

FIRST TENNESSEE ADVISORY SERVICES, INC.

PART 2A APPENDIX 1 FORM ADV

MANAGED ACCOUNT SOLUTIONS

WRAP FEE PROGRAM BROCHURE

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This Wrap Fee Program Brochure provides information about qualifications and business practices of First Tennessee Advisory Services, Inc. (“FTAS”). If you have any questions about the contents of this brochure, please contact us at (901) 818-6000. 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 FTAS is also available on the SEC website at www.adviserinfo.sec.gov.

References to FTAS as a “registered investment adviser” or as being “registered” does not imply a certain level of skill or training.

(Item 2) SUMMARY OF MATERIAL CHANGES

In 2010, the SEC adopted new rules that made changes to the content and format of the wrap fee brochure. This section describes only material changes made to the wrap fee brochure since the last update of the wrap fee brochure in 2009. There have been no material changes in the content of the MAS Program wrap fee brochure since the last update.

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(Item 4) SERVICES, FEES & COMPENSATION

Description of Services – General. The Managed Accounts Solutions Program (“MAS Program” or the “Program”) offers the following investment management account options: Separately Managed Accounts (“SMA”), Advisor Directed Unified Managed Accounts (“ADUMA”), FTAS Models (“FTAS Account”) and Advisor Model Managed Accounts (“AMMA”). First Tennessee Advisory Services, Inc. (“FTAS” or “we”) is the sponsor of the Program. FTAS and Envestnet Asset Management, Inc. (“Envestnet”) provide certain investment advisory services and administrative services for assets held in the Accounts. Envestnet is not affiliated with FTAS. For the SMAs and ADUMAs, FTAS and Envestnet provide discretionary advisory services. For FTAS Accounts and AMMAs, FTAS provides discretionary advisory services and Envestnet provides administrative services, only.

Description of Services – Separately Managed Accounts. Prior to opening an SMA, your FTAS investment advisory representative (“Advisor”) will assist you in completing an investment profile to provide us information concerning your investment objectives, financial goals, and risk tolerance. Based on this information, your Advisor will provide you a Statement of Investment Selection (“SIS”) and an Investment Strategy Proposal (“ISP”). The SIS includes a recommended asset allocation and investment recommendations for each asset category.

The SIS and ISP are prepared by your Advisor using software applications. Among the factors considered in designing the strategy are historical rates of risk and return for various asset classes, correlation across asset classes, and risk premium. Envestnet will recommend independent asset managers (“Sub-Managers”) who will create a separate portfolio of individual managed securities to correspond to proposed asset classes and styles for the Account. For certain asset classes or styles, we may recommend that you use mutual fund or exchange traded funds (“ETFs”) in lieu of Sub-Managers.

Subject to the limitations described in your SIS and other reasonable restrictions you may place on the SMA investments, Envestnet has discretion to hire the selected Sub-Managers for the Account. The Sub-Managers have full authority to supervise and direct investment of assets in the SMAs without your prior approval. This investment authority includes, but is not limited to, purchase and sales of individual securities, options and alternative investments. You may modify the information in the SIS at any time. For certain Sub-Managers, Envestnet has entered into a licensing agreement with the Sub-Manager. In these cases, Envestnet provides administrative and/or trading services in accordance with the instructions of the Sub-Manager.

Envestnet has the authority at any time without your prior approval to hire Sub-Managers to manage the SMA and to terminate Sub-Managers and replace Sub-Managers to manage the SMA assets. We also have the authority to terminate a Sub-Manager and replace that Sub-Manager with another Sub-Manager available under the Program. We have the authority to buy, sell and exchange mutual fund shares and ETFs in the SMA without your prior approval subject to the limitations and objectives in your SIS.

Description of Services – Advisor Directed Unified Managed Accounts. Prior to opening an ADUMA, your FTAS investment advisor representative (“Advisor”) will assist you in completing an investment profile. The investment profile provides information about your investment objective, financial goals and risk tolerance. Based on this information, your Advisor provides you an Investment Strategy Proposal (“ISP”) and a Statement of Investment Selection (“SIS”). The SIS recommends an asset allocation and investments for each asset category. The ISP and SIS are prepared by your Advisor by using a software application. The factors considered in designing the strategy include the historical rates of risk and return for various asset classes, correlation across asset classes, and risk premium.

