

**FIRST HORIZON ADVISORS, INC.  
PART 2A APPENDIX I FORM ADV  
FIRST HORIZON DIGITAL ADVISOR  
PROGRAM BROCHURE**

**4990 Poplar Ave.  
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**March 2021**  
**[www.firsthorizon.com](http://www.firsthorizon.com)**



**This brochure provides information about qualifications and business practices of First Horizon Advisors, Inc. If you have any questions about this brochure, please contact us at 901-818-6065 or 1-800-300-0987. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. First Horizon Advisors, Inc. is registered with the SEC as a registered investment adviser.**

**Additional information about First Horizon Advisors, Inc. is available on the Securities and Exchange Commission website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

References to First Horizon Advisors, Inc. as a “registered investment advisor” or as being “registered” does not imply a certain level of skill or training.

## **MATERIAL CHANGES**

At least annually, we will provide you a summary of the material changes made to this Brochure or a complete copy of the updated Firm Brochure. At any time, you can request a complete copy of the brochure by contacting us at 901-818-6065 or 1-800-300-0987.

**(Item 4) Description of Services, Fees and Compensation** has been updated to add a description of the financial planning services.

**(Item 6) Portfolio Selection and Evaluation** has been updated to describe additional risks under “Material Risks of Investing” and “Risks Related to Underlying Funds”.

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## **(Item 4) DESCRIPTION OF SERVICES, FEES AND COMPENSATION**

### **Description of Services**

**Introduction.** First Horizon Digital Advisor Program (the “Program”) provides digital, discretionary investment management services (the “Services”). The Program is sponsored by First Horizon Advisors, Inc. (“Advisor”, “we”, “us”, and “our”) and is available only online through the interactive Program platform (the “Platform”). To obtain the Services, you must agree to accept electronic delivery of contracts, disclosure documents, prospectuses, statements and other materials. You should not invest with this Program if you do not have regular and continuous internet access. The minimum Account size is \$5,000.

**Description of Firm.** First Horizon Advisors, Inc. (formerly known as FTB Advisors, Inc.) is the successor-in-interest to First Tennessee Advisory Services, Inc. (“FTAS”). FTAS was organized in 2007 as a wholly owned subsidiary of First Tennessee Bank National Association, now known as First Horizon Bank (“First Horizon”). First Horizon is a wholly owned subsidiary of First Horizon Corporation (“FHC”), a financial services holding company. FHC is a publically held company. On June 3, 2013, FTAS merged with and into its affiliated broker-dealer, First Tennessee Brokerage, Inc., and the combined entity was renamed FTB Advisors, Inc. In October 2019, FTB Advisors, Inc. changed its name to First Horizon Advisors, Inc.

**Discretionary Assets Under Management.** As of December 31, 2020, the Advisor had discretionary assets under management of \$5,687,401,785. As of December 31, 2020 Advisor had non-discretionary assets under management of \$2,814,554,954. Discretionary assets under management include the assets in this Program.

**Model Selection.** To establish an account and obtain the Services, you will access the Platform and provide us certain initial information concerning your investment goals, age, investment time horizon, etc. Based upon the information you provide us during this process, including answers to a series of questions, we will recommend an asset allocation model (“Model”) for your account (“Account”). The recommendation is conducted via an algorithmic process. This process assigns values to the information and answers you provide during the account opening process. If you agree with the Model recommendation, you will enter into an investment advisory agreement with us which will provide that your Account will be managed in accordance with the Model selected.

Information regarding the estimated future value of your Account will also be provided to you. It is important to understand that this information is hypothetical in nature, is provided for illustrative purposes only, does not reflect actual returns, and does not guarantee future investment outcomes. The information shown will vary over time.

