



**FIRST HORIZON ADVISORS, INC.
CLIENT INVESTMENT GUIDE**

The First Horizon Advisors, Inc. Client Investment Guide summarizes important information about the scope and terms of the brokerage services we provide to our clients. This includes the fees and expenses you pay when you obtain brokerage products and services. This document also contains information about the conflicts of interest that First Horizon Advisors, Inc. and our financial professionals have when they recommend our brokerage products and services to you.

For purposes of the First Horizon Advisors, Inc. Client Investment Guide (the “Guide”), the terms “we”, “us”, “our”, and the “firm” mean First Horizon Advisors, Inc. The terms “you”, “your”, or “client” refer to the owner(s) of a brokerage account including a variable annuity account or a variable life insurance policy. Our registered representatives are referred to as “financial professionals”. In this Guide, we refer to other documents or information that have been or will be provided to you when you do business with us. If you have questions about these documents or need a copy of any document, please contact your financial professional, or call 1-800-238-1111.

First Horizon Advisors, Inc. is a wholly owned subsidiary of First Horizon Bank, a Tennessee banking corporation.

Investments & Annuities: Not A Deposit | Not Guaranteed By The Bank Or Its Affiliates
Not FDIC Insured | Not Insured By Any Federal Government Agency | May Go Down In Value

Investment management services, investments and annuities available through First Horizon Advisors, Inc., member FINRA, SIPC, and a subsidiary of First Horizon Bank. Arkansas License # 416584. First Horizon Advisors, Inc., and its agents may offer annuities only in states where they are licensed or they are exempted or excluded from state insurance licensing requirements.

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OUR SERVICES

Our firm is a broker-dealer registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Institution Regulatory Authority (“FINRA”). We are also registered as an investment advisor with the SEC. This section of the Guide describes the brokerage services we provide to our clients.

Recommendations

When we make a recommendation to you, we must act in your best interest. The recommendations we make to you are about: (1) the type of service to obtain from us - brokerage services or investment advisory services¹; (2) selection of an investment product or strategy for your account; and, (3) whether to rollover retirement assets from a plan to an individual retirement account. As part of this process, you will provide us information about your financial situation, such as income, net worth, tax bracket, and expenses. You will also provide us information about your investment purpose, time horizon, risk tolerance, investment knowledge, and investment experience. If you are considering whether to rollover retirement plan assets, your financial professional will review with you the *Plan Participant Rollover Additional Disclosure*. Based upon the information you provide us, we will provide you recommendation(s) as described above. You will make the final decision as to whether or not to follow our recommendation(s). We will not open an account or purchase or sell an investment for your brokerage account unless you direct us to do so.

Types of Accounts

We have an arrangement with National Financial Services, LLC (“NFS”) to provide clearing, custody, and execution services for our brokerage accounts. Your *Brokerage Account Customer Agreement* describes the features available for your brokerage account, your responsibilities, terms of service, and the functions that we and NFS each perform related to your account. Please review the *Commission Schedule* and *Service Fee Schedule*, which describes the fees and charges that apply to your brokerage account.

Cash Account. You are responsible for depositing funds to your account to cover all costs and fees incurred in connection with transactions executed for your account. This is called a cash account.

Margin Account. A margin account lets you borrow money from NFS using the securities in your account as collateral. The funds you borrow will finance additional purchases for your account, or will provide overdraft protection for cash management activities. NFS pays us a portion of the interest you pay to NFS on the funds you borrow. If you open a margin account,

¹ If your financial professional recommends that you obtain investment advisory services from us, you will receive *Form ADV Part 2A* or *Form ADV Part 2A-Appendix I*, as applicable to the recommendation. You also will receive *Form ADV Part 2B Brochure Supplement* for our Investment Committee and your financial professional.

you will be entered into a separate *Margin Account Agreement, Margin Disclosure Statement, and Disclosure of Credit Terms*. These documents include additional information about your margin account and the interest and other charges you will pay.

Variable Annuity. When you purchase a variable annuity if you do not have an existing cash account with us, you will complete an *Annuity Only Brokerage Account Application*. This allows us to open a cash brokerage account in your name with NFS. Your brokerage account facilitates the payment of your initial premium and processing of your annuity contract. Once your variable annuity contract has been issued, all account statements will be provided directly to you by the insurance company that issued your annuity contract.

