

Part 2A of Form ADV: *Firm Brochure*

First Kentucky Securities Corp

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This brochure provides information about the qualifications and business practices of First Kentucky Securities Corp. If you have any questions about the contents of this brochure, please contact us at 502.875.4611 or fjkramer@firstky.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about First Kentucky Securities Corp also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 7524.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 01/24/2011, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

Item 3	Table of Contents	Page
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	10
Item 6	Performance-Based Fees and Side-By-Side Management	16
Item 7	Types of Clients	16
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	16
Item 9	Disciplinary Information	19
Item 10	Other Financial Industry Activities and Affiliations	20
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	21
Item 12	Brokerage Practices	23
Item 13	Review of Accounts	24
Item 14	Client Referrals and Other Compensation	26
Item 15	Custody	26
Item 16	Investment Discretion	27
Item 17	Voting Client Securities	27
Item 18	Financial Information	27

Item 4 Advisory Business

First Kentucky Securities Corp is a SEC-registered investment adviser with its principal place of business located in Kentucky. First Kentucky Securities Corp began conducting business in 2011.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Raymond Strand Kramer Jr.,
- Bruce McCrea

First Kentucky Securities Corp offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable annuities
- Mutual fund shares
- United States governmental securities

- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

INVESTMENT SUPERVISORY SERVICES ("ISS") MODEL PORTFOLIO MANAGEMENT

Our firm provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

1) First Kentucky Securities Large Cap Sector Rotation Portfolio -

The portfolio follows a top down approach using a weighted sector allocation strategy. The over and under weighting of sectors is based on the study of long-term themes generated through analysis of macroeconomic trends in monetary & fiscal policy, in interest rates, consumer spending, and market sentiment. With few exceptions, the portfolio will concentrate on the 200 largest companies in the S&P 500. Stocks are selected within each sector using a careful review of each company's financial statement, long term earnings growth potential, and relative value based on historic measures. The portfolio will generally be comprised of 25-35 stocks.

2) First Kentucky Securities Large Cap Concentrated Portfolio -

The portfolio generally starts with the stocks in the FKSC Large Cap Sector Portfolio. The Large Cap Sector Portfolio, with few exceptions, concentrates on the 200 largest companies in the S&P 500. Stocks are selected within each sector using a careful review of each company's financial statement, long term earnings growth potential, and relative value based on historic measures. The portfolio narrows the universe from 25-35 to 12-18 companies based on near-term earnings potential as well as relative potential within the sector.

3) First Kentucky Securities Aggressive Growth -

The portfolio follows a bottom up approach. The primary strategy looks for companies that have high earnings growth and above average stock price performance. Companies should have growth potential of 20% or more and have exhibited consistent, above average growth over the past 5 years. Year over year earnings growth should rank in the top 80% of all companies. Earnings growth should be accompanied by strong revenue growth. Preference is given for companies exhibiting strong balance sheets, competitive products, innovative marketing and proprietary technology. High P/Es are acceptable if justified by above average growth. Market capitalization is generally between \$500million and \$10 billion. The portfolio is diversified across sectors at all time to help manage industry and specific stock risk.

4) First Kentucky Securities Kentucky Select Portfolio -

The portfolio invests in companies that are based in Kentucky or have a major presence with approximately 1000 employees or more. The portfolio follows a bottom up approach. Companies are selected based on earnings and revenue growth potential within their respective industries. A sector weighted allocation strategy is also used. Stocks are selected within each sector using a careful review of each company's financial statements, long term earnings growth potential, and relative value based on historic measures.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. send quarterly written reminders to each Model Portfolio Management Services client requesting any updated information regarding changes in the client's financial situation and investment objectives;
2. at least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
3. be reasonably available to consult with the client; and

4. maintain client suitability information in each client's file.

INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides non-continuous asset management of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on the client's particular circumstances are established, we develop the client's personal investment policy. We create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background.