**Geode Capital Management, LLC (“Geode”).** The Models are created and managed by Geode. We are not affiliated with Geode. Geode will act as sub-advisor to your Account, and invest your Account in a portfolio of securities in accordance with the Model selected. National Financial Services, LLC (“NFS”) and its affiliates provide the systems to formulate, configure and deliver the Program to you. (Hereinafter, NFS and its affiliates will be referred to collectively as “Fidelity”). The Account will be invested in mutual funds and/or exchange-traded funds that maintain lower than average net expense ratios compared with funds in the same fund asset class (“Low-Cost Funds”). The Low-Cost Funds will be comprised of:

- Mutual funds managed by Fidelity (“Fidelity Funds”); and/or
- Exchange Traded funds (“ETFs”) managed by Fidelity (“Fidelity ETFs”); and/or
- ETFs managed by unaffiliated investment advisors (“Non-Fidelity ETFs”)

A significant portion of the Low-Cost Funds are passive investment vehicles which seek to replicate the performance of relevant market indices. For taxable Accounts, Geode typically invests in actively managed municipal bonds and short duration bond funds for fixed income exposure. Therefore, taxable Accounts with a more conservative risk profile and the corresponding Model will typically hold a higher percentage of actively managed investments than other Accounts. For retirement Accounts, Geode may invest in actively managed short term duration funds. Therefore, retirement Accounts with a more conservative risk profile will typically hold a higher allocation of actively managed investments compared to other retirement Accounts.

Some of the Fidelity Funds and Fidelity ETFs may be sub-advised by Geode. In selecting Non-Fidelity ETFs, Geode will initially select among ETFs advised by BlackRock Investment Management, LLC (or one of its affiliates, collectively, “BlackRock”), including iShares® ETFs. If Low-Cost Funds are not available from Blackrock or Fidelity for any asset class, Geode will select ETFs managed by third-parties. Pursuant to a marketing agreement between BlackRock and Fidelity, Fidelity receives compensation from BlackRock in connection with purchases of ETFs used in certain Fidelity investment programs, including this Program. Although Geode expects that the Models will be initially comprised of Fidelity Funds, Fidelity ETFs and Funds managed by BlackRock, Geode may also invest in Non-Fidelity ETFs managed by third-parties other than BlackRock, depending on the circumstances.

For additional information about Geode, please refer to Geode’s Form ADV Part 2A. You will receive a copy of Geode’s Form ADV Part 2A when you agree to participate in the Program. Information about Geode is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Account Restrictions. You are entitled to impose reasonable restrictions on the management of your Account. Any restriction you request is subject to review and acceptance by Geode. A restriction request may result in delays in management of your Account. An Account with restrictions may experience different performance than an Account without restrictions. Restrictions may be re-evaluated at any time. This may result in denial or modification of a restriction that was previously accepted. You can request a restriction or change or remove a restriction by calling First Horizon Advisors’ Investment Services at 1-800-300-0987 or emailing us at [wminvestmentservices@firsthorizon.com](mailto:wminvestmentservices@firsthorizon.com). If your Account is subject to a restriction and the Model for your Account is changed, a new request for acceptance of the restriction must be made.

Your Responsibility. You are solely responsible for user activity that occurs in your Account, and for maintaining confidentiality of your login information (i.e., username and password) to your Account. You should notify us immediately of any security compromise of your access information.

A valid email address is required to enroll in this Service. You should notify us immediately if there is any change to your email address. You can notify us by calling 1-800-300-0987 or by emailing us at [wminvestmentservices@firsthorizon.com](mailto:wminvestmentservices@firsthorizon.com). Neither we nor any other service provider for your Account may be able to communicate with you if you do not maintain a valid email address. The failure to provide and maintain a valid email address may result in termination of the Services.

Each owner may use a separate email address when establishing an Account with multiple owners. We recommend that you use your own unique and separate email address from other owners on the Account in order to receive important communications about your Account.

Other Advisory Services. We offer other advisory services to clients. These services are available from individuals who are investment advisory representatives of the Firm. These services include:

- Managed Account Solutions Program (“MAS Program”)
- Corporate Retirement Plan Services (“CRP Services”)
- Other Investment Advisory Services
- Financial planning services.

The MAS Program is a wrap account program which includes various investment management account options. We are sponsor of the MAS Program. A third-party service provider provides administrative services for the MAS Program and portfolio management services for some account options. We also provide portfolio management services for certain MAS account options. The minimum account value for the MAS Program depends upon the account option selected and the required minimum may be waived under certain circumstances. Detailed Information concerning the MAS Program is provided in the First Horizon Advisors, Inc. Form ADV Part 2A-Appendix 1, Managed Account Solutions Wrap Fee Program Brochure.