Subject to the limitations described in your SIS, your Advisor will select individual asset managers and/or individual investments for each asset category. For assets assigned to asset managers, Envestnet uses the asset manager’s model portfolio and investment recommendations to manage that portion of the Account assets. Your Advisor may also select mutual funds, ETFs, and alternative investments. Envestnet provides overlay management services for the ADUMA. You directly own the individual securities in the ADUMA. We have the authority to buy, sell and exchange mutual fund shares and ETFs in the ADUMA without your prior approval subject to the limitations and objectives in your SIS.

Description of Services – FTAS Accounts. Prior to opening an FTAS Account, your FTAS investment advisor representative (“Advisor”) will assist you in completing an investment profile. The investment profile provides information concerning your investment objective, financial goals and risk tolerance. Based on this information, your Advisor will provide you an Investment Strategy Proposal (“ISP”) and a Statement of Investment Selection (“SIS”). The ISP and SIS are prepared by your Advisor using a software application. The factors considered in designing the strategy are historical rates of risk and return for various asset classes, correlation across asset classes, and risk premium. The ISP and SIS will recommend using one or more of FTAS model portfolios (the “Model Portfolios”). Each Model Portfolio has a designated investment strategy.

Investments for a Model Portfolio may include no load or load waived mutual funds, ETFs, and alternative investments. All Model Portfolios are approved by the Investment Committee of FTAS (“IC”). Model Portfolios may be constructed by FTAS or a third-party money manager (“Third-Party Model Providers”). In constructing Model Portfolios, FTAS uses a proprietary system that evaluates mutual funds and ETFs and third-party screening tools. The factors considered in evaluating mutual funds and ETFs include investment performance vs. peers, stated benchmarks, a series of risk and reward measures, and style consistency. FTAS applies this same discipline to review the Model Portfolios of Third-Party Model Providers. For individual equity holdings, FTAS uses a third-party to provide equity research and to identify an appropriate universe of investments available for portfolio construction. This research model considers cash flow, and return on invested capital, along with a value added analysis.

One Model Portfolio is available which utilizes individual stocks. The minimum Account size for this Model Portfolio is \$250,000. This Model Portfolio is referred to as the “First Tennessee Portfolio” in the ISP and SIS. This Model Portfolio is constructed by a Third-

Party-Model Provider. The ISP refers to the First Tennessee Portfolio as a “Separate Account”. FTAS is the sole money manager for the First Tennessee Portfolio.

Description of Services – Advisor Model Managed Accounts. Prior to opening an AMMA, an FTAS investment advisory representative (“Advisor”) will assist you in completing an investment profile. The investment profile provides information concerning your investment objective, financial goals and risk tolerance. Based on this information, your Advisor will provide you an Investment Strategy Proposal (“ISP”) and a Statement of Investment Selection (“SIS”). The SIS includes a recommended asset allocation and recommended investments for each asset category. The ISP and SIS are prepared by your Advisor using a number of proprietary analytical tools and commercially available optimization software applications. The factors considered in designing the strategy are historical rates of risk and return for various asset classes, correlation across asset classes and risk premium.

Recommended investments for an AMMA include no load or load waived mutual funds, ETFs, individual stocks and bonds, and alternative investments. Investments for the AMMAs are selected by your Advisor from investment options approved by the IC. The IC uses a proprietary system of evaluating mutual funds and ETFs as well as third-party screening tools to approve these options. The factors considered in evaluating mutual funds and ETFs include investment performance vs. peers, stated benchmarks, a series of risk and reward measures, and style consistency. The AMMA program option is available from a limited number of Advisors.

Standard Fee Schedule. The standard fee schedule for the MAS Program is as follows. Fees are negotiable.

SMAs	Annual Rate
First \$500,000	2.00%
Next \$500,000	1.90%
Next \$1,000,000	1.75%
Next \$3,000,000	1.50%
Over \$5,000,000	1.00%

FTAS Accounts & AMMAs	Annual Rate
First \$500,000	2.00%
Next \$500,000	1.75%
Over \$1,000,000	1.50%

ADUMAs	Annual Rate
First \$500,000	2.00%
Next \$500,000	1.90%
Next \$1,000,000	1.75%
Next \$3,000,000	1.50%
Over \$5,000,000	1.00%

Program Fee. The Program Fee is calculated by applying the applicable annual fee schedule in the SIS to the asset value of the Account assets. The value of the Account assets is determined quarterly on an Account by Account basis and not in the aggregate. The initial Program Fee will equal (on an annualized basis) the percentage as set forth in the fee schedule in the SIS of the fair market value of the Account in the applicable category. FTAS or Envestnet will instruct the Account custodian, National Financial Services, LLS (“NFS”), to deduct the Program Fees from the Account(s). The Program Fee is debited from an Account(s) on a quarterly basis in advance. NFS disburses the Program Fee to FTAS and/or to Envestnet in accordance with instructions from FTAS and Envestnet. You are responsible for verifying the accuracy of the Program Fee calculation.