Direct Accounts. In some cases, you will not open an NFS account. Instead, your account will be held directly by the product provider or a third party acting as the transfer agent and custodian for your investment. We call these “Direct Accounts”. All 529 Plan accounts opened prior to November 2019 are Direct Accounts. Some mutual fund transactions may be made through a Direct Account. Your financial professional will tell you when you are opening a Direct Account.

Our Service Programs

Brokerage services are provided by our financial professionals. We offer brokerage services through the following programs:

Financial advisors are registered representatives and investment advisor representatives of the firm. They can meet with you in person within certain geographic locations, by phone, or, in some cases electronically via video conference. A financial advisor can recommend to you any of the products described in this Guide as well as fixed annuities and insurance. In some cases, if you have less than \$100,000 to invest, a financial advisor will refer you to our investment services team. A financial advisor will disclose to you orally if a minimum applies.

Investment Services is a team of registered representatives and investment advisory representatives. They offer brokerage and investment advisory services through our call center and electronically. They offer the brokerage products described in this Guide. They also offer fixed annuities and other insurance products.

Your financial professional will tell you whether he or she is a financial advisor or a member of the investment services team.

Monitoring and Reviewing Your Account

We do not monitor your transactional brokerage account. After each transaction for your account is completed, we do not have any obligation to review or make any other recommendation concerning the account or the investments you hold in your account. If you want to discuss or review your brokerage account with your financial professional, you should contact your financial professional. If you hire us to provide investment advisory services, you will sign a separate agreement with the firm, which describes the investment management

services we will provide to your account and the fees for those services. Unless you have signed an *Investment Management Services Agreement* with us, we have no obligation to monitor your account.

OUR COMPENSATION

We are compensated based upon the products we sell you. The amount and type of compensation we receive varies by product and product type. The **PRODUCT FEES and COSTS** section of this Guide describes the fees we receive from each type of product we sell. This section describes how we make money and how we pay our financial professionals.

Firm Compensation

Revenue Share. Product providers, their affiliates, or their service providers (collectively, “product providers”), provide cash payments to the firm known as “revenue share payments”. These payments are in addition to 12b-1 fees, shareholder servicing fees or commissions we receive for selling and servicing their products. Revenue share payments may be in the form of a one-time payment or may be ongoing and based upon the total dollar amount of a product sold over a specified time period. The firm uses revenue share payments to pay for training and education events for our financial professionals. In addition, these funds are used to pay for client events, marketing and general expenses of the firm. Product providers also sponsor due diligence and training events. The product provider pays the expenses for individual financial advisors to attend those events. Not all product providers make revenue share payments to the firm or sponsor these types of events. .

Payments from NFS. From time to time, NFS makes payments to the firm for or contributes to the cost of educational, training or marketing events for our financial professionals and our staff. NFS pays for or contributes to the cost of client events from time to time. We receive payments from NFS to support or offset our business development and technology costs and expenses.

We participate in a No Transaction Fee (NTF) program offered by NFS. Mutual fund providers pay a fee to NFS to participate in this program. A portion of the fee paid to NFS by the mutual fund providers is paid to the firm. The amount is calculated based upon an annual rate and is paid monthly. The fee ranges from 0% to .10% depending upon the average size of all purchases of NTF funds made during the month. Your financial professional does not receive any additional compensation when you purchase a fund that participates in the NTF program. You will not be charged a transaction fee when you buy a fund that is part of the NTF program.

Financial Professional Compensation

A financial professional’s compensation depends upon the brokerage products that the financial professional sells. Our compensation plans are subject to change at any time.

A financial advisor’s compensation is based upon total fees, commissions and other revenue paid to the firm for products the financial advisor sells. This is referred to as the financial advisor’s “production”. The financial advisor is paid a percentage of the total production each month. This

is referred to as the “pay-out”. The pay-out rate increases as the financial advisor’s total production increases over the compensation period. Some financial advisors work as a group or a team. In this case, the pay-out rate does not change. Members of the team determine the amount of the total pay-out each team member will receive. A financial advisor receives a minimum guaranteed draw. The financial advisor receives a pay-out as described above only if the pay-out exceeds the monthly draw.

Certain costs that the firm incurs to support a financial advisor or a financial advisor team are deducted from the total production. However, these charges will be waived if the financial advisor or a financial advisor team meets a specified production level.

Investment services team members receive a salary and bonus. The bonus is not based upon the products sold to clients.

Diamond Circle. Each year, the firm holds a conference that recognizes our highest producing financial professionals. The conference includes training sessions, an awards banquet, and travel and related expenses for attendees. The firm establishes the criteria for attendance, including the number of invitees and the required production level for the awards. The conference is not a reward for the sale of any specific product or service.