CRP Services are provided to pension and savings plans, including ERISA Plans, government plans and church plans. Other Advisory Services are provided on a discretionary or non-discretionary basis, and are tailored to the specific needs of a client. Detailed information concerning CRP Services and Other Advisory Services is provided in the First Horizon Advisors, Inc. Form ADV Part 2A Firm Brochure.

When we provide financial planning services, we gather the client’s financial data and identify the client’s long-term and short-term goals. An FA will utilize software which analyzes the data and assumptions provided. The process involves review of alternative courses and strategies to help meet the client’s financial goals. Once a strategy is selected, the FA will develop recommendations to address one or more of the following areas: investment portfolio allocations, life insurance coverage, disability coverage, education funding options, and estate planning. Detailed information concerning Financial Planning Services is provided in First Horizon Advisors, Inc. Form ADV Part 2A Firm Brochure.

### **Fees and Compensation**

Gross Advisory Fee. The Program charges an annual Gross Advisory Fee of .50% of your Program Account’s average daily asset balance, payable monthly in arrears. The Gross Advisory Fee paid for the Program is inclusive of the advisory, brokerage (to the extent effected through NFS), and custody services provided for your Account in connection with the Program.

Mutual Fund and ETF Expenses. The Gross Advisory Fee does not include underlying mutual fund and ETF expenses charged at the individual fund level for funds in your Account. You will be responsible for paying underlying mutual fund and ETF expenses charged at the individual fund level for funds in your Account. Fund expenses, which vary by fund and class, are expenses that

mutual fund and ETF shareholders pay. Details of mutual fund or ETF expenses can be found in each mutual fund or ETF's respective prospectus. These expenses are not separately itemized or billed to shareholders; rather, the published returns of mutual funds and ETFs are shown net of their expenses. Some of these underlying mutual fund and ETF expenses are paid to Fidelity or Geode and will be included in a Credit Amount as described below.

Credit Amount. The Gross Advisory Fee shall be reduced by a Credit Amount. The purpose of the Credit Amount is to reduce the Gross Advisory Fee by the amount of compensation, if any, received by Geode or by Fidelity from the underlying mutual funds and ETFs, or their respective affiliates, as a result of the Account's investments in such funds, as detailed below. This Credit Amount will be calculated daily and applied monthly in arrears. To the extent applicable, a Credit Amount will be calculated by Fidelity for each type of mutual fund or ETF in your Account, as follows:

- For Fidelity Funds and Fidelity ETFs, the Credit Amount will equal the underlying investment management and any other underlying fees or compensation paid to Geode or Fidelity from such funds or their affiliates as a result of investments by the Account in such Fidelity Funds or Fidelity ETFs.
- For Non-Fidelity ETFs, the Credit Amount will equal the distribution fees, shareholder servicing fees, and any other underlying fees or compensation paid to Fidelity from such ETFs or their affiliates (including fees or compensation from BlackRock) as a result of investments by the Account in such Non-Fidelity ETFs.

These amounts are added together to arrive at a total Credit Amount. You will pay the Net Advisory Fee, which equals the Gross Advisory Fee reduced by the total Credit Amount. Cash balances in your Account will be invested by Geode in the core Fidelity money market fund, the cash sweep vehicle for your Account.

Sales Loads, Transaction, and Redemption, and Other Fees. You generally will not pay any sales loads or transaction fees on the funds purchased for your Account.

In order to protect the interests of long-term shareholders, certain funds may impose redemption or other administrative fees if shares are not held for a minimum time period. For sales initiated by Geode you will pay these fees except for sales of Fidelity Funds initiated by Geode. In addition, you are responsible for any short-term trading fees, surrender fees, or other expenses or fees that result from the sale of existing investments (if any) to fund your initial investment in the Program and any subsequent withdrawals that you initiate.

Other Fees and Charges. The Gross Advisory Fee does not cover charges resulting from trades effected with or through broker-dealers other than NFS, markups or markdowns by broker-dealers, transfer taxes, exchange fees, regulatory fees, odd-lot differentials, handling charges, electronic fund and wire transfer fees, or any other charges imposed by law or otherwise applicable to your Account.