Envestnet receives a fee for the investment management and/or administrative services it provides to the Accounts. These fees range from .13% - .30% for SMAs; .20% - .35% for ADUMAs; and .05% - .14% for all other Accounts. In addition, Envestnet retains or distributes to the Sub-Managers and any third-party service providers, any amounts due Envestnet and third-party service providers. The amount of the Program Fees that we receive for providing investment advisor and/or management services to an Account varies depending upon the type of Account, the number of Sub-Managers used in an SMA, the number of model portfolios utilized by an ADUMA, and trading activity in the Account. Based upon the Standard Fee Schedule, the portion of the Program Fees we will receive ranges from: .25% to 1.01% for SMAs; .65% to 1.86% for FTAS Accounts; .65% to 1.86% for AMMAs and .05% to .20% for ADUMAs.

The initial Program Fee is calculated and debited on the 15th day of the month (or the next business day if the 15th is a non-business day) after initial assets are placed in the Account. The initial Program Fee is the Program Fee for the first calendar quarter (or part thereof) in which you open an Account. The initial Program Fee for any partial calendar quarter is pro-rated based on the number of calendar days in the partial quarter. Thereafter, the Program Fee is calculated at the beginning of each calendar quarter based on the value of Account assets on the last business day of the prior calendar quarter. However, if an Account is opened in the last month of a calendar quarter, the Program Fee is calculated and debited for the remaining period in the calendar quarter plus the next calendar quarter on the 15th day (or the next business day if the 15th is a non-business day) after initial assets are placed in the Account. For example, if an Account is opened on 9/15/11, Program Fees would be debited on 10/17/11 for the periods (9/15/11 to 9/30/11) and (10/01/11 to 12/31/11).

If you invest \$10,000 or more in any Account after the inception of a calendar quarter, the Program Fee for that quarter is recalculated and pro-rated as of the day of the additional investment. The Program Fee for each quarter equals (on an annualized basis) the percentage set forth in the fee schedule in the SIS of the fair market value of the Account assets in the applicable category (including interest paid or accrued) as calculated on the last business day of the previous calendar quarter subject to the minimum annual Program Fee for the Account. Envestnet determines the fair market value of the Account assets for purposes of calculating the Program Fee. If the Account is terminated and all assets are withdrawn from the Account prior to the end of a quarter, you are reimbursed a pro rata portion of the Program Fee.

There is a minimum annual Program Fee charged per Account for the SMAs. The minimum annual Program Fee for SMAs is \$825 or \$206.25 quarterly for Accounts using equity Sub-Managers and \$775 or \$193.75 quarterly for Accounts using fixed income Sub-Managers. The minimum annual Program Fee applies to the SMAs if the market value of the Account assets is below \$100,000 as of the date the Program Fee is calculated.

The Program Fee does not cover certain charges associated with securities transactions in the Accounts, including: (i) dealer markups, markdowns or spreads charged on transactions in over-the-counter securities; (ii) costs relating to trading in certain foreign securities; (iii) the internal charges and fees that may be imposed by any collective investment vehicles (“Collective Investment Vehicles”), such as mutual funds and closed-end funds, unit investment trusts, exchange-traded funds or real estate investment trusts (such as fund operating expenses, management fees, redemption fees, 12b-1 fees and other fees and expenses). Further information regarding charges and fees assessed on Collective Investment Vehicles may be found in the appropriate prospectus or offering document) or other regulatory filings; (iv) brokerage commissions or other charges imposed by broker-dealers or entities other than the custodian if and when trades are cleared by another broker-dealer; (v) the charge to carry tax lot information on transferred mutual funds or other investment vehicles, postage and handling charges, returned check charges, transfer taxes; stock exchange fees or other fees mandated by law, and (vi) any brokerage commissions or other charges, including contingent deferred sales charges (“CDSC”), imposed upon the liquidation of “in-kind assets” that are transferred into the Account. With respect to CDSCs, Envestnet or FTAS may liquidate assets transferred into an Account in its sole discretion. You should be aware that if you transfer in-kind assets into an Account, Envestnet or FTAS may liquidate such assets immediately or at a future point in time and you may incur a brokerage commission or other charge, including a CDSC. You also may be subject to taxes when these assets are liquidated. You should consult with your financial advisor and tax consultant before transferring in-kind assets into an Account.