Referral Fees for Bank Products. The firm is a wholly owned subsidiary of First Horizon Bank. First Horizon Bank provides deposit, loans, trust, and other banking services to its clients. From time to time, First Horizon Bank may pay a financial professional a fee or incentive to refer a client to First Horizon Bank for banking services. First Horizon Bank pays our financial professionals a referral fee if the client obtains trust services. The amount that the financial professional receives is a percentage of the trust fees the Bank receives as a result of the referral. Depending upon the type of trust services provided to the client, the referral fee may be a onetime payment or an ongoing payment for so long as the client maintains a trust relationship. Financial advisors also receive a fee for referring a client to a Commercial Relationship Manager for banking products and services. The referral fee is a one-time payment.

Additional Compensation. Our financial professionals receive financial benefits from the revenue share payments made to the firm by product providers. For more information about revenue share payments, please review Firm Compensation -Revenue Share in this section of the Guide. Revenue share payments are not included in the financial advisor’s production amount. Product providers pay for occasional meals and entertainment for and provide promotional items to our financial professionals. Some product providers offer tools to our financial professionals to help them service clients. These benefits build relationships with our financial professionals, which could lead to sales of their products to you.

CONFLICTS OF INTEREST

As a result of our compensation structure, conflicts of interest exist when you do business with us. Our arrangements with third parties and our affiliates also create conflicts. Because we offer brokerage services and other products and services such as investment management services and

insurance products, a conflict of interest exists when our financial professionals make a recommendation to you.

We manage these conflicts by disclosing them to you in this Guide. The firm also manages these conflicts by supervising the recommendations made to you. If you have questions about the information in this Guide, please contact your financial professional.

Our Compensation

Our firm and our financial professionals make money each time you purchase an investment for your brokerage account. The fees we pay to NFS to provide clearing and custody services are based upon our maintaining a designated level of account assets and annual trading volume. Therefore, we have an incentive to recommend that you trade more frequently rather than hold an investment in your account. The amount of compensation that we receive for each transaction varies by type of product (for example, mutual funds or variable annuities) and by product providers that offer the same type of investment. This creates an incentive for your financial professional to recommend products to you that pay higher compensation to us. Some product providers provide financial support for educational or training events that a financial professional attends as well as client events or other marketing efforts. This creates an incentive for financial professionals to recommend that you purchase a product from a provider that provides this support. Please review the information in Firm Compensation – Revenue Share in the **OUR COMPENSATION** section of this Guide.

We generally make more money when we purchase or sell fixed income securities as principal rather than as your agent. The **PRODUCT FEES and COSTS** section of this Guide describes the type of compensation the firm and our financial professionals receive from each type of product we sell.

Recommendations

Brokerage and Advisory Accounts. Most of our financial professionals provide both brokerage services and investment advisory services. Your financial professional will orally disclose the capacity they are acting in to you, advisory or broker-dealer. There are important differences in the services you receive and the fees you will pay depending upon which type of account you open. When recommending the type of account and services to you, your financial professional will consider your trading activity, desire for account monitoring, information and reporting requirements, and other information. When you open a brokerage account, we will receive compensation based upon the product we sell you. This is called “transaction based compensation”. When you open an investment management account, you pay an ongoing fee based upon the market value of the account. The fee is paid quarterly. Due to the difference in how we are paid for these services, your financial professional has a financial incentive to recommend one type of account over the other type of account. A fee based account results in ongoing quarterly revenue credited to a financial advisor’s production. Brokerage accounts result in revenue credited to the financial advisor’s production at the time the transaction is executed. Some brokerage products also pay ongoing fees known as trail fees, which will be credited to the financial advisor’s production on a monthly or quarterly basis. Please see the

PRODUCT FEES and COSTS section of this Guide for more information about investments that pay us trail fees.

Retirement Plan Rollovers. Our financial professionals may recommend that you roll assets out of your retirement plan, such as a 401(k) or 403(b) plan, and into an individual retirement account (IRA) with our firm. We will review with you relevant factors to consider for a rollover transaction. These include service levels available, investment options, features of the plan, and application of required minimum distribution. You should be aware that fees and commission will likely be higher for your IRA than if your assets remained in your plan. Our financial professionals have a financial incentive to recommend that you rollover your retirement plan assets to an IRA. Your financial professional will review the *Plan Participant Rollover Additional Disclosure* with you when a rollover recommendation is made.

