



ITEM I – COVER PAGE

First Heartland® Consultants, Inc.,
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Lake Saint Louis, MO 63367
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Appendix I of Form ADV Part 2A – Employer-Sponsored Plan Services Wrap Fee Program Brochure

Dated September 16, 2021

This disclosure brochure provides information about the qualifications and business practices of First Heartland® Consultants, Inc. (also referred to as we, us, firm, FHC and FH Consultants throughout this disclosure brochure) and should be read in conjunction with the FH Consultants Form ADV Part 2A. If you have any questions about the contents of this disclosure brochure, please contact Zeonia Christy at (636) 695-2822. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about FH Consultants is also available on the internet at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for First Heartland® Consultants, Inc. or our firm's CRD number 110377.

*Registration as an investment adviser does not imply a certain level of skill or training.

ITEM 2 - MATERIAL CHANGES

The following is a summary of certain changes made to this brochure from the time of the annual update of the brochure dated March 29, 2021.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer to provide a copy of the most current disclosure brochure. We will also provide other ongoing disclosure information about material changes as necessary.

- Item 9 – ADDITIONAL INFORMATION

- Disciplinary Information

First Heartland® Consultants, Inc. (FH Consultants) has the following disclosable disciplinary history.

In August 2021, without admitting or denying the SEC's substantive findings, FH Consultants agreed to a settlement with the SEC with respect to FH Consultants' recommendation of certain investment securities to its clients. Specifically, the SEC found that FH Consultants invested clients' assets in and/or recommended certain mutual funds and money market funds without sufficient disclosure of the conflicts of interest relating to revenue sharing arrangements FH Consultants had with the sponsors of those funds. The SEC also found that FH Consultants failed to adequately disclose compensation received by its affiliated broker-dealer representing mark-ups of the fees charged by independent broker-dealers for services provided to FH Consultants' advisory clients. In connection with these findings, the SEC also found that FH Consultants breached its duty to seek best execution for client transactions and that FH Consultants failed to adopt compliance policies reasonably designed to prevent violations of the Advisers Act. FH Consultants did take meaningful remedial actions in connection with the settlement offer accepted by the SEC. FH Consultants was censured and ordered to cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 206(4) of the Advisers Act and SEC Rule 206(4)-7 promulgated thereunder. FH Consultants was ordered to pay disgorgement of \$745,941.91 along with prejudgment interest of \$99,586.41 and a civil penalty of \$200,000 to affected investors totaling \$1,045,528.32. FH Consultants was also ordered to comply with several undertakings relating to the distribution of these amounts to affected clients.

For more information, clients should refer to the Investment Advisor Public Disclosure at www.adviserinfo.sec.gov.

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ITEM 4 – SERVICES, FEES AND COMPENSATION

The investment advisory services of FH Consultants are provided to you through an appropriately licensed individual who is an investment adviser representative of FH Consultants (referred to as IAR throughout this brochure). Your IAR is not an employee of FH Consultants; rather, your IAR is an independent contractor of FH Consultants. For more information about your IAR, you should refer to the Brochure Supplement for your IAR (also known as the Form ADV Part 2B). The Brochure Supplement is a separate document that is provided by your IAR along with this Brochure before or at the time the client engages the IAR. If you did not receive a Brochure Supplement for your IAR, you should contact your IAR or FH Consultants at 636-625-0900. Your IAR is limited to providing the services and charging investment advisory fees in accordance with the descriptions detailed in this brochure. However, the exact services you receive and the fees you will be charged will be specified in your Retirement Plan Services Agreement.

The amount of clients' employer-sponsored retirement plan assets (excludes participant FBO accounts) managed by FH Consultants as of December 31, 2020 totaled approximately \$247,981,448 on a non-discretionary basis.

This Brochure provides information about FH Consultants and the following types of advisory services which are provided via our wrap fee program: employer-sponsored retirement plan services (excluding FBO accounts, i.e., Corporation A 401k Account FBO John Doe). Please understand that a written agreement, which details the exact terms of the services provided, must be signed by you, your IAR, and FH Consultants before any services can be provided to you.

