

ITEM 1 - COVER PAGE

Brochure Form ADV Part 2A

FIRST FINANCIAL SERVICES

1509 Mart Drive

Suite B

Little Rock, AR, 72202

(501) 666-0302

www.firstfinservices.com

March 29, 2024

This brochure provides information about the qualifications and business practices of First Financial Services, LLC. If clients have any questions about the contents of this brochure, please contact us at (501) 666-0302 or at www.firstfinservices.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

First Financial Services, LLC is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about First Financial Services, LLC is available on the SEC's website at www.AdviserInfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

This section only discusses any material changes to this Form ADV Part 2A disclosure document which we refer to as our “brochure.” There are no material changes since our last filing on March 20, 2024.

ITEM 3 - TABLE OF CONTENTS

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	5
Item 6 - Performance-Based Fees and Side-By-Side Management	7
Item 7 - Types of Clients	7
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9 - Disciplinary Information	9
Item 10 - Other Financial Industry Activities and Affiliations	10
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	10
Item 12 - Brokerage Practices	11
Item 13 - Review of Accounts	16
Item 14 - Client Referrals and Other Compensation	16
Item 15 - Custody	17
Item 16 - Investment Discretion	17
Item 17 - Voting Client Securities	17
Item 18 - Financial Information	17

ITEM 4 - ADVISORY BUSINESS

General Information

First Financial Services, LLC ("First Financial") was formed in 2023 and provides financial planning and investment management services to its clients. First Financial and its employees have been together since 1990. The principal owner of the company is Thomas Sanders.

Services Offered

First Financial offers discretionary portfolio management, financial planning, retirement planning and insurance services to its clients. First Financial also provides services as a wrap sponsor through Schwab for the FFS Wrap Program.

WRAP Portfolio Management

At the onset of each client relationship, First Financial spends time with the client asking questions, discussing the client's investment experience and financial circumstances, and broadly identifying major goals of the client. We create a comprehensive financial plan for our clients which we execute for them over the course of the advisory relationship. Our team uses their understanding of Investments, Risk Management, Insurance, and Estate/Tax Planning when working with clients to ensure a robust solution to a client's financial goals.

First Financial focuses on long-term growth with an emphasis on risk management. As a discretionary investment adviser, First Financial has the authority to supervise and direct portfolios on behalf of the client. We regularly monitor client accounts to ensure asset allocations are appropriate given market conditions and client risk tolerance. All clients for whom we trade are part of the WRAP program through First Financial Services, thus we treat all client accounts similarly.

We use a wide range of equities, bonds, mutual funds, exchange traded funds ("ETFs"), options, fixed income offerings, third party managers including private funds and hedging strategies to provide diversification for our clients.

Financial Planning

Our services include a comprehensive financial plan. An advisor meets with the client to understand their risk tolerance, financial history, liquidity needs, financial goals, and other information material to the financial planning process. The financial plan is an essential piece of First Financials' process to assist with a client's wealth management goals. In the event a client has an existing plan in place, we will assess their current plan to ensure continuity and accuracy of the plan. Our financial planning process includes:

Estate planning

Business planning

Buy/Sell agreements

Key person situations

Insurance reviews

New retirees

Charitable contributions

College planning

Insurance

First Financial offers insurance products including permanent and term life insurance, variable insurance, and annuities. During the financial planning process we will determine if a client's current scenario would benefit from additional insurance and/or if their current insurance products are appropriate for their investment goals.

On an ongoing basis, First Financial monitors the performance of accounts being managed by third-party managers and seeks to ensure their strategies and target allocations remain aligned with our clients' investment objectives and overall best interests.

First Financial, as of March 26, 2024 manages \$103,863,863 in discretionary assets and \$0 in non-discretionary assets.

ITEM 5 - FEES AND COMPENSATION

General Fee Information

For its services, First Financial charges an asset-based fee, monthly in arrears, based on the monthly-end value of a client's custodial account value. There is no charge for financial planning.

Portfolio Management Services Fees

First Financial's fees for Portfolio Management Services are based upon a percentage of assets under management on a case-by-case basis. First Financial determines an appropriate fee structure based on the size, complexity, security type, investment objectives, and anticipated levels of rebalancing and other related aspects of the active management nature of the account. In general, fees range from 1.00% to 2.00%. The terms and conditions of the fee structure are mutually agreed upon prior to entering into an advisory agreement. First Financial may, at its discretion, make exceptions to the foregoing or negotiate special arrangements where First Financial deems it appropriate under the circumstances.

We do not charge advisory fees on the available margin balance for accounts.