An affiliate of NFS serves as the custodian for our IRAs and charges an annual fee for these services. NFS pays the firm a portion of the annual fee.

Cash Sweep Program

The firm offers a sweep program for cash balances held in your account. You can select to invest the cash in either a demand deposit account at First Horizon Bank or a money market mutual fund. If you use the First Horizon demand deposit account, First Horizon Bank, our affiliate, will benefit from use of your funds. Demand deposit account balances help fund loans and other investment activity of the Bank. First Horizon Bank earns the difference between the interest it pays on the deposit account balances and the income and fees it earns on its loans and other investments.

If you choose to invest your cash in a mutual fund, we will receive a portion of the fees NFS receives from the mutual fund for providing services to the fund. More information about this program is provided in the *Proprietary Bank Deposit Sweep Program Disclosure Document*.

PRODUCT FEES AND COSTS

This section of the Guide describes the fees and costs you pay when you purchase or sell the products we offer to you in a brokerage account. Some of the fees and costs you pay are compensation to us. Some are not. We are providing this information so that you are aware of the costs associated with your investment and to provide additional information concerning the compensation the firm and our financial professionals receive when you do business with us.

Equity Investments

Examples of equity investments you may purchase for your account include common stock; preferred stock; and exchange traded funds (“ETFs”). You will pay a commission for transactions in these products. The commission is calculated based upon the firm’s *Commission Schedule*. You will receive a *trade confirmation*, which describes the commission you paid.

Fixed Income Investments

Fixed income securities are debt instruments. These include corporate bonds, certificates of deposit, government and government agency securities, and municipal securities.

We may act as agent or principal when you purchase or sell a fixed income security. If we act as agent, we do not purchase or sell for our own account. We earn a commission on these transactions as described in the *Commission Schedule*. When we act as principal, we purchase the security for our own account and sell it to you. In that case, you will pay a mark-up of up to 3%, but generally not more than 2.5%. The mark-up is the difference between the price we paid to purchase the bond and the amount for which we sell it to you. When we sell a fixed income security as principal, we earn a mark-down, which is the difference between the price we pay you and the amount we receive when we sell your security. The mark-down may be up to 3.0%.

When we sell you newly issued municipal securities and certificates of deposits, we will earn a selling fee. The selling fee is the difference in the price we pay for the bond or certificate of deposit and the price we sell it to you. The selling fees are described in the *Official Statement*. You will receive a copy of the *Official Statement*. When acting as principal for a municipal securities purchase, we may sell you a security which we have purchased for our own account before selling it to you. We may earn or lose money on the bonds we have in inventory due to market movements.

You will receive a *trade confirmation*. Except in the case where we sell you a municipal security which we have held in inventory overnight or longer, the *trade confirmation* will show the mark-up or mark-down we earned on the transaction.

Mutual Funds

When investing in a mutual fund, the sales charges you pay and the operating costs of the mutual fund will vary based upon the class of mutual fund shares you purchase and the investment style of the fund. The share class will impact the compensation the firm and your financial professional will receive. Because operating expenses of a mutual fund differ across its various share classes, the investment returns for a given fund will be different for each share class.

Share Classes. Historically, share classes have been categorized as A, B and C. While some funds may offer other classes, we generally sell Class A and Class C shares to our retail customers. Class A shares typically have an upfront sales charge. This charge is deducted from your investment amount when you purchase your shares. The sales charge for Class A shares will typically range from 1.00% to 5.75%. Most funds reduce the amount of sales charge you pay as the amount you invest increases above certain levels. This is known as breakpoints. Some funds allow you to qualify for breakpoints based upon shares you previously purchased (rights of accumulation) or shares you intend to purchase (letter of intent).

You will not pay an up-front sales charge when you purchase a Class C share. You will pay a back-end fee, or contingent deferred sales charge (CDSC) if you sell your shares prior to the end of the CDSC period. CDSCs range from .25% to 2.0%. Your financial professional will review

with you the share class options for a mutual fund recommendation. For long term investing (seven (7) years or more), Class A shares will generally be recommended. If you invest in Class C shares, you will sign the *Mutual Fund Class C Disclosure*. The *FINRA Mutual Fund Expense Analyzer* at www.finra.org/fundalyzer allows you to compare expenses of Class C shares and Class A shares of the same mutual fund.

The *Prospectus and Statement of Additional Information* describe the sales charges you will pay and the fund's breakpoint schedule.