Employer-Sponsored Retirement Plan Services

Under FH Consultants employer-sponsored retirement plan services, IARs assist clients that are trustees or other fiduciaries to employer-sponsored retirement plans ("Plans") by providing fee-based consulting and/or advisory services. IARs perform one or more of the following services, as selected by the client in the client agreement:

- Assistance in the preparation or review of an investment policy statement ("IPS") for the Plan based upon consultation with client to ascertain Plan's investment objectives and constraints.
- Acting as a liaison between the Plan and service providers, product sponsors or vendors.
- Ongoing monitoring of investment manager(s) or investments in relation to the criteria specified in the Plan's IPS or other written guidelines provided by the client to IAR.
- Preparation of reports describing the performance of Plan investment manager(s) or investments, as well as comparing the performance to benchmarks.
- Ongoing recommendations for consideration and selection by client, about specific investments to be held by the Plan or, in the case of a participant-directed plan, to be made available as investment options under the Plan.
- Education or training for the members of the Plan investment committee with regard to various matters, including plan features, retirement readiness matters, service on the committee, and fiduciary responsibilities.
- Assistance in enrolling participants in the Plan, including conducting enrollment meetings. As part of such meetings, IARs will provide participants with information about the Plan, which typically includes information on the benefits of Plan participation, the benefits of increasing Plan contributions, the impact of pre-retirement withdrawals on retirement income, the terms of the Plan and the operation of the Plan.
- Assistance with investment education seminars and meetings for Plan participants. Such meetings can be on a group or individual basis, and typically includes information about the investment options under the Plan (e.g., investment objectives, risk/return characteristics, and historical performance), investment concepts (e.g., diversification, asset classes, and risk/return), and how to determine investment time horizons and assess risk tolerance. Such meetings do not include specific investment advice about investment options under the Plan as being appropriate for a particular participant.
- Recommendations, for consideration and selection by client, regarding target-date or risk-based model portfolios based upon criteria stated in the Plan's IPS.
- As part of the ongoing investment recommendation service set out above, assistance in identifying an investment fund product or model portfolio in connection with the definition of a "Qualified Default Investment Alternative" ("QDIA") under ERISA.

- Assistance with the preparation, distribution and evaluation of Request for Proposals, finalist interviews, and conversion support in connection with vendor analysis and service provider support.
- Preparation of comparisons of Plan data (e.g., regarding fees and services and participant enrollment and contributions) to data from the Plan's prior years and/or a benchmark group of similar plans.
- Assistance in identifying the fees and other costs borne by the Plan for, as specified by the client, investment management, recordkeeping, participant education, participant communication and/or other services provided with respect to the Plan.

If a particular Plan makes available publicly-traded employer stock ("company stock") as an investment option under the Plan, IARs do not provide investment advice regarding company stock and are not responsible for the decision to offer company stock as an investment option. In addition, if participants in the Plan are permitted to invest their assets in accounts through individual brokerage accounts, a mutual fund window, or other similar arrangement, or are permitted to obtain participant loans, IARs do not provide individualized advice or recommendations to the participants regarding these decisions. Furthermore, IARs do not provide individualized investment advice to Plan participants regarding their Plan assets. Clients are free to select any investment advisory firm, in lieu of the IAR, to provide the advisory services described in this brochure.

FH Consultants provides services under this program as an investment advisor under the Investment Advisers Act of 1940 ("Act"), and is a fiduciary under the Act with respect to such services. In addition, if you elect in your client agreement to engage FH Consultants and the IAR to perform ongoing investment monitoring and ongoing investment recommendation services to a Plan subject to ERISA, such services will constitute "investment advice" under Section 3(21) of ERISA. FH Consultants and the IAR will be deemed a "fiduciary" as such term is defined under Section 3(21) of ERISA in connection with those services. You should understand that to the extent FH Consultants and the IAR are engaged to perform services other than ongoing investment monitoring and recommendations, those services are not "investment advice" under ERISA and therefore, FH Consultants and the IAR will not be a "fiduciary" under ERISA with respect to those other services. In addition, FH Consultants and your IAR shall not provide discretionary investment manager services as that term is defined in Section 3(38) of ERISA. Discretionary investment manager services under Section 3(38) of ERISA can be selected by the Plan to be provided by an independent third-party for a separate fee.