Other Compensation

Certain of First Financial's employees are also insurance agents with ReUnion Associates Inc. ("ReUnion"), a licensed insurance agency unaffiliated with First Financial. ReUnion and these individuals are entitled to receive commissions or other remuneration on the sale of insurance products. As such, they effect insurance transactions and receive separate, yet customary compensation. To protect client interests, First Financial's policy is to fully disclose all forms of compensation before any such transaction is executed. Under no circumstance does the client pay both a commission to these individuals and a management fee to First Financial on the same pool of assets. In addition, clients are under no obligation

to use ReUnion recommended insurance products and can use any provider they choose. Please see Item 10 - Other Financial Industry Activities and Affiliations for additional information.

Other Fees and Expenses

Clients may pay fees and expenses in addition to the portfolio management fees paid to First Financial. Clients may incur transaction charges and/or brokerage fees when purchasing or selling securities, including mutual funds, exchange traded funds, equities, bonds, and options. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by our firm, the broker-dealer, and custodians.

Mutual Fund and Exchange Traded Funds

As part of our investment advisory services to you we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. We review and ensure that all clients are invested in share classes with the lowest total fees available. For information on our brokerage practices, please refer to the Brokerage Practices section of this brochure.

Wrap Fee Program Disclosures

The benefits under a wrap fee program depend, in part, upon the size of the account, the costs associated with managing the account, and the frequency or type of securities transactions executed in the account.

For example, a wrap fee program may not be suitable for all accounts, including but not limited to accounts holding primarily, and for any substantial period of time, cash or cash equivalent investments, fixed income securities or no-transaction-fee mutual funds, or any other type of security that can be traded without commissions or other transaction fees.

In order to evaluate whether a wrap fee arrangement is appropriate for you, you should compare the agreed-upon Wrap Program Fee and any other costs associated with participating in our Wrap Fee Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and execution costs, and custodial services comparable to those provided under the Wrap Fee Program.

Conflict of Interest. When managing a client's account on a wrap fee basis, we receive as compensation for our investment advisory services, the balance of the total wrap fee you pay after custodial, trading and other management costs (including execution and transaction fees) have been deducted. Accordingly, we have a conflict of interest because we have a financial incentive to maximize our compensation by seeking to reduce or minimize the total costs incurred in your account(s) subject to a wrap fee. The less frequently FFS trades your account, the less advantageous the cost of being in a wrap

program will be for a client. Similarly, the smaller your account, the less advantageous a WRAP account will be for a client.

Schwab has eliminated commissions for online trades of U.S. equities, ETFs and options (subject to \$0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities, we will not have to pay any commissions to Schwab. We encourage you to review Schwab's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. To see what you would pay for transactions in a non-wrap account please refer to Schwab's most recent pricing schedules available at schwab.com/aspricingguide.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

First Financial does not have any performance-based fee arrangements or side-by-side management accounts.

ITEM 7 - TYPES OF CLIENTS

First Financial serves individuals, high net worth individuals, families, retirement plans, trusts, estates, businesses, and corporations.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

Technical Analysis - involves studying past market activity to identify trends in financial markets and securities.

Fundamental Analysis – measures the intrinsic value of a market or security by examining economic and financial factors.

The main sources of information include financial publications, research materials, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Investment Strategies

Strategies may include long-term purchases, short-term purchases, trading, asset allocation, margin transactions, and option buying and writing if covered, options, or spread strategies which are described below:

Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short Term Purchases - securities purchased with the expectation that they will be sold at maturity date or within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Margin Transactions - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

Trading - generally considered holding a security for less than thirty (30) days.

Options Trading/Writing - a securities transaction that involves buying or selling (writing) an option. If clients write an option, and the buyer exercises the option, clients are obligated to purchase or deliver a specified number of shares at a specified price at the exercise of the option, regardless of the market value of the security at expiration of the option. Buying an option gives clients the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

Risk of Loss

While First Financial seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans to reduce risk of loss, all investment portfolios are subject to risks which clients should be prepared to bear. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

Management Risks While First Financial manages client investment portfolios based on First Financial's experience and research, the value of client investment portfolios changes daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that First Financial allocates assets to asset classes that are adversely affected by unanticipated market movements and the risk that First Financial's specific investment choices could underperform their relevant indexes.

