information. For more information about securities-backed lines of credit see the FINRA's Investor Alert "Securities-Backed Lines of Credit – It May Pay to See Beyond the Pitch" available at: https://www.finra.org/investors/alerts/securities-backed-lines-credit.

Alternative Investments. VFM offers alternative investment opportunities and other complex investment strategies. These strategies may include, for example, investing in hedge funds, direct participation programs, private equity funds, non-traded real estate investment trusts and accounts managed by third-party managers. These investments are generally more complex, difficult to value, and less liquid than traditional assets like stocks and bonds. These interests generally have a high minimum investment and are not sold on an exchange.

Because alternative investments are generally highly illiquid and do not trade on a national securities exchange, the values shown for these investments are estimated values derived from various methods. We provide estimated values for alternative investment securities for informational purposes only. Accuracy is not guaranteed. These values may differ substantially from prices, if any, at which an alternative investment product may be bought or sold and do not necessarily represent the value you may receive upon liquidation. Estimated values may be reflected as "Not priced" in several situations (for example, when an independent valuation firm has not supplied or is unable to assign a value). "Distributions to date" may include return of capital, income, or both. "Original unit size" represents the initial offering price per unit and may not reflect your cost basis. These investments are not covered under SIPC protection.

Compensation and Conflicts. As a distributor of alternative investments, VFM receives a marketing and distribution fee that is paid from the fund manager's management fee. VFM charges a one-time placement fee (typically 1%) of the invested or committed amount, at the time of the investment or commitment. The placement fee charge is in additional to the amount of the investment/commitment. The placement fee can be waived by your financial professional before investment.

VFM is also provided with opportunities to sponsor meetings and conferences. You pay an annual administration fee up to 2% to the fund, of which VFM receives up to 0.5% in selling agent compensation. Administration fees vary and may be lower based on meeting particular breakpoints. The percentage and method of calculating the administration fee is disclosed in the fund offering materials. An incentive fee is a portion of the profits paid to the investment manager of the fund, which is generally between 0% and 20% of profits generated in a given year, as described in the fund offering materials for a particular offering. We mitigate these conflicts by disclosing them to you and by establishing policies, procedures, and risk-based supervision to review product recommendations.

Additional Information. For additional information on the risks of investing in alternative investments, you should also carefully review the offering materials for each alternative investment, including the private placement memorandum, subscription document, marketing materials, and other disclosure documents.

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