From time to time FH Consultants and/or your IAR will make the Plan or Plan participants aware of and will offer other services available from FH Consultants or First Heartland® Capital, Inc. (FH Capital), an affiliated broker-dealer, which are separate and distinct from the services provided under this program. Such other services are services to the Plan, to you with respect to your responsibilities to the Plan, and/or to one or more Plan participants. In offering any such services, neither FH Consultants nor your IAR is providing the services under this program or acting as a fiduciary under ERISA with respect to such offering of services. If any such separate services are offered to you, you should make an independent assessment of such services without reliance on the advice or judgment of FH Consultants or your IAR.

Fees and Compensation

This section provides details regarding our fees and compensation arrangements. It should be noted that lower fees for comparable services are available from other sources. The exact fees and other terms for the advisory services you will receive will be outlined in the Retirement Plan Services Agreement between you, your IAR, and FH Consultants. The maximum fee for our services is 1.75% (175 basis points) of the Plan assets. Fees are negotiable and typically paid quarterly in advance.

Fees charged for these programs are negotiated between the IAR and the client based on the IAR providing the services. As a result, your IAR will charge more or less for the same services than another IAR of FH Consultants and your IAR will charge you, specifically, more or less for the same services than another client of the IAR.

Of the total fee charged, FH Consultants will retain .03% (3 basis point Platform Fee) on each Account with the remainder being paid to your IAR. Please see your Retirement Plan Services Agreement for more details.

Fees charged are based on a percentage of the total Plan assets, typically billed in advance on a quarterly calendar basis, and calculated based on the fair market value of the Plan as of the last business day of the previous billing period. Fees are

prorated for your account if it is opened at any time other than the beginning of the billing period. If advisory services are commenced in the middle of the billing period, then the prorated fee for that billing period is based on the value of the account when services commence and is due immediately. Performance-based fees are defined as fees based on a share of capital gains or capital appreciation of the assets held in a client's account. We do not charge or accept performance-based fees.

A client will pay more or less than if the client were to purchase the same or similar services separately. Among the factors impacting the cost of the program are the plan size, services provided to the plan, services provided to participants, and the selected vendor platform.

Your IAR is responsible for determining the fee to charge each Plan based upon factors such as total amount of assets involved in the relationship, the complexity of the planning services, and the number and range of other advisory and client-related services to be provided. You should consider the level and complexity of the planning services to be provided when negotiating the fee with your IAR.

You will pay the advisory fee owed by submitting a check or EFT made payable to First Heartland® Consultants **(not your IAR or an entity controlled by your IAR)** or by instructing the Plan's service provider or custodian to debit the fee from the Plan's account(s) at the custodian and pay such fee to First Heartland® Consultants. The method of payment will be specified in your Retirement Plan Services Agreement.

The Plan will incur additional fees and charges, separate and distinct from the advisory fee, imposed by applicable third-party platform providers in connection with these services. These third-party fees can include fund or annuity sub-account management fees, 12b-1 fees, administrative servicing fees, plan recordkeeping fees, and other service provider fees. Further information regarding charges and fees assessed by the third-party platform provider are available in the appropriate prospectus or Plan contract. Many of the platform providers also make available to you ERISA 3(21) investment advice and 3(38) investment manager services for additional fees. All fees for these services will be detailed in the platform provider paperwork.

If the Plan chooses our affiliated broker-dealer, FH Capital and its clearing firm, Pershing, LLC to be the platform provider, the Plan will incur other costs separate and distinct from the advisory fee such as brokerage account fees, including custodial fees, wire transfer fees, and other types of fees and charges imposed by the broker-dealer and/or Pershing. Please refer to FH Consultants Form ADV Part 2A Disclosure Brochure for additional information about these fees. It should be noted that these types of fees are typically "marked-up" and such mark-up is retained by our affiliated broker-dealer. Please note that in such an arrangement there presents a conflict of interest. Using FH Capital as the broker-dealer will result in additional compensation being paid to our affiliate as a result of these fees. Please refer to the FHC Compensation/Conflicts of Interest Disclosure at www.firstheartland.com/disclosures. The FHC Compensation/Conflicts of Interest Disclosure is provided to you whenever an Account is opened with our affiliated broker-dealer. FH Capital collects these fees and shares them with Pershing, LLC. None of these fees are retained by FH Consultants.