Sub-adviser Fee and Platform Fee. We have agreed to pay Geode an annual sub-adviser fee of .05% of the market value of the assets in each Account for the advisory services Geode provides to the Accounts. We have also agreed to pay NFS a Platform Fee for the systems we use to formulate, configure, and deliver the Program to you. In addition, NFS provides us clearing and custody

services and access to other systems and services. We have agreed to pay NFS an annual Platform Fee of .20% of the market value of the total assets in Program Accounts. You do not pay the Sub-advisor Fee or the Platform Fee directly. Geode and NFS have agreed that the total amount due to Geode and NFS from the Advisor for the Platform Fee and the Sub-advisor Fee will be reduced by the Credit Amount.

NFS Fees You Pay Separately. The Gross Advisory Fee does not include certain fees that may be charged by NFS. You will incur charges for specific account services you select to use, such as ACAT transfers, electronic fund and wire transfer charges, and for other optional services. Similarly, the Gross Advisory Fee does not cover certain non-brokerage-related fees such as individual retirement account (“IRA”) trustee or custodian fees and tax-qualified retirement plan account fees and annual and termination fees for retirement accounts (such as IRAs).

Billing. The Net Advisory Fee you pay is based on your Gross Advisory Fee as reduced by a total Credit Amount. Your Net Advisory Fee will be deducted from your Account in arrears on a monthly basis, based on the average daily assets of your Account on the last business day of the month. Certain assets in your Account may be liquidated to pay the Net Advisory Fee; this liquidation may generate a taxable gain or loss.

Availability of Separate or Similar Services. We are in the business of providing brokerage and investment advisory services. You may be able to obtain similar discretionary services from other programs we offer. You may be able to obtain similar services from other firms for the same or lower fees. However, you may not receive the same discretionary services offered through the Program; you may be subject to sales loads or transaction and redemption charges that are generally waived as part of the Program; you may not be eligible for certain share classes or funds that are made available to you through the Program; and you may be subject to higher minimum account requirements and/or higher advisory fees.

Withdrawals and Program Termination/Account Closure. At any time, you can utilize the Platform to request a withdrawal from your Account, or elect to terminate your participation in the Program and close your Account. If you instruct us to terminate your participation in the Program, we will cease managing your Account, additional deposits will no longer be accepted into your Account, and any Account features will be terminated. In addition, we may, in our sole discretion, terminate your participation in the Program for failure to maintain a valid email address, for revoking your consent to electronic delivery of Program-related communications, or for any other reason.

Should you or we terminate your participation in the Program, the Gross Advisory Fee and the Credit Amount will be prorated from the beginning of the month to the termination date, which is defined as the date when Geode is no longer actively managing the assets in your Account.

## **(Item 5) ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

The Program is available only to individuals who are U.S. residents. It is not available to charitable organizations, corporations, or other business entities, trusts, or estates.

The minimum market value of an account to obtain the Services is \$5,000.



## **(Item 6) PORTFOLIO MANAGER SELECTION AND EVALUATION**

### **Portfolio Manager Selection and Evaluation**

Geode. Geode is the sub-advisor for your Account. Geode will invest your Account in a portfolio of securities in accordance with the Model selected. For information about Geode's investment methodology, the investments selected for your Account, and the risks associated with those investments, please see Geode's ADV Part 2A brochure. A copy of Geode's ADV Part 2A brochure is provided to you at or prior to the establishment of your Account. You can request another copy of Geode's ADV Part 2A brochure at any time by calling us at 901-818-6065 or 1-800-300-0987 or by emailing us at [wminvestmentservices@firsthorizon.com](mailto:wminvestmentservices@firsthorizon.com).

Geode is the only sub-advisor available for this Program. At least annually, the Advisor will review the continued use of the Models for the Program. This review will consider any changes in Geode's investment team, investment philosophy, research, and security selection process. The review will consider performance information for the Models provided by Geode. The Advisor does not verify the performance information as to accuracy or compliance with performance standards.

### **Methods of Analysis and Investment Strategies**

The Program may use both fundamental and quantitative strategies as part of its overall account management. Accounts will be invested in Low-Cost Funds (the "Funds"). The Funds may invest in domestic stocks, foreign stocks, bonds and short-term investments.