Risks of Investments in Mutual Funds, ETFs, and Other Investment Pools As described above, First Financial may invest client portfolios in mutual funds, ETFs, and other pooled investment funds. Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success is related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

Equity Market Risks First Financial generally invests portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

Fixed Income Risks First Financial may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

Margin Risk First Financial may invest its client's assets using margin accounts, if appropriate for clients. Margin transactions, in which an investor deposits a certain amount in a margin account and securities are purchased in part with borrowed funds, are subject to legal limitations and may carry other risks, including the following:

- The possibility that the investor can lose more funds than were deposited in the margin account. A decline in the value of securities that are purchased on margin may require that the investor provide additional funds to the firm that has provided the loan to avoid the forced sale of those securities or other securities in the investor's account.
- The risk that First Financial can be forced to sell securities in the client's account if the equity in the margin account falls below the maintenance margin requirements under the law—or the firm's higher "house" requirements. First Financial can sell the securities in the client's account to cover the margin deficiency. In this event, the client will also be responsible for any shortfall in the account after such a sale.
- A client is not entitled to an extension of time on a margin call. While an extension of time to meet initial margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension. In addition, a customer does not have a right to an extension of time to meet a maintenance margin call.

Options Risk Even a small investment in options may give rise to leverage risk and can have a significant impact on the accounts' performance. Derivatives are subject to credit risk and liquidity risk.

ITEM 9 - DISCIPLINARY INFORMATION

First Financial has no disciplinary information to disclose.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Certain partners of First Financial are registered with an unaffiliated broker-dealer, M.S. Howells & Co., a securities broker/dealer and member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

Several partners of First Financial are insurance brokers registered with ReUnion Insurance, an unaffiliated insurance company. The partners receive payment from ReUnion Insurance for products they sell to First Financial clients. First Financial does not receive any payment from ReUnion Insurance in relation to these insurance sales.

Tom Sanders is a board member of SpringBoard USA Foundation, a non-profit charity that is also a client of First Financial. Some clients have made charitable donations to SpringBoard USA, however they were not solicited to do so and are under no obligation to make charitable donations to SpringBoard USA. SpringBoard USA does not pay an advisory fee to First Financial.

Tom Sanders is the sole owner of Sanders Financial, an entity that receives insurance commissions earned from ReUnion, M.S. Howells & Co., and advisory fees from the custodian. Sanders Financial then pays the salaries of all First Financial employees. Sanders Financial does not have or share any clients with First Financial.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics and Personal Trading

First Financial has adopted a Code of Ethics ("Code"), the full text of which is available to clients upon request by using the contact information found on the cover page of this brochure. First Financial's Code has several goals. First, the Code is designed to assist First Financial in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act, First Financial owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with First Financial (managers, officers, and employees) to act with honesty, good faith, and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for First Financial's associated persons. Under the Code's Professional Standards, First Financial expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, First Financial's associated persons are not to take inappropriate advantage of their positions in relation to First Financial clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, First Financial's associated persons may invest in the same securities recommended to clients. Under its Code, First Financial has adopted policies designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading

policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading, and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

Participation or Interest in Client Transactions

As outlined above, First Financial has adopted policies to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, First Financial's goal is to place client interests first.

Consistent with the foregoing, First Financial maintains policies regarding participation in initial public offerings ("IPO"s) and private placements to comply with applicable laws and avoid conflicts with client transactions. If a First Financial associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Finally, if associated persons trade with client accounts (e.g., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares are removed from the block, and the balance of shares are allocated among client accounts in accordance with First Financial's written policy.

ITEM 12 - BROKERAGE PRACTICES

Best Execution and Benefits of Brokerage Selection

First Financial seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates.

First Financial does not maintain custody of your assets that we manage. First Financial uses Charles Schwab & Co. ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian. aFFS is independently owned and operated and are not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when FFS instructs them to. While we require that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian. We do not open the account for you, although we may assist you in doing so. If a client does not wish to place their assets with Schwab, then FFS cannot manage the account. Even though an account is maintained at Schwab, FFS can still use other brokers to execute trades for the account(s) as described below.

Schwab offers services to independent investment advisors that include custody of securities, trade execution, clearance, and settlement of transactions. First Financial receives some benefits from Schwab through its participation in these programs. The additional economic benefits ("Additional Services") received by First Financial or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to Schwab.

The Additional Services that we receive from Schwab may or may not be offered to any other independent investment Advisors participating in the program. The Additional Services provided allow us to better monitor and service client accounts maintained at the respective broker- dealer/custodian. First Financial does not consider this a primary factor when determining whether to recommend that a client utilize or select the services of a certain broker-dealer/custodian. There is no direct link between our participation in these programs and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to Schwab retail investors. Schwab provides the Additional Services to First Financial at their sole discretion and at their own expense, and First Financial does not pay any fees to Schwab for the Additional Services.