In addition, the advisory fee **does not include** other amounts that you will be subject to such as the initial and ongoing expenses paid to third party investments or third party pooled investment vehicles, such as mutual funds, annuities, or alternative investments. Such expenses are usually set forth in the applicable offering document (prospectus) or the investment contract, and are payable or borne by you in addition to any fee outlined above.

If you engage FH Consultants and your IAR to provide ongoing investment recommendations to the Plan regarding investment options to be made available to Plan participants, you should understand that there generally will be two layers of fees with respect to such assets. The Plan will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. The Plan will also pay FH Consultants for the investment recommendation services. Therefore, you can avoid the second layer of fees by not using the advisory services of FH Consultants and your IAR and by making your own decisions regarding the Plan's investments.

IARs who recommend services in this program to you and their other clients will receive compensation as a result of your participation in the program. Typically, this compensation will be more than what the IAR would receive if you participated

in other programs or services, or paid separately for investment advice, brokerage and other services. Therefore, IARs have a financial incentive to recommend these programs over other services available.

You should review your account statements received from the qualified custodian(s) and verify that the appropriate advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the advisory fees deducted.

Participation in these programs will continue in effect until terminated by either party by providing notice of termination to the other party. Any prepaid, unearned advisory fees will be refunded by FH Consultants to you. Fee refunds will be determined on a pro-rata basis using the number of days for which services were actually provided during the final period.

If your IAR recommends mutual funds as part of the services for your Plan, some of those mutual funds charge asset-based sales charges or service fees (e.g., 12(b)-1 fees). Neither your IAR, nor FH Capital nor FH Consultants will retain any commissions or 12(b)-1 fees. The receipt of commissions and 12(b)-1 fees presents a conflict of interest because it gives your IAR an incentive to recommend products based on compensation received rather than on the Plan's investment needs. If at any time, commissions or 12(b)-1 fees are paid by product sponsors to FH Capital as the broker-dealer, FH Consultants will use the amounts received to offset the advisory fee or return such amounts to the Plan account.

ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

The services described in this brochure are available to clients that are trustees or other fiduciaries to Plans, including 401(k), 457(b), 403(b) and 401(a) plans. Plans include participant directed defined contribution plans and defined benefit plans. Plans may or may not be subject to ERISA.

FH Consultants does not require a minimum asset amount for employer-sponsored retirement plan services.

ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION

Plans may choose from the following platform providers when working with FH Consultants and their IARs. Currently, FH Consultants makes available the following third-party platform providers:

American Funds, CUNA Mutual, Empower, ePlan Services, Fidelity, John Hancock, Mass Mutual, Mutual of Omaha, Nationwide, OneAmerica, Paychex, Pershing, Principal, Standard, Transamerica, Vanguard, and Voya.

You and your IAR will select the appropriate platform provider that best suits your Plan's investment needs. If you elect to engage your IAR to provide ongoing investment recommendations to the Plan, your IAR will conduct an analysis of mutual funds, exchange-traded funds ("ETFs"), collective investment trusts, annuity sub-accounts and other securities using a technical/quantitative and/or fundamental/qualitative approach. The sources of information that your IAR uses to provide advice to the Plan includes the following: research materials prepared by third parties, statistical and/or analytical industry databases, and/or financial newspapers and magazines. Our IARs choose their own research materials, methods, investment strategies, and management philosophy. You are encouraged to speak to your IAR directly to discuss the particular approach and strategy for providing services to the Plan. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable.

You, as trustee or other Plan fiduciary may choose to select a number of different types of securities to make available to plan participants, including but not limited to mutual funds, stable value funds, ETFs, and annuities. Each different type of security carries with it risks that are inherent in that specific type of security. Investing in securities involves risk of loss. The Plan and its participants should be prepared to bear investment loss including loss of original principal. Described below are some particular risks and features associated with investing in general and with some types of investments that may be purchased by a Plan.

- **Market Risk** – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systematic risk.