### **Material Risks of Investing**

Risk of Loss. Investing in securities involves risk of loss of principal that a client should be prepared to bear. Investments are not a deposit of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. The value of your Account will fluctuate over time.

Algorithms. We utilize algorithms as a significant part of our profiling process and our determination for the recommended Model for you. The algorithms assume that the information you provide us is accurate, complete, and current at all times. There are risks that the algorithms and data input into the algorithms could have errors, omissions, imperfections and malfunctions. Any decisions made in reliance upon incorrect data expose you to potential risks. Issues in the algorithm are often extremely difficult to detect. Issues in the algorithms may go undetected for a long period of time, and some may never be detected. These risks are mitigated by testing and human oversight of the algorithms and their output. We believe that the testing and monitoring performed on our algorithms and its output will help enable us to identify and address issues that a prudent person managing a similar service would identify and address. However, there is no assurance that the algorithms will always work as intended.

Cybersecurity Risk. Companies, markets, investment companies, including ETFs and mutual fund companies, and service providers, like us, Geode, and NFS, use a significant amount of technologies in our/their day to day functions. As a result, these entities and those individuals who use these services, or have investments in these companies, are subject to a number of cybersecurity risks.

Cybersecurity risks include, but are not limited to, compromised company, employee or client data, disruption of services, corruption or loss of data, inability to perform services (e.g. trading, valuation, issuance of reports, communications), and financial losses.

ETFs. An ETF is a fund that trades on an exchange, similar to stocks, and often seeks to track an index (e.g., S&P), commodity (e.g., oil, natural gas, gold, etc.), or a basket of assets like an index fund. As a result, ETFs often do not have the objective to outperform what they are tracking. However, some ETFs are actively managed and do not seek to track a certain index or basket of assets. ETFs may also have unique risks depending on their structure and underlying investments. ETFs may trade at a premium (above) or discount (below) to their net asset value (“NAV”), and may also be affected by the market fluctuations of their underlying investments.

Asset Allocation and Diversification. Account performance depends upon allocation of assets among various asset classes and the selection of the underlying Funds. There is a risk that the asset allocation, selection of asset classes and the underlying Funds will cause the Account’s performance to lag relevant benchmarks or result in losses. While allocation to multiple asset classes can reduce risk, diversification cannot completely eliminate risk. Asset allocation and diversification do not guarantee a profit or protect against loss.

Model Risk. The Models may be similar to other model portfolios used by other investment managers. In the event of a market disruption this may result in simultaneous trading in the market by investment managers which accelerate reduction in liquidity or repricing. This can also reduce the effectiveness of a model as more investment managers seek to capitalize on market inefficiencies

Legislative and Regulatory Risk. Investments in your Account may be adversely affected by new laws or changes to existing laws or regulations. Changes to laws or regulations can impact the securities markets as a whole, specific industries, and individual issuers of securities.

Money Market Fund. You could lose money by investing in a money market fund. Although a money market fund generally seeks to preserve the value of your investment at \$1.00 per share, there is no guarantee it will preserve the value of \$1.00. Your investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Disruption in Financial Markets. Political instability, terrorism, widespread disease including pandemics and epidemics and natural or environmental disasters can be highly disruptive to the economies and the markets. Market disruptions may result in increased volatility, trading disruptions and other events which can negatively affect the value of investments held in your Account.

### **Risk Relating to Underlying Funds**

The Funds held in your Account may not meet their investment objective or may be subject to trading restrictions. The Funds invest in domestic stocks, foreign stocks, bonds and short-term investments. For more information about the specific Funds held in your Account please review the Fund prospectus. The information below summarizes some of the specific risks associated with the Funds and the underlying investments in the Funds. Some of the risks described above, such as

Legislative and Regulatory Risk, Cybersecurity Risk, and Financial Markets Risks also impact the Funds.

Quantitative Investing. Some Funds use quantitative analysis to select their investments. These investment may perform differently than the market as a whole due to factors used in the analysis, weight placed on each factor, changes in the factor's behavior over time, market volatility or the quantitative model's assumption about the market.