The Program Fee does not include certain fees that may be charged by the custodian. A custodian may charge a minimum account fee. You also may be charged for specific account services you select to use, such as ACAT transfers, electronic fund and wire transfer charges, and for other optional services. Accounts may be subject to transaction-based ticket charges assessed by the custodian for the purchase of certain mutual funds. Similarly, the Program Fee does not cover certain non-brokerage-related fees such as individual retirement account (“IRA”) trustee or custodian fees and tax-qualified retirement plan account fees and annual and termination fees for retirement accounts (such as IRAs).

Some mutual funds assess redemption fees to investors upon the short-term sale of its funds. Depending on the particular mutual fund, you may incur a redemption fee when a fund is sold for rebalancing purposes or if the portfolio manager determines that it is in your overall interest to divest from certain fund holdings prior to the expiration of the minimum holding period. Please see the prospectus for the specific mutual fund for detailed information regarding such fees.

You may also incur transaction charges or commissions for transactions not executed through FTBR. See the “Trade Execution” section of this brochure.

Fee Disclosures. The Program Fees and the other fees and charges you may incur may be more or less than the charges and fees you would pay if you separately purchased the advisory services, the brokerage services and the custody services. The cost of an MAS Account compared to the cost of an alternative investment program varies based upon a number of factors including account size, trading activity, types of securities included, and the variety of services provided.

Your Advisor receives compensation from FTAS when you establish an Account and while your Account is open. Your Advisor’s compensation is based upon the type of Account selected and the Program Fee charged. Therefore, your Advisor may take into consideration this compensation arrangement if a Program Fee is negotiated. Your Advisor is also a registered representative of First Tennessee Brokerage, Inc., an affiliate of FTAS. Therefore, your Advisor may have an incentive to recommend the MAS Program over other alternatives such as obtaining transaction based compensation or obtaining portfolio management services from other advisors.

(Item 5) ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Account Requirements. The minimum market value of assets required to open an Account is as follows: for an ADUMA, \$150,000 and for all other Accounts, \$100,000. The minimum market value of assets required to open an FTAS Account which utilizes individual equity securities is \$250,000.

Types of Clients. The Accounts are available to individuals, trusts, estates, charitable organizations and corporations or other business entities.

(Item 6) PORTFOLIO MANAGER SELECTIONS AND EVALUATION

Separately Managed Account Sub-Manager Selection. Advisors select Sub-Managers from an approved list of Sub-Managers maintained by Envestnet. Advisors also select Sub-Managers from a list of Sub-Managers which are reviewed by Envestnet and FTAS.

Envestnet’s ADV Part 2 describes the process Envestnet uses to review and approve Sub-Managers. At least annually, FTAS reviews Envestnet’s Sub-Manager selection process. This review includes a discussion with Envestnet to determine whether changes have been made in its process, and to address any changes in the firm’s management or operation.

At least annually, FTAS reviews and monitors Sub-Managers which have been reviewed by Envestnet and which are available for SMAs. This review considers performance, style analysis, and portfolio diversification.

Generally, an Advisor will not change Sub-Managers unless the Sub-Manager is no longer available for SMAs or if there is a change in the ISP.

(Item 7) CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Client Information. Prior to opening an MAS Account, you will complete an investment profile which provides information concerning your investment objectives, financial goals, and risk tolerance. This information is used to develop your SIS and ISP. The SIS and ISP are available to Envestnet. If you notify your Advisor that there have been changes in your investment objectives or risk tolerance, you and your Advisor will determine whether any changes need to be made to your ISP or SIS. Any changes to the ISP or SIS will be available to Envestnet. Your Advisor will initiate any changes for your Account as a result of a change in your ISP or SIS.

(Item 8) CLIENT CONTACT WITH PORTFOLIO MANAGER

You should contact your Advisor in the event you have any questions concerning your Account. You should not contact Envestnet or the Sub-Manager(s) directly.