Operating Expenses. All funds have operating expenses, which include investment management fees, marketing and distribution costs, administrative fees, shareholder communication fees, and other expenses. These fees are paid out of fund assets, and are described in the *Prospectus and Statement of Additional Information*. The total amount of the operating expense of a fund is often described as a percentage of the total assets of the fund, and is known as the operating expense ratio. Each class of each fund will have its own unique operating expense ratio. C shares typically will have a higher operating expense ratio than A shares.

Trail Fees. A shares and C shares pay the firm ongoing fees such as shareholder servicing fees and 12b-1 fees. These are often called "trail fees". These fees are calculated based upon the market value of the investment. The annual rate ranges from .15% to .30% for A shares, and from .90% to 1.00% for C shares. These fees are part of the operating expenses of the mutual fund. The fund *Prospectus and Statement of Additional Information* describe the amount and type of trail fees we will receive.

Transaction Fees. You may or may not pay a transaction fee when you purchase or sell mutual fund shares for your account. We do not charge a transaction fee for purchases or sales of funds that participate in the NTF program. For all other funds, you pay the transaction fee as described in the *Commission Schedule*. Funds that are part of the NTF program pay our clearing firm, NFS, a fee for performing services for the fund. NFS pays us a portion of these fees it receives from the fund. Financial advisors do not receive any compensation based upon the NTF program fees. For more information about the NTF program, please see Firm Compensation - Payments from NFS in the **OUR COMPENSATION** section of this Guide. Your financial advisor will inform you whether or not you will pay a transaction fee when you purchase or sell your shares.

If you invest in mutual fund, you will receive a *Prospectus* and a *trade confirmation*. The *trade confirmation* will identify if a transaction fee was charged and if a sales charge was paid. The *Prospectus* will describe how you can obtain a copy of the *Statement of Additional Information*.

529 Plans

These plans are state sponsored programs usually administered by a mutual fund company. They are designed for saving for education expenses. As with a mutual fund, fees and expenses of the investment will depend upon the share class you purchase. For information concerning share classes, please review Mutual Funds in this section of the Guide.

For Class A shares of 529 plans, trail fees range from .25% to .30%. For Class C shares of 529 plans, trail fees are typically 1.00%. Fees and expenses of 529 Plans are described in the *Prospectus* or *Plan Document*.

Beginning November 2019, the firm only offers 529 plans, which are available through NFS. Prior to that time, 529 plans were offered as a Direct Account option.

If you make an investment in a 529 plan, you will receive a *Prospectus* or *Plan Document* and a *trade confirmation*.

Variable Annuities

A variable annuity is a contract between you and the insurance company. It has insurance features and offers investment options. You pay premiums to the insurance company, which are invested in one or more sub-accounts (similar to a mutual fund) or a general account of the insurance company. The value of your annuity will fluctuate based upon the performance of the investment option(s) selected. Variable annuities have several share classes. We generally sell B share annuities to brokerage clients. There are ongoing fees and expenses that you will pay when you own a variable annuity. These fees are subject to change. The fees and expenses of a B share annuity are described below.

Mortality and Risk Expense (M&E); Administrative Fees. The M&E charge is for the insurance risk and is calculated as a percentage of your account value. It generally ranges from .95% to 1.90%, and is an annual charge. Administrative fees pay for recordkeeping and other account maintenance expenses. It is an annual charge, which may be a flat dollar amount of \$35.00, or may be based upon an annual rate of up to .20% of your account value. The average total M&E expense and administrative fees is typically 1.30% annually. The actual amount of the fees you will be charged is described in the *annuity contract*.

Sub-account expenses are charges related to the underlying investment options. These expenses include investment management fees and 12b-1 fees for marketing and distribution services. Sub-account fees vary depending upon the selected investment option(s). The average sub-account fee is 1.00%, but the actual fees you pay will range from .28% to 2.58% depending upon the investment option. Sub-account expenses are described in the *Prospectus* and *Statement of Additional Information*. You will receive a copy of the fund *Prospectus*. The *Prospectus* will describe how you can obtain a copy of the *Statement of Additional Information*.

Riders. When you purchase an annuity, you can choose certain optional features. These features are referred to as “riders”. There is an additional annual charge for riders. Riders provide a death benefit, lifetime income benefit, protected investment benefit, or a combination of these features. The costs for riders range from .20% to 2.20%. Lifetime income riders generally cost more than death benefit riders. The cost for each rider is disclosed in the *annuity contract*.