While there is no direct link between First Financial's participation in the Programs and the investment advice it gives to its clients, through its participation in the Programs, First Financial receives economic benefits that are typically not available to the Custodian's retail investors. These benefits generally include, without limitation, the following products and services (provided without cost or at a discount to First Financial):

- transaction execution services and asset custody services;
- receipt of duplicate client statements and confirmations;
- investment research, related products and other tools that assist First Financial in making investment decisions;
- consulting services;
- access to a trading desk serving Program participants;
- competitiveness of pricing for services and the willingness to negotiate them;
- reputation, financial strength, and stability;
- prior service to First Financial's customers;
- access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts);
- the ability to have advisory fees deducted directly from client accounts;
- access to an electronic communications network for client order entry and account information;
- access to mutual funds with no transaction fees and to certain institutional money managers; and
- discounts on compliance, marketing, research, technology, and practice management products or services provided to First Financial by third-party vendors.

Schwab may also pay for business consulting and professional services received by First Financial's related persons. These services are not soft dollar arrangements but are part of the institutional platforms offered by Schwab.

Some of the products and services made available by Schwab through the Programs may benefit First Financial but may not directly benefit its clients' accounts. These products or services may assist First Financial in managing and administering client accounts, including accounts not maintained at Schwab, and may include investment research (prepared by Schwab and by third parties); pricing and other market data; trade aggregation; and assistance with back-office functions, record-keeping, and client reporting, any or all of which First Financial may use to service all or a substantial number of client accounts.

Other services made available by Schwab or their third-party vendors are intended to help First Financial manage and further develop its business enterprise such as:

- educational conferences and events;
- technology, compliance, legal and business consulting;
- practice management publications and conferences;
- marketing consulting and support; and
- occasional business entertainment of First Financial's personnel.

The benefits received by First Financial or its personnel through participation in the Programs do not depend on the amount of brokerage transactions directed to the Custodians. As part of its fiduciary duties to clients, First Financial endeavors, at all times, to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by First Financial or its related persons in and of itself creates a potential conflict of interest and may indirectly influence First Financial's choice of the Custodian for custody and brokerage services.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trade through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/ custodians"). By using another broker or dealer you may pay lower transaction costs.

Soft Dollars

First Financial does not use soft dollars.

Directed Brokerage

Clients may not direct First Financial to use a particular broker for custodial or transaction services on behalf of the client's portfolio. First Financial currently requires clients to custody their assets at Schwab.

Aggregated Trade Policy

First Financial may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rata basis among all accounts included in any such block. Block trading allows First Financial to execute equity trades in an efficient, equitable manner, and may reduce overall costs to clients.

First Financial only aggregates transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients and is consistent with the terms of First Financial's Investment Advisory Agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client. Each client that participates in an aggregated order will participate at the average share price for all First Financial's transactions in a given security on a given business day, with transaction costs generally shared pro-rata based on each client's participation in the transaction.

On occasion, depending on the size of a particular account's pro-rata share of an order or other factors, the commission or transaction fee charged could be above or below a breakpoint in a pre-determined commission or fee schedule set by the executing broker, and therefore, transaction charges may vary slightly among accounts. Accounts may be excluded from a block due to tax considerations, client direction, or other factors making the account's participation ineligible or impractical.

If the aggregated order is filled in its entirety, it is allocated among clients in accordance with the Allocation Statement. If the order is partially filled, it will generally be allocated pro-rata or randomly in certain circumstances. First Financial's books and records separately reflect, for each client account included in a block trade, the securities held by, bought, and sold for that account. Funds and securities of clients whose orders are aggregated are deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities are held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis. Cash or securities held collectively for clients are delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and First Financial does not receive additional compensation or remuneration of any kind as a result of the proposed aggregation.

Trade Errors

When First Financial causes a trade error, it takes prompt action to resolve the error with the objective to return the client's account to the position that it would have been if there had been no error. First Financial pays to correct an error and reimburses a client for any loss resulting from the error. Clients do not retain any gains resulting from the correction of a trade error. At the end of each day, any net gains from trade corrections are swept to a specially designated account by the account custodian.

Economic Benefits

Schwab offers services to independent investment advisors that include custody of securities, trade execution, clearance, and settlement of transactions. First Financial receives some benefits from Schwab through its participation in these programs. The additional economic benefits ("Additional Services") received by First Financial or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to Schwab.

The Additional Services that we receive from Schwab may or may not be offered to any other independent investment Advisors participating in the program. The Additional Services provided allow us to better monitor and service client accounts maintained at the respective broker- dealer/custodian. First Financial does not consider this a primary factor when determining whether to recommend that a client utilize or select the services of a certain broker-dealer/custodian. There is no direct link between our participation in these programs and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to Schwab retail investors. Schwab provides the Additional Services to First Financial at their sole discretion and at their own expense, and First Financial does not pay any fees to Schwab for the Additional Services.

