

First Kentucky Securities Corporation – Customer Relationship Summary

12/3/2021

Item 1: Introduction

First Kentucky Securities Corporation (FKSC) is registered with the U.S. Securities and Exchange Commission (SEC) as an Investment Adviser and as a Broker-Dealer; and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC).

Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at: www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing. To learn more about FKSC, you may go to FINRA's broker check at: <https://brokercheck.finra.org/>.

Item 2: Relationships and Services

What investment services and advice can you provide me?

Our firm offers brokerage services and investment advisory services to retail investors, including buying and selling securities.

When we provide services in a broker-dealer capacity, we make purchases and sales of securities on your behalf, and a registered representative (RR) associated with FKSC may provide you specific recommendations related to the investments you may elect to make and the type of investment account(s) you may elect to maintain. You will make the ultimate decision regarding the purchase or sale of investments in your brokerage account. It is important to understand that, as a broker-dealer, FKSC and its registered representatives do not monitor your investments or account after a recommendation is made and/or the transaction is entered.

Our broker-dealer firm offers non-discretionary services for the products listed below:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable/Fixed/Fixed indexed annuities
- Mutual fund shares
- United States government securities
- Options contracts on securities

When we provide our investment adviser services, our investment adviser representative (IAR) provides investment advice on either a discretionary or a non-discretionary basis. If you invest on a discretionary basis, our firm will buy and sell investments in your accounts without requiring your pre-approval until you notify us in writing of your intention to no longer allow us to exercise discretion. If you invest on a non-discretionary basis, you will make the ultimate decision regarding the purchase or sale of the investments recommended by our IAR.

Our investment adviser services and programs are available at your request, and monitored on an annual basis as part of our standard service. The following is a list of investment adviser services and programs available:

- Financial planning
- Retirement planning
- Estate planning

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- Tax planning and consulting
- Portfolio management
- Wrap fee programs
- Buying and selling securities
- Investment recommendations
- Personal investment strategies
- Other services: non wrap accounts (separately managed account)

For additional information including minimum investment amounts, please see www.firstky.com or www.adviserinfo.sec.gov/IAPD/default.aspx for our Form ADV, 2A brochure (Items 4, 5 and 7 of Part 2A or Items 4.A. and 5 of Part 2A Appendix 1); our Regulation BI disclosure at www.firstky.com.

Questions to consider:

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

Item 3: Fees, Costs, Conflicts and Standard of Conduct

What fees will I pay?

It is important for you, the retail investor, to understand the principal fees and costs you will incur for your brokerage services or investment advisory services, including how frequently they are assessed and the conflict of interest they create.

- **Brokerage accounts:** If you elect to open a brokerage account, we charge transaction-based fees, or commissions, to buy and sell securities in a brokerage account. This means you are charged more when there are more trades in your account. Therefore, we may have an incentive to encourage you to trade more often.
- **Mutual Funds, variable annuities and similar investments** impose additional ongoing fees and, if applicable, will charge you a fee if you sell your security prior to a certain date (this is known as a “contingent deferred sales charge” or “surrender charge”).
- **Wrap fee program accounts:** If you elect to open a wrap fee program account, we charge asset-based fees which will include transaction costs and fees to a broker-dealer or bank that has custody of these assets, and therefore, those fees are higher than a typical asset-based advisory fee.
- **Investment adviser services:** If you elect to open an investment advisory account, we charge asset based fees based on a percentage of assets under management. Fees vary and are negotiable and are paid in advance on a quarterly basis. The percentage of your account’s value you pay us in fees will depend on the services you receive and the size of your account. The more assets invested in an advisory account, the more you will pay in fees. Therefore, we may have an incentive to encourage you to increase the assets in your account.
- **Margin and Credit Access Lines:** You will pay interest if you elect to engage in margin trading or take a loan using a Credit Access Line.

You may also incur other fees and costs related to your brokerage services or investment advisory services. These include but are not limited to: insurance fees, mutual fund distribution fees, account maintenance fees,

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account termination fees, brokerage account trade ticket fees, non-wrap account ticket fees, or custody fees.

Additional Information:

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

For more detailed information about our investment advisory fees and costs please review our Form ADV, Part 2A brochure (specifically Items 5.A., B., C., and D.) which can be found at www.firstky.com or www.adviserinfo.sec.gov/IAPD/default.aspx. For more detailed information about our broker-dealer fees and costs please review our Recommendation Disclosure Statement and Fee Schedule found at www.firstky.com

Questions to consider:

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

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

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

- Our firm receives third-party payments for certain products it offers as well as for certain share classes and therefore has a financial incentive when recommending. These payments will impact the value of your investment over time.
- Our firm receives revenue from other parties and has a financial incentive to offer products where the firm benefits. This arrangement will impact the value of your investment over time.
- Our firm engages in principal trading which can lead to price manipulation or the sale of unwanted securities to you.
- If you invest in mutual funds or variable insurance products, our firm has an incentive to encourage you to invest in positions that may be costly, depending on amount purchased and time horizon.
- Depending on the level of services and activity provided in your advisory account, it may be more cost effective for you to maintain a brokerage account.
- Our firm may receive fees from the Issuer for Underwriting & Fiscal Agency Services, and has a financial incentive to recommend purchases of these securities.
- We have an incentive to offer or recommend utilizing margin because our clearing firm shares with us revenue it earns on assets on margin. This could create a conflict of interest where we may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

Questions to consider:

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

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Additional information:

For more detailed information about our fees and costs please review our Form ADV, Part 2A found at www.firstky.com or www.adviserinfo.sec.gov/IAPD/default.aspx. For more detailed information about our fees and costs please review our Regulation BI disclosure and Fee Schedule found at www.firstky.com.

How do your financial professionals make money?

Our broker-dealer RRs receive compensation when making recommendations involving sales of securities products. The RRs may, depending on the product recommended, also receive 12b-1 or other distribution fees charged from assets held in your brokerage portfolio. These securities products may have different sales charges and compensation levels. This means the RR receives more compensation when there are more trades in your account, or when the RR makes a recommendation for a securities product with higher sales charges or with higher ongoing distribution fees. The RR may have an incentive to encourage you to trade more often or to recommend products with higher sales or distribution charges.

Our investment adviser IARs receive compensation when making a recommendation for your managed account subject to an asset-based fee. The more assets there are in an advisory account, the more the IAR could receive in compensation. The financial professional may have an incentive to encourage you to increase the assets in your account.

Item 4: Disciplinary History

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

Yes. For a free and simple search tool to research our firm and our registered representatives' disciplinary actions and history, please go to: www.investor.gov/CRS

Questions to consider:

- *As a financial professional, do you have any disciplinary history?*
- *If so, for what type of conduct?*

Item 5 Additional Information

You can find additional information about our services and request a copy of the relationship summary by visiting www.firstky.com or calling us at (502) 708-3314.

Questions to Consider:

- *Who is my primary contact person?*
- *Is he/she a representative of an investment advisor or a broker dealer?*
- *Who can I talk to if I have concerns about how this person is treating me?*

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Exhibit A – Material Changes to Customer Relationship Summary

This is an update to the initial version of the Customer Relationship Summary dated June 1, 2020. The following are the changes made:

- We disclose an additional fee customers may pay on Page 2.
- We disclose a potential conflict of interests on Page 3.