- **Equity (stock) Market Risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Company Risk**- When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Fixed Income Risk**- When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- **Options Risk**- Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- **ETF and Mutual Fund Risk** – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. In addition, certain ETFs employ sophisticated financial strategies, such as leverage, futures, and derivatives, in pursuit of their investment objectives. The use of leverage and inverse strategies (use of futures and other derivatives) by a fund increases the risk to the fund and magnifies gains and losses on the investment. Typically, these products have one-day investment objectives and investors can lose a significant amount of principal rapidly in these securities.
- **Management Risk** – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- **Group Annuities** – If the Plan purchases a group annuity contract, you should read and understand the group annuity contract and all other offering materials prepared by the issuing insurance company prior to making an investment decision. In considering whether to purchase a particular group annuity for the Plan, you should be aware that:
 1. A group annuity is a contract between the plan sponsor or the plan trustee and the issuing insurance company that covers the participants in the plan.
 2. A group variable annuity consists of separate accounts that typically invest in underlying investment portfolios the value of which fluctuates with the market value of the securities in the portfolio.
 3. Although a group annuity is issued by an insurance company, the annuity's investment returns are not "insured" or guaranteed and risk of loss of principal does exist; however, the particular product may offer participants an option to purchase an annuity with a guaranteed component instead of a cash payout. Any such guarantee is subject to the claims-paying ability of the insurance company.
 4. A group annuity held in a tax-qualified retirement plan does not provide any additional tax deferred treatment of earnings for the plan or participants beyond the treatment provided by the plan itself.
 5. A group annuity contract generally is not a registered security and the separate account is generally not a registered separate account. Therefore, the contract and separate account are not subject to registration or regulation by the SEC under the Securities Act of 1933, the Securities Exchange Act of 1934 or the Investment Company Act of 1940.
 6. Unlike mutual funds and registered variable annuities, which are SEC-registered products, a group annuity generally is not required to prepare or deliver a prospectus.
 7. A group annuity contract typically includes various fees and expenses, including administrative fees for certain services of the insurance company, such as recordkeeping, customer services and enrollment. These fees and expenses are in addition to the fees and expenses of the underlying investment options, which a participant will indirectly bear by investing in those investment options through the group annuity.
- **Stable Value Funds** - If you are considering a stable value product to make available as an investment option for a Plan, you should review the contract for the product and understand and consider the following:

1. The objective of stable value funds, in general, is to preserve capital while providing a relatively stable rate of return that seeks to exceed returns provided by money market funds. Although designed as a low-risk investment, participants can lose money by investing in a stable value fund.
2. Stable value funds can be viewed as an alternative to money market funds; however, there are important differences, and stable value products can be complicated. Unlike money market funds, stable value funds are typically not registered with the SEC. In addition, they are not guaranteed by the U.S. government or the Plan. The structure of, or investments within, stable value funds varies, and it is important to consider these differences in selecting a stable value fund.
3. It is important that plan sponsors understand the terms of the contract, in particular, terms related to participant vs employer initiated events, as they will be a consideration in a future decision as to whether to terminate the stable value product provider.
4. As the stable value product contract provider guarantees the receipt of book value to participants, it is important to consider the financial stability of the provider.
5. There are fees and costs associated with stable value products.

ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

All information about the Plan will be provided to the selected platform provider so that services may be provided to you. If at any time, you have questions about the third-party provider or the services being provided to the Plan, you should contact your IAR or FH Consultants.

ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS

You are encouraged to interact and consult directly with your IAR, however, you are free to contact and consult directly with the third-party service provider.

ITEM 9 – ADDITIONAL INFORMATION

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For more information, clients should refer to the Investment Adviser Public Disclosure at www.adviserinfo.sec.gov.

Other Financial Industry Activities and Affiliations

Our Affiliated Broker-Dealer— First Heartland® Capital, Inc. (FH Capital)

FH Consultants is under common ownership with FH Capital, a FINRA registered broker-dealer. FH Capital provides securities brokerage services to FH Consultants' clients. Please read the sub-section below, *Registered Representatives with Our Affiliated Broker-Dealer*, for details about this arrangement.