Surrender charges. If you withdraw all or a portion of your account balance, you will pay a surrender charge. The surrender charge applies for a specific period of time after your initial premium payment. A new surrender period will apply to each additional deposit you make.

Surrender periods may last as long as seven (7) years. Surrender charges range from 7% to 9% for the first year, and typically decline over time. The surrender charges are described in the *annuity contract*.

C shares. Occasionally, we may sell a client a C share class of an annuity. There are no surrender charges for C shares, but the M&E and other expenses will be higher than those same expenses for the B share. The fees and charges you will pay for a C share are described in the *annuity contract*.

Our compensation. The insurance company pays us a commission, and in most cases we also receive an ongoing fee known as a trail fee. Commissions are paid at the time of the initial purchase and when you make additional deposits to your annuity contract. The commissions vary by insurance companies. Commissions are based upon the amount of the premium or deposit, and may be up to 6.25% of the premium or deposit amount. Most insurance companies allow our financial professionals an option to receive trail commissions in lieu of a portion of the up-front commission. Trail commissions are based upon the account value, and are paid for so long as you own the annuity. If a financial advisor chooses to receive a trail fee, the upfront commission amount will be reduced. Typically, our financial advisors will choose to receive an upfront commission of up to 2% and a trail fee of up to 1.0% annually. In the event you purchase a C share annuity, we typically receive an upfront commission of 1.00% to 1.25% and trail fees at an annual rate of 1.00%.

Some insurance companies, their affiliates or third party service providers, pay the firm additional compensation. We have agreements in place with some insurance companies to pay a marketing allowance or revenue share payments to the firm. This compensation is typically based upon the total market value of the provider's annuity contract, which we have sold during a specified period. The payment is typically .25% of the amount sold. For additional information about revenue share payments, please review Firm Compensation- Revenue Share in the **OUR COMPENSATION** section of this Guide.

Some insurance companies, their affiliates or the annuity service providers, will pay for certain costs we may incur for education or training of our financial professionals or conducting due diligence of the insurance company. Payments may also be made for marketing products, including costs for hosting client events. For additional information about revenue share payments, please review Firm Compensation - Revenue Share in the **OUR COMPENSATION** section of this Guide.

When you purchase an annuity, you will receive and sign a *Certificate of Disclosure – Annuity Products*. You will also receive a copy of the *Prospectus* for the sub-account. The *Prospectus* will describe the fees and expenses you pay for the selected investment options. Your *annuity contract* explains the fees and expenses you will incur, including the surrender charges and the applicable surrender period.

Variable Life Insurance

A variable life insurance policy is a contract between you and a life insurance company. You name the individual to be insured. The contract pays a death benefit to the beneficiary of the policy upon the death of the insured. A portion of the premium you pay for the variable life policy is invested in sub-accounts, similar to mutual funds. The death benefit will be based upon the investment performance of the sub-account(s) you select.

There are charges that apply to a variable life policy. These charges are paid from the initial premium amount or will be an ongoing fee, which will reduce the cash value of the policy. Below is a description of the types of charges or costs you will pay. Please review the *insurance policy*, and the *Prospectus* for specific details on these charges. You will also receive a *hypothetical illustration* when you purchase a policy. The *hypothetical illustration* will be based upon certain assumptions concerning the performance of the sub-accounts and estimated future charges you will incur.

Cost of Insurance is based upon the amount of death benefit at risk to the insurance company. This risk is the difference in the death benefit provided by the contract and the value of the sub-accounts for your policy. The cost of insurance is calculated based upon a rate specified in your policy. The rate cannot exceed the maximum rate guaranteed by the insurance company, which is stated in the *policy*.

Mortality and Expense (M&E) Charge This is generally a monthly charge. The amount is stated in the *policy* and will not change. The charge is for the mortality risks and other related risks and expenses associated with the policy.

Premium Load pays for state and federal taxes and other premium based expenses. The amount applies to each premium payment. It is determined by each insurance company. The amount you pay is described in the *policy*. It ranges from .0% to 10% of the premium amount.

Administrative expenses include the cost of issuing the policy premium, billing, reports, and calculations for the policy value. This amount is stated in the *policy*.

Sub-account expenses are incurred by each sub-account investment option. These expenses include investment management or other expenses associated with maintaining the sub-accounts. The *Prospectus* for the sub-account(s) will describe these expenses. Sub-account expenses may increase or decrease over time. They generally range from .01% to 2.5%.