Equity investments will experience volatility and market fluctuations. While diversification may mitigate these risks, extreme fluctuations can result in a loss of principal. In a volatile market, if a sale of securities is necessitated by an unforeseen event, a loss of principal can result.

Fixed Income investments include a wide range of securities with an equally wide range of risk levels. Risk in fixed income securities comes from several sources, including default risk, interest rate risk, inflation risk, currency risk and liquidity risk.

Default risk is the risk that the issuer of the bond does not make good on its obligation to pay periodic interest payments or principal at maturity. Obligations of investment grade corporations (and state and local governments) are not free from default risk, but that risk is viewed as being lower. Below investment grade bonds, i.e. junk bonds, are considered speculative in nature.

Interest Rate Risk. Fixed income securities also have interest rate risk; their market prices fluctuate up and down inversely with the prevailing interest rates. Notes and bonds purchased when interest rates are low can lose market value if interest rates rise prior to their maturity dates. As with stocks, if a sale of the bond is necessitated by an unforeseen event, a loss of principal can result. The longer the maturity of the bond held, the greater the interest rate risk, all else being equal.

Inflation Risk. The inflation risk associated with bonds is twofold: the potential loss of purchasing power plus the potential for inflation to result in higher market rates of interest. As explained above, this causes the market price of a bond to decline.

Derivatives Risk. A derivative can be defined as a financial instrument or contract which derives its value from one or more underlying financial instrument such as an asset, index, or interest rate. Use of derivatives may reduce the fund's returns and/or increase volatility. Derivatives are also subject to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. Derivatives may give rise to a form of leverage and may expose the fund to greater risk and increase its costs.

Foreign Exposure. Foreign securities, like domestic U.S. securities, are subject to market volatility risk, performance of underlying assets, regulatory risks, economic developments and other factors that can significantly impact the valuation of a fund or security. In addition, foreign securities are subject to foreign interest rate(s), currency exchange rate, regulatory, geopolitical risks, and other risks, all of which can be greater in emerging markets. These risks are particularly significant for funds that focus on a single country, region, or emerging markets. Foreign markets may be more volatile than U.S. markets and can perform differently from the U.S. market. Emerging markets can be subject to greater social, economic, regulatory, and political uncertainties and can be extremely volatile. Foreign exchange rates can also be extremely volatile and can lead to significant

losses. As an example, a fund's underlying assets could have a positive performance; however, the fund's value could decrease due to current currency exchange rate changes.

**Municipal Bonds.** The municipal market can be affected by adverse tax, legislative, or political changes, and by the financial condition of the issuers of municipal securities. Municipal funds normally seek to earn income and pay dividends that are expected to be exempt from federal income tax. If a fund investor is a resident in the state of issuance of the bonds held by the fund, interest dividends may also be exempt from state and local income taxes. Income exempt from regular federal income tax (including distributions from tax-exempt, municipal, and money market funds) may be subject to state, local, or federal alternative minimum tax. Certain funds normally seek to invest only in municipal securities generating income exempt from both federal income taxes and the federal alternative minimum tax; however, outcomes cannot be guaranteed, and the funds may sometimes generate income subject to these taxes. For federal tax purposes, a fund's distributions of gains attributable to a fund's sale of municipal or other bonds are generally taxable as either ordinary income or long term capital gains. Redemptions, including exchanges, may result in a capital gain or loss for federal and/or state income tax purposes. Tax code changes could affect the municipal bond market. Tax laws are subject to change, and the preferential tax treatment of municipal bond interest income may be removed or phased out for investors at certain income levels.

### **Voting Securities**

We do not exercise proxy voting in connection with the Program, nor will we advise you about particular proxy solicitations. You are responsible for voting any proxies related to the securities held in your Account.

#### **(Item 7) CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGER**

Geode will manage your Account in accordance with the Model selected for the Account. If you desire to place reasonable restrictions on the management of your Account, you should contact us at 1-800-300-0987 or [wminvestmentservices@firsthorizon.com](mailto:wminvestmentservices@firsthorizon.com). Any requested restrictions must be accepted by Geode.

#### **(Item 8) CLIENT CONTACT WITH PORTFOLIO MANAGER**

You should contact us at 1-800-300-0987 or [wminvestmentservices@firsthorizon.com](mailto:wminvestmentservices@firsthorizon.com) if you have any questions concerning your Account. You should not contact Geode directly.