Registered Representatives with Our Affiliated Broker-Dealer

A majority of IARs are also registered representatives affiliated with FH Capital. The Plan can work with the IAR in their separate capacity as a registered representative of FH Capital. When acting in their separate capacity as a registered representative, your IAR will sell to you, **for commissions**, general securities products such as stocks, bonds, unit investment trusts, options, CDs, mutual funds, exchange traded funds, and annuity and variable life products. As such, your IAR will suggest that you implement investment advice by purchasing securities products through a commission based account or the purchase of an insurance product in addition to or in lieu of, advisory services. This receipt of commissions creates an incentive to recommend those products for which your IAR will receive a commission in their separate capacity as a financial professional of a broker-dealer. Consequently, the objectivity of the advice rendered to you is biased.

You are under no obligation to use the services of FH Capital registered representatives in this separate capacity or to use FH Capital, and you can select any broker-dealer you wish to implement securities transactions. If you select your IAR to implement securities transactions outside of this program, you will direct that an account be opened through FH Capital. Prior to effecting any such transactions, you are required to enter into a new account agreement with FH Capital. The commissions and fees charged by FH Capital will be higher or lower than those charged by other broker-dealers.

Our Affiliated Insurance Marketing Organization – Elite Partners, LLC

First Heartland® Consultants is under common ownership with Elite Partners, LLC, which is a life insurance marketing organization and wholesales insurance and annuity products to third-party insurance agents.

Our Affiliated Insurance Agency - First Heartland® Corporation

First Heartland® Consultants is under common ownership with First Heartland® Corporation, a licensed insurance agency.

Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

FH Consultants has established a Code of Ethics that applies to all of its associated persons. As a fiduciary, it is an investment adviser's responsibility to provide full and fair disclosure of all material facts and to act solely in the best interest of each of our clients at all times. FH Consultants has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for our Code of Ethics which also covers our Insider Trading and Personal Securities Transactions Policies and Procedures. FH Consultants has the responsibility to make sure that the interests of all clients are placed ahead of FH Consultants' own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. FH Consultants will conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This section is intended to provide clients with a summary of FH Consultants' Code of Ethics. Clients will receive a complete copy of the Code of Ethics upon request.

FH Consultants or associated persons of the firm will, from time to time, buy or sell for their personal accounts investment products identical to those recommended to clients. This creates a conflict of interest. It is the express policy of FH Consultants that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. FH Consultants and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry. We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our advisors, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.

- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted by the Chief Compliance Officer of FH Consultants.

Any associated person not observing our policies is subject to sanctions up to and including termination.

Clients should understand that FH Consultants, FH Capital, and IARs will perform advisory and/or brokerage services for various other clients, and that FH Consultants, FH Capital and the IAR will give advice or take actions for those other clients that differ from the advice given to the client. The timing or nature of any action taken for the Account will also be different.

FH Consultants and IARs do not:

- buy/sell securities for FH Consultants or for themselves from clients or from inventory (principal transactions);
- transact purchases or sales of any client’s securities directly to any other person (agency cross transaction);
- recommend securities or other investment products to clients in which FH Consultants, the IAR or another firm related to FH Consultants has a proprietary or ownership interest.

Brokerage Practices

You may direct that FH Capital be used as the broker-dealer for your Plan and that Pershing, LLC serve as the qualified custodian of your Plan account. As discussed above, your IAR may also be a registered representative with FH Capital.

FH Consultants believes that it can recommend FH Capital in view of the broad range of products offered and the level of service provided. Clients should consider that the fees and expenses that FH Capital normally charges will be higher or lower than those available through other broker-dealers for essentially the same services. Please note that in such an arrangement there is a conflict of interest. Using FH Capital as the broker-dealer will result in additional compensation being paid to our affiliate as a result of brokerage and custody fees. Please refer to the FHC Compensation/Conflicts of Interest Disclosure at www.firstheartland.com/disclosures. The FHC Compensation/Conflicts of Interest Disclosure is provided to you whenever an account is opened with our affiliated broker-dealer. All fees and expenses that will be charged to Clients with accounts under our program are separate and distinct from the advisory fee and will be paid directly to FH Capital. FH Capital collects these fees and shares them with Pershing, LLC. None of the brokerage or custody fees assessed are retained by FH Consultants.

Best execution does not necessarily mean that clients receive the lowest possible costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back office services, technology and pricing of services offered.