Once the client's portfolio has been established, we review the portfolio quarterly, and if necessary, rebalance the portfolio on an annual basis, based on the client's individual needs.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

Because some types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

MODEL PORTFOLIO MANAGEMENT

Our firm provides non-continuous portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

1) First Kentucky Securities Large Cap Sector Rotation Portfolio -

The portfolio follows a top down approach using a weighted sector allocation strategy. The over and under weighting of sectors is based on the study of long-term themes generated through analysis of macroeconomic trends in monetary & fiscal policy, in interest rates, consumer spending, and market sentiment. With few exceptions, the portfolio will concentrate on the 200 largest companies in the S&P 500. Stocks are selected within each sector using a careful review of each company's financial statement, long term earnings growth potential, and relative value based on historic measures. The portfolio will generally be comprised of 25-35 stocks,

2) First Kentucky Securities Large Cap Concentrated Portfolio -

The portfolio generally starts with the stocks in the FKSC Large Cap Sector Portfolio. The Large Cap Sector Portfolio, with few exceptions, concentrates on the 200 largest companies in the S&P 500. Stocks are selected within each sector using a careful review of each company's financial statement, long term earnings growth potential, and relative value based on historic measures. The portfolio narrows the universe from 25-35 to 12-18 companies based on near-term earnings potential as well as relative potential within the sector.

3) First Kentucky Securities Aggressive Growth -

The portfolio follows a bottom up approach. The primary strategy looks for companies that have high earnings growth and above average stock price performance. Companies should have growth potential of 20% or more and have exhibited consistent, above average growth over the past 5 years. Year over year earnings growth should rank in the top 80% of all companies. Earnings growth should be accompanied by strong revenue growth. Preference is given for companies exhibiting strong balance sheets, competitive products, innovative marketing and proprietary technology. High P/Es are acceptable if justified by above average growth. Market capitalization is generally between \$500million and \$10 billion. The portfolio is diversified across sectors at all time to help manage industry and specific stock risk.

4) First Kentucky Securities Kentucky Select Portfolio -

The portfolio invests in companies that are based in Kentucky or have a major presence with approximately 1000 employees or more. The portfolio follows a bottom up approach. Companies are selected based on earnings and revenue growth potential within their respective industries. A sector weighted allocation strategy is also used. Stocks are selected within each sector using a careful review of each company's financial statements, long term earnings growth potential, and relative value based on historic measures.

Through personal discussions with the client in which the client's goals and objectives are established, we initially determine whether the model portfolio is suitable to the client's circumstances. Once we confirm suitability, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Once the client's portfolio has been established, we review the portfolio quarterly and if necessary, rebalance the portfolio on an annual basis, based on the client's individual needs.

Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding the following securities:

exchange-listed securities

- Securities traded over-the-counter
- Foreign issuers

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. send quarterly written reminders to each Model Portfolio Management Services client requesting any updated information regarding changes in the client's financial situation and investment objectives;
2. at least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
3. be reasonably available to consult with the client; and
4. maintain client suitability information in each client's file.

FINANCIAL PLANNING

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's

portfolio.

- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Exchange-listed securities

Securities traded over-the-counter

Foreign issuers

Corporate debt securities (other than commercial paper)

Certificates of deposit

- Municipal securities
- Variable annuities
- Mutual fund shares
- United States governmental securities

Options contracts on securities

- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

ADVISORY REFERRAL SERVICES

First Kentucky Securities Corp acts as a solicitor on behalf of various independent registered investment advisers. Based on a client's individual circumstances and needs, we will assist the client in determining which independent adviser's portfolio management services are appropriate for that client. Factors considered in making this determination, including account size, risk tolerance, and a client's investment experience, are discussed during our consultation with the client.