While there is no direct link between First Financial's participation in the Programs and the investment advice it gives to its clients, through its participation in the Programs, First Financial receives economic

benefits that are typically not available to the Custodian's retail investors. These benefits generally include, without limitation, the following products and services (provided without cost or at a discount to First Financial):

- transaction execution services and asset custody services;
- receipt of duplicate client statements and confirmations;
- investment research, related products and other tools that assist First Financial in making investment decisions;
- consulting services;
- access to a trading desk serving Program participants;
- competitiveness of pricing for services and the willingness to negotiate them;
- reputation, financial strength, and stability;
- prior service to First Financial's customers;
- access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts);
- the ability to have advisory fees deducted directly from client accounts;
- access to an electronic communications network for client order entry and account information;
- access to mutual funds with no transaction fees and to certain institutional money managers; and
- discounts on compliance, marketing, research, technology, and practice management products or services provided to First Financial by third-party vendors.

Schwab may also pay for business consulting and professional services received by First Financial's related persons. These services are not soft dollar arrangements but are part of the institutional platforms offered by Schwab.

Some of the products and services made available by Schwab through the Programs may benefit First Financial but may not directly benefit its clients' accounts. These products or services may assist First Financial in managing and administering client accounts, including accounts not maintained at Schwab, and may include investment research (prepared by Schwab and by third parties); pricing and other market data; trade aggregation; and assistance with back-office functions, record-keeping, and client reporting, any or all of which First Financial may use to service all or a substantial number of client accounts.

Other services made available by Schwab or their third-party vendors are intended to help First Financial manage and further develop its business enterprise such as:

- educational conferences and events;
- technology, compliance, legal and business consulting;
- practice management publications and conferences;
- marketing consulting and support; and
- occasional business entertainment of First Financial's personnel.

The benefits received by First Financial or its personnel through participation in the Programs do not depend on the amount of brokerage transactions directed to the Custodians. As part of its fiduciary duties to clients, First Financial endeavors, at all times, to put the interests of its clients first. Clients

should be aware, however, that the receipt of economic benefits by First Financial or its related persons in and of itself creates a potential conflict of interest and may indirectly influence First Financial's choice of the Custodian for custody and brokerage services.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trade through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/ custodians"). By using another broker or dealer you may pay lower transaction costs.

ITEM 13 - REVIEW OF ACCOUNTS

Accounts are reviewed at least annually but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by First Financial. These factors may include, but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions.

Periodically, First Financial will provide additional written reports. The account balances reflected in these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times, there may be small differences due to the timing of dividend reporting, pending trades, or other similar issues.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from the account. Custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. If requested by the client, First Financial will provide written holdings and/or performance reporting on managed portfolios. Additional reports are available at the request of the client.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

First Financial does not pay for any client referrals. See Item 10, Other Financial Industry Activities and Affiliations for more information on other compensation First Financial employees receive.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. We benefit from the products and services provided because the cost of these services would otherwise be borne directly by us, and this creates a conflict.

You should consider these conflicts of interest when selecting a custodian. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

ITEM 15 - CUSTODY

With the exception of the deduction of First Financial's advisory fees from client accounts or the authority to facilitate third party standing letters of authorization on your behalf, First Financial does not take custody of its clients' funds or securities.

First Financial has standing letters of authorization ("SLOAs") in place through Schwab, which gives First Financial custody. First Financial follows the 2017 IAA No Action Letter to maintain safe harbor with regards to SLOA custody.

From time to time, First Financial will provide additional written reports. The account balances reflected in these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times, there may be small differences due to the timing of dividend reporting, pending trades, or other similar issues.

Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them.

ITEM 16 - INVESTMENT DISCRETION

As described above under Item 4 - Advisory Business, First Financial manages portfolios on a discretionary basis. This means that after an Investment Plan is developed for the client's investment portfolio, First Financial will execute that plan without specific consent from the client for each transaction. For discretionary accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving First Financial the authority to carry out various activities in the account, generally includes trade execution and the withdrawal of advisory fees directly from the account. First Financial then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with First Financial and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between First Financial and the client.

ITEM 17 - VOTING CLIENT SECURITIES

First Financial does not vote proxies on behalf of clients. Unless client suppresses proxies, securities proxies will be sent directly to him/her by the account custodian or transfer agent. Clients may contact First Financial about questions they have regarding how to vote the proxies. However, the voting and how clients vote the proxies is solely their decision.

ITEM 18 - FINANCIAL INFORMATION

First Financial does not require, nor solicit, prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore, has no disclosure with respect to this item.