Surrender charges are deducted from the cash value of the policy if the policy is cancelled. The surrender charge generally will apply beginning year one (1) to year twenty (20) from the date the policy is issued. The amount of the charge will decrease over time. Some policies do not have surrender charges. Your *policy* will state whether a surrender charge applies.

Cost of Rider. This is the amount you pay for additional coverages for your policy. These additional features are known as riders. The cost of riders varies by insurance company and features they provide. The cost of any rider you select will be described in the *policy*.

Compensation. The firm receives a commission from the insurance company for the sale of the policy. The commission is paid by the insurance company and is not deducted from the premium amount you pay. The initial commission we receive generally ranges from 75% - 85% amount of the “target premium”. “Target premium” amount is determined by each insurance company based upon actuarial calculations of the cost of providing the insurance. For amounts above the target premium (excess premium), we receive 0% - 2.5% of the premium amount. We will receive a renewal commission of 1.70% - 2.5%.

We currently receive revenue share payments from one provider of variable life insurance. Other providers may make revenue share payments to us in the future. For additional information about revenue share payments, please review Firm Compensation- Revenue Share in the **OUR COMPENSATION** section of this Guide.

Structured Products

Structured products are considered complex products as they have multiple features, which can be difficult to understand for the average investor. A structured product is not a direct investment but an unsecured obligation of an issuer and is based upon the performance of an underlying security, basket of securities, market index, or other market measures to which it is linked. Structured products are considered illiquid having a fixed maturity date. At maturity the investor’s return will track back to the features of the underlying assets however there are typically pre-set formulas for the potential risk as well as the potential reward. As a result, a structured product can provide a level of downside protection while allowing for an investor to participate in a preset percentage of the upside. We offer structured notes, structured certificates of deposit and structured annuities, sometimes called buffered annuities. Structured products are designed to limit exposure to market risk.

It is important that you understand the specific terms of the individual product you select. While most structured products allow the investor to participate in the return of the underlying asset, others offer the investor annual income opportunity. The principal protection component of the structured product may have various forms of protection from full protection to partial protection to no protection. This will be determined by the ‘barrier or buffer’ which is intended to absorb some portion, or all of the decline in the underlying asset. These products may also feature upside barriers or buffers, which can limit the gain an investor earns. Due to the different forms and terms of structured products, it is important that you understand all the features of the product you are buying. To learn more about structured products, ask your financial advisor.

For structured notes, structured certificates of deposits and structured annuities, we receive a sales commission ranging from 1.00% to 4.00% from the issuer of the product. For structured annuities, we receive a sales commission of 1.00% to 6.00%.

When you purchase a structured product from us, you will sign a *Product Disclosure and Acknowledgment*. You will receive a *Prospectus* or other *Disclosure Documents* that describe the features of the product. The commission we receive for the sale of the product is described

in the *Prospectus* or other *Disclosure Documents*. If you purchase a structured annuity, you will also receive the *annuity contract*.

Unit Investment Trusts (UITs)

A unit investment trust is an investment company, which holds a fixed portfolio of securities until maturity. The components of a UIT are not actively managed but are fixed for the life of the investment. If you sell your UIT before the maturity date, the proceeds may be less than the amount you would have received at maturity. There are operating fees and charges that are incurred by the trust. These fees are paid from the portfolio assets and therefore will affect the value of your investment. The fees and charges pay for development, organizational and operational expenses of the fund. We receive an upfront fee or commission from the trust or sponsor when we sell you a UIT. The amount of the commission we will receive and the operating expenses of the fund are described in the *Prospectus*. For some UITs, the firm may receive revenue share payments known as “Sales Volume Credit”. For additional information about revenue share payments, please review Firm Compensation-Revenue Share in the **OUR COMPENSATION** section of this Guide.

You will receive a *trade confirmation* and *Prospectus* when you purchase a UIT.

COMMISSION SCHEDULE

Effective September 1st, 2020 • Subject to change



Online Trading: Equities and Options – \$29.95*

\$29.95 per-trade cost applies to all trades up to 500 shares.

There is an additional cost of \$.02 per share for each share that exceeds 500.

Trade By Phone

Equities

Transaction Amount	Commission Rate
Up to \$15,000	\$60 + 0.6% Transaction Amount
\$15,001 – \$50,000	\$60 + 0.5% Transaction Amount
Over \$50,000	\$60 + 0.4% Transaction Amount

All transactions are subject to a \$60 minimum commission plus a \$2.00 service charge.