First Kentucky Securities Corp will meet with the client on a regular basis, or as determined by the client, to review the account. We will, when needed, suggest changes in the client's portfolio ("rebalancing"), to more effectively address each client's goals. The client may then instruct the independent adviser to make any or all of the changes we recommended. These recommendations are our own, and are neither recommended nor approved by any independent advisers.

Any rebalancing of the portfolio is done with the client's approval, and will be reviewed and implemented by the independent investment adviser. At the time of conducting the advisory solicitation, First Kentucky Securities Corp will ensure that all federal and/or state specific requirements governing solicitation activities are met.

SECURITIES RATING SERVICES

First Kentucky Securities Corp provides timely and in-depth company-specific or security-specific equity research for institutional clients including, among others, investment managers or other advisers to hedge funds or other private funds, investment companies and pension or profit-sharing plans. In addition, we may distribute research reports directly to clients that have done business with our firm in the past twelve month period.

We conduct research regarding issuers or securities through competition and market analysis, economic modeling, earnings forecasts and valuation, among other factors. First Kentucky Securities Corp generally provides research and analysis for equities of predominantly U.S. issuers. First Kentucky Securities Corp analyzes fundamental data taken from original sources and/or publicly available reports. As appropriate, our information-gathering process may include on-site inspections of company operations,

manufacturing, retail-outlets and/or interviews with senior-level management.

First Kentucky Securities Corp will also formulate a buy, hold or sell recommendation and price target based on its investment philosophy focusing, primarily, on an issuer's prospects for long-term growth taking into consideration its market share, competitive position and anticipated consumer demand for products or services, capital strength, profitability and appropriate valuations. Once we have initiated coverage of a particular issuer or security, we will provide regular updates regarding the status of such issuer or security including any changes in inventory or resource access or supply, demand, competition or technology, among other factors, that could impact our outlook or valuation.

CONSULTING SERVICES

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from .25% to 2.50%.

The annualized fee for Investment Supervisory Services are charged as a percentage of assets under management, according to the following schedule:

Assets Under Management Annual Fee

25,000-49,999	2.50%
50,000-99,000	2.00%
100,000-1,999,999	1.75%
2,000,000-3,999,999	.75%
4,000,000-4,999,999	.50%
5,000,000 and over	.25%

Our fees are billed in advance at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

A minimum of **\$25,000** of assets under management is required for this service. This account

size may be negotiable under certain circumstances, First Kentucky Securities Corp may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although First Kentucky Securities Corp has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

INVESTMENT SUPERVISORY SERVICES ("ISS") MODEL PORTFOLIO MANAGEMENT FEES

Our annual fees for Model Portfolio Management Services are based upon a percentage of assets under management and generally range from .25% to 2.50%.

The annualized fee for Model Portfolio Management Services will be charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
25,000-49,999	2.50%
50,000-99,000	2.00%
100,000-1,999,999	1.75%
2,000,000-3,999,999	.75%
4,000,000-4,999,999	.50%
5, 000, 000 and over	25%

Our fees are billed in advance at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

A minimum of **\$25,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances. First Kentucky Securities Corp may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

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to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

MODEL PORTFOLIO MANAGEMENT FEES

Our annual fees for Model Portfolio Management Services are based upon a percentage of assets under management and generally range from **.25%** to **2.50%**.

The annualized fee for Model Portfolio Management Services is charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
<i>25,000-49,999</i>	<i>2.50%</i>
<i>50,000-99,000</i>	<i>2.00%</i>
<i>100,000-249,999</i>	<i>1.50%</i>
<i>250,000-499,999</i>	<i>1.25%</i>
<i>500,000-1,999,999</i>	<i>1.00%</i>
<i>2,000,000-3,999,999</i>	<i>.75%</i>
<i>4,000,000-4,999,999</i>	<i>.50%</i>
<i>5,000,000 and over</i>	<i>.25%</i>

Our fees are billed in advance at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

A minimum of **\$25,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances. First Kentucky Securities Corp may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although First Kentucky Securities Corp has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members.