**(Item 9)      ADDITIONAL INFORMATION**

**Disciplinary Information**

UITs. The Financial Industry Regulatory Association (FINRA) alleged that the Advisor violated FINRA Rule 2010 by failing to apply sales charge discounts to certain eligible purchases of Unit Investment Trusts (“UITs”) from June 2010 to May 31, 2015. The allegations also included failure to establish, maintain and enforce a supervisory system and written supervisory procedures reasonably designed to ensure that customers received sales charge discounts on all eligible UIT purchases (NASD Rule 3010 and FINRA Rule 2010).

The Advisor entered into an Acceptance, Waiver, and Consent with FINRA on December 3, 2015 without admitting or denying the allegations. The firm identified and reimbursed all customers for discounts which had not been applied plus interest on such amounts prior to entering into the consent, and paid a fine in the amount of \$125,000 to FINRA.

Variable Annuities. FINRA alleged that the Advisor failed to implement an adequate supervisory system and procedures designed to reasonably ensure suitability in its Multi-share Class Variable Annuity (“VAs”) sales, including L-share contracts. FINRA also alleged that during the relevant period, January 2013 – December 2014, the firm failed to establish, maintain, and enforce an adequate supervisory system and Written Supervisory Procedures (“WSPs”) related to the sale of Multi-share Class VAs, and that the firm failed to provide sufficient training to their registered representatives and principals on the sale and supervision of Multi-share Class VAs. FINRA alleged that the WSPs and training materials failed to sufficiently provide registered representatives and principals guidance or suitability considerations for sales of different VA share classes. FINRA alleged that because of the lack of sufficient training and guidance, registered representatives did not have the tools to present potential purchases with a side-by-side comparison of the fees and surrender charges or other information detailing the potential impact of the increased fee if the L-share contract was held by the customer for a long term. FINRA also alleged that the firm failed to establish, maintain, and enforce WSPs or provide sufficient guidance or training to registered representatives and principals on the sale of long term income riders with Multi-share Class VAs, particularly the combination of L-share contracts with long-term riders.

On November 2, 2016, the Advisor entered into an Acceptance, Waiver, and Consent with FINRA without admitting or denying the allegations. A fine of \$250,000 was paid to FINRA.

**Other Financial Industry Activities and Affiliations**

First Horizon Bank (“First Horizon”). The Advisor is a wholly owned subsidiary of First Horizon. First Horizon provides banking, trust, and other financial services to its customers. First Horizon will benefit from the compensation the Advisor receives for the Services it provides to the Program.

First Horizon Advisors, Inc. is an investment advisor registered with the SEC and a broker-dealer registered with FINRA. The Advisor is also registered or exempt from registration as an insurance agency in those states where it sells annuities. Most of our executive officers are registered representatives of First Horizon Advisors, Inc. Most of our investment advisor representatives are registered representatives and are also licensed to sell annuities.

First Horizon Insurance Services (“FHIS”) is a wholly owned subsidiary of First Horizon. FHIS is licensed as an insurance agency or is exempt from licensing requirements in those states where the FHIS solicits insurance. Most of our investment advisor representatives are licensed to sell insurance as agents of FHIS where they solicit insurance products.

If you obtain a product or service from us, other than the Program, or if you obtain products or services from First Horizon and/or FHIS, you will enter into a separate agreement for such product or service.

See also Brokerage Practices.

### **Code of Ethics and Personal Trading.**

The Advisor has adopted a Code of Ethics (the “Code”) which establishes standards of fiduciary conduct for its employees, including standards that apply to personal securities transactions. The Code requires compliance with policies concerning use and disclosure of non-public information and maintaining the confidentiality of customer information.

The Code also requires that certain officers of the Advisor and employees who have access to non-public information concerning purchases and sales of securities for client accounts or recommendations for such purchases or sales (“Access Persons”) report their personal securities transactions. The Advisor receives reports of transactions and an annual holdings report for each Access Person. These persons are not permitted to:

- acquire securities in an IPO or private placement without obtaining prior approval from the designated compliance officer;
- execute a transaction for their own account until any orders for the same security for an advisory client’s account has been executed or withdrawn;
- recommend a security transaction for an advisory account without disclosing certain personal interests in such securities;
- receive prior approval from the designated compliance officer to serve as a director of a publicly traded company;
- purchase or sell any security designated by the Chief Investment Officer (CIO) during any black-out period as determined by the CIO.