Listed stocks trading under \$3.00 per share may incur an additional 0.02 per share charge if trading more than 5,099 shares.

Full-Service Trading

Equities

Transaction Amount	Commission Rate
Up to \$15,000	\$60 + 0.6% Transaction Amount
\$15,001 – \$50,000	\$60 + 0.5% Transaction Amount
Over \$50,000	\$60 + 0.4% Transaction Amount

All transactions are subject to a \$60 minimum commission plus a \$2.00 service charge.

Listed stocks trading under \$3.00 per share may incur an additional 0.02 per share charge if trading more than 5,099 shares.

Options

Transaction Amount	Commission Rate
Up to \$3,000	\$60 + 0.9% Transaction Amount
\$3,001 – \$10,000	\$60 + 0.8% Transaction Amount
Over \$10,000	\$60 + 0.7% Transaction Amount

Maximum Charge: \$25 per contract

Minimum Charge: \$3 per contract

All transactions are subject to a \$60 minimum commission plus a \$2.00 service charge.

Online and automated trading do not permit direct access to securities markets. All orders are processed through First Horizon Advisors, Inc. System response and account access times vary due to a variety of factors, including demand, market conditions, and system performance.

Investments and Annuities: Not A Deposit | Not Guaranteed By The Bank Or Its Affiliates | Not FDIC Insured | Not Insured By Any Federal Government Agency | May Go Down In Value

First Horizon Advisors is the trade name for wealth management products and services provided by First Horizon Bank and its affiliates. Investment management services, investments, and annuities are available through First Horizon Advisors, Inc., Member FINRA, SIPC, and a subsidiary of First Horizon Bank. Arkansas License #416584. First Horizon Advisors, Inc. and its agents may offer annuities only in states where they are licensed or they are exempted or excluded from state insurance licensing requirements.

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NEW 09/20

SERVICE FEES

Effective September 1, 2020 • Subject to change



Full Transfer of Accounts Delivery (ACAT Exit Fee)	Per Event	\$95.00
Legal Transfer	Per Event	\$150.00
Transfer & Ship (DRS Eligible)	Per Event	\$25.00
Transfer & Ship (Non-DRS Eligible)	Per Event	\$500.00
Trade & Margin Extension	Per Event	\$12.00
Mailgrams	Per Event	\$5.00
Physical Reorganization	Per Event	\$150.00
Legal Return	Per Event	\$75.00
Bounced Checks	Per Event	\$25.00
Stop Payments	Per Event	\$25.00
Safekeeping (covers deposit, custody, & withdrawal)	Per Certificate per month	\$15.00
Annual Custody Fee*	Per account	\$100.00
NFS Brokerage Access SM Asset Management Account with Visa Classic Debit Card	Per Year	\$50.00
NFS Brokerage Portfolio [®] Asset Management Account with Visa Gold Debit Card	Per Year	\$100.00
NFS Brokerage Portfolio [®] Asset Management Account with Visa Platinum Debit Card	Per Year	\$150.00
NFS IRA, Rollover IRA, Roth IRA, BDA IRA, SEP IRA, Simple IRA Prototypes ("Premiere Select IRA")**		
Maintenance	Per Account per year	\$35.00
Liquidation	Per Account	\$125.00
NFS Profit Sharing and Money Purchase Prototypes ("Premiere Select Retirement Plan")**		
Maintenance	Per Account per year	\$35.00
Liquidation	Per Account	\$125.00
Domestic Wire Transfer	Per Outgoing Wire	\$25.00
Foreign Securities Transfer	Pass through fees***	
Precious Metals Transfer & Delivery	Pass through fees	
Restricted Stock Transactions	Each	\$150.00
Pre-Payment Interest	Per Event	Call Money Rate**** + 2%

* The Annual Custody Fee is assessed on each Account which holds a position, and for which there has been no trading activity during the prior calendar year. Transactions such as Mutual Fund PIPs/SWPs, Exchanges, NTFs as well as equity dividend reinvestments and margin interest are considered trading activity for the purposes of assessing this fee. This fee will be charged in January following the calendar year of no activity. The parameters for the Annual Custody Fee are determined by National Financial Services, LLC and are subject to change.

** Accounts to be charged are defined as all open accounts with greater than \$0.01 market value; all closed accounts in excess of \$35.00 market value

*** All charges and expenses incurred by First Horizon Advisors, Inc or the account to effect client instructions.

**** As reported by *The Wall Street Journal*.

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