(Item 9) ADDITIONAL INFORMATION

Disciplinary Information. FTAS is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of FTAS and its Advisors and staff or the integrity of FTAS management. We have no applicable information to disclose.

Other Financial Industry Activities or Affiliations. FTAS is a registered investment adviser and wholly owned subsidiary of First Tennessee Bank National Association (“FTB”). Other investment advisory services are provided through FTBR, which is also a wholly owned subsidiary of FTB. FTBR is primarily engaged in the securities brokerage business. Under the terms of the MAS Program, securities transactions for the MAS Program are directed to FTBR for execution.

FTAS provides investment advisory services to FTB customers at FTB financial centers. FTB and/or its holding company, First Horizon National Corporation, provide certain support services to FTAS including accounting, legal and administrative services.

FTAS Advisors, officers, and its director are also registered representatives of FTBR.

Review of Accounts. FTAS has designated certain employees as “Account Reviewers”. Each Account is reviewed by an Account Reviewer prior to opening an Account. The Account Reviewer confirms that the recommendations for the Account are consistent with your investment objectives and risk tolerance.

The IC maintains an approved list of mutual funds and ETFs. This list is reviewed at least quarterly. The IC will notify Advisors of any changes to the list. Any changes to the list which impact your Account holdings will trigger a review of your Account by your Advisor.

Annually, the IC reviews capital market assumptions to determine whether strategic asset allocations should be adjusted. Any change in the asset allocation will be communicated to Advisors and will trigger a review of AMMAs. A change in the strategic allocation is implemented for the FTAS Accounts by a member of the IC. The IC reviews all AMMAs at least annually. All Accounts are reviewed periodically to determine if the Account needs to be rebalanced.

We will notify you at least quarterly to contact your Advisor if there have been any changes in your financial situation or investment objectives, or if you wish to impose or modify restrictions concerning management of your Account. We will contact you at least annually to set up a meeting or interview you to review your Account status, and to discuss any changes in your financial circumstances and goals.

Reports. National Financial Services, LLC is custodian and clearing broker for all Accounts. The Custodian provides you a periodic statement for all transactions effected for your Account at least quarterly. Envestnet provides you a quarterly performance report.

Additional Compensation. First Tennessee Bank National Association (“FTB”) or FTAS may pay a referral fee to FTB personnel for referring potential clients to FTAS.

In accordance with the Investment Advisors Act of 1940, FTAS may also compensate third-parties or affiliates who have entered into written agreements with FTAS for recommending or referring potential Clients to FTAS. Such payments may represent a portion of the Program Fees that FTAS receives from the Program Account that is referred to FTAS.

Interest in Client Transactions. An Account may be invested in mutual funds or ETFs which pay shareholder servicing, 12b-1 fees or administrative fees to FTBR in connection with investment of the Account in shares of the mutual funds or ETFs (“Mutual Fund Fees”). In this case, your Advisor will receive a portion of the Mutual Fund Fees paid to FTBR. This conflict is addressed by FTAS by conducting periodic reviews of the mutual funds used in your Account as described in the “Account Reviews” section of this Brochure.

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

The Code also requires that certain officers of FTAS and employees who provide investment advice to customers to report their securities transactions quarterly to the Chief Compliance Officer (“CCO”) and to provide an annual holdings report to the CCO. These persons also may not acquire securities in an IPO or private placement without obtaining prior

approval of the CCO; may not execute a transaction for their own account until any orders for the same security before an advisory client's account has been executed or withdrawn; may not recommend a security transaction for an advisory account without disclosing certain personal interests in such securities; and must receive prior approval from the CCO to serve as a director of a publicly traded company.

FTAS will provide a copy of its Code of Ethics to any Client or prospective client upon request.

Trade Execution. All transactions for the Accounts are directed to FTBR, an affiliate of FTAS. FTBR provides the brokerage account services-clearing and custody for the MAS Accounts under its existing Clearing Agreement with NFS. This arrangement allows FTAS to utilize a provider with which FTAS has had an established working relationship. The NFS arrangement permits the MAS Program to provide custody, execution, and investment management services for a single account level fee. FTAS regularly monitors the execution price and quality of trades for the Accounts. A portion of the Program Fee that FTAS receives pays for the brokerage services provided to the Accounts through FTBR. You understand that by utilizing this arrangement, You forego any benefits in price or quality of execution which may be obtained when a manager for an advisory account has discretion to select the executing broker for account transactions.