The purpose of the prohibitions described above is to avoid any benefit an Access Person may obtain from trading in a security prior to execution of a trade in the same security for a client’s account. You may obtain a copy of the Advisor’s Code of Ethics by contacting us at 901-818-6065.

### **Brokerage Practices**

During your participation in the Program, your Account will not be available for brokerage activities other than activities directed by Geode.

We have a clearing agreement with NFS. Under this clearing agreement, NFS provides clearing and custody services for our brokerage and advisory accounts, including the Accounts. We have a conflict of interest in utilizing NFS as our clearing broker for the Program. The pricing that we

have negotiated with NFS for clearing and custody services is based upon maintaining certain asset levels in certain types of brokerage accounts, and on annual trade volumes. NFS provides financial assistance to the Advisor in the form of credits on the fees and charges billed to us under the clearing agreement. Please see “Client Referrals and Other Compensation” below for more information concerning financial benefits provided to us by NFS.

First Horizon Bank’s Trust Division has entered into an arrangement whereby it obtains research products and services from a broker-dealer in connection with securities transactions executed by the broker-dealer for fiduciary accounts of the Trust Division. Those products and services include subscriptions or other access to research on equity securities, mutual funds, and credit markets, securities pricing, market indices and other economic and securities market research. These research services are made available to us by First Horizon Bank. We use these services in managing all client accounts, including fiduciary accounts that the Advisor manages on behalf of the Trust Division.

### **Review of Accounts**

Geode will review and rebalance the Accounts periodically as described in Geode Form ADV Part 2. We will notify you annually to review the information you have provided us concerning your goals, your risk tolerance or financial situation. If you submit new information through the Platform, we may recommend a different Model for your Account (“New Model”) based upon the changes to your information. If a New Model is recommended, thereafter, your Account will be managed in accordance with the New Model.

Accounts will be reviewed on a periodic basis to determine continued eligibility to participate in the Program, and we and Geode reserve the right to determine eligibility in our/their discretion. The Advisor, NFS, and Geode reserve the right to terminate your participation in the Program for any reason, including if your Account balance falls below a certain level or if the Program is no longer appropriate for you. In addition, your Account may be terminated if the Program has been unable to contact you for an extended period of time or if you decide to opt out of electronic delivery of Account-related communications. Geode and the Advisor reserve the right to terminate, modify or make exceptions to these policies at any time.

### **Reports**

You will receive a monthly statement from NFS containing a description of all activity in the Account during the previous month, including all of the following:

- All transactions made on behalf of the Account
- All contributions and withdrawals made by you
- All fees charged to the Accounts, the asset value of the Account for Gross Advisory Fee calculation purposes, and
- Information indicating the market value of the Account at the beginning and end of the period, as well as the cost and market value of the Program Assets and the value of the Program Assets in aggregate

### **Client Referrals and Other Compensation**

The Advisor and/or First Horizon may compensate their employees for referring potential customers to the Program. Such compensation may be cash or non-cash compensation. Non-cash compensation may include, but is not limited to, prizes, entertainment and gift cards.

NFS, mutual fund companies, investment advisors, and other service providers or product providers that provide products or services to First Horizon Advisors, Inc. in connection with brokerage and investment management services and insurance products (collectively, “Sponsors”) will provide certain financial benefits to us.

Sponsors provide educational training or marketing support to us and our employees. Some Sponsors will bear the expense for an employee to conduct due diligence trips at the Sponsors’ offices or other locations. All or a portion of the costs of certain client events will be paid for by a Sponsor. Products and services provided by the Sponsors help us and our investment adviser representatives manage and administer client accounts. We will use such products and services for the Accounts as well as other types of accounts and products offered by the Advisor.

#### **(Item 10) FINANCIAL INFORMATION**

Registered investment advisers are required in this item to provide clients with certain financial information or disclosures about their financial condition. The Advisor has no financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.