Investment Discretion

With respect to services provided to Plans subject to ERISA, FH Consultants and your IAR are not permitted to exercise discretionary investment management, i.e., they are not Section 3(38) investment managers under ERISA. However, depending on the services selected by the Plan, a third-party platform provider or other investment manager may provide discretionary investment management for a fee under Section 3(38) of ERISA.

Custody

Custody, as it applies to investment advisers, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

FH Consultants is deemed to have custody of client funds and securities whenever FH Consultants is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody that FH Consultants permits. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which FH Consultants is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. You or your independent legal representative will direct, in writing, the establishment of all accounts and therefore, you will be aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to you, or your independent legal representative, at least quarterly.

You should carefully review those statements and are urged to compare the statements against reports received from your IAR. You are urged to contact FH Consultants or FH Capital immediately if you receive reports from your IAR that differ substantially from your custodial account statements. When clients have questions about their account statements, they should contact the qualified custodian preparing the statement.

Annually, FH Consultants undergoes a surprise exam by an independent accountant to verify client assets.

Soft Dollar Benefits

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer. FH Consultants does not have a soft dollar agreement with a broker-dealer or third party.

Handling Trade Errors/Block Trading Policy

For Plan accounts custodied at Pershing utilizing FH Capital as the broker-dealer, FH Consultants has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of FH Consultants to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. In all situations where the client does not cause the trade error, the client is made whole and any loss resulting from the trade error is absorbed by our affiliated broker-dealer, FH Capital. FH Capital will retain any trade error gains. FH Consultants will never benefit or profit from trade errors.

For Plan accounts custodied at Pershing utilizing FH Capital as the broker-dealer, your IAR has the option to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and can be used by your IAR. If and when your IAR aggregates client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to allocate orders among clients on a more equitable basis in order to avoid differences in prices that might be obtained when orders are placed independently.

The block trading platform utilizes the average price allocation method for transaction allocation. Under this platform the average price for each transaction included in a block order is calculated and then the average price is assigned to each allocated transaction executed for the client's account.

If and when your IAR determines to aggregate client orders for the purchase or sale of securities, including securities in which FH Consultants or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, SMC Capital, Inc. (Sept. 5, 1995). Neither we nor our associated persons receive any additional compensation as a result of block trades.

Your IAR can determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, and the liquidity of the securities. If your IAR does not aggregate orders, you will receive a more or less favorable price than other clients. This means that the practice of not aggregating will cost you more or less money.

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Agency Cross Transactions

IARs are prohibited from engaging in agency cross transactions, meaning they cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

Principal Trades

A principal trade is a type of order carried out by a broker-dealer that involves the broker-dealer buying or selling from its own account and at its own risk, as opposed to carrying out trades through another broker-dealer. FH Capital is not a clearing broker-dealer, does not maintain an inventory in any securities, and therefore, does not conduct traditional principal trades; however, when certain client orders for FH Consultants' wrap accounts are received, FH Capital will execute the order on a traditional agency basis and no additional compensation or commissions will be charged to a client account.

Reviews of Accounts

To the extent services offered to the Plan include performance monitoring or reporting, IAR will review performance or provide reports of investment manager(s) or investments selected by the Plan on a frequency as agreed with the Plan. If elected by the Plan, IAR will provide reports evaluating the performance of the Plan investment manager(s) or investments, as applicable. You will also be provided with regular quarterly accounts statements directly from the qualified custodian.

You are encouraged to always compare any reports or statements provided by us or your IAR against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact your qualified custodian.

Client Referrals and Other Compensation

FH Consultants, FH Capital and your IAR will receive expense reimbursements for travel and marketing expenses from distributors of investment and insurance products. Travel expense reimbursements are typically a result of attendance at due diligence or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. For all conflicts listed above, we attempt to control for these conflicts by always basing investment decisions on the individual needs of our clients.

FH Consultants, FH Capital, and your IAR will also receive additional compensation from product sponsors. Compensation includes such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings with the IAR, client workshops or events, marketing events or advertising initiatives. Product sponsors also pay for, or reimburse FH Consultants and FH Capital for the costs associated with education or training events that are attended by FH Consultants' employees and IARs and for FH Consultants and FH Capital sponsored conferences and events. This conflict is controlled by always basing investment decisions on the individual needs of our clients.

In addition, your IAR will receive compensation in the form of incentive awards and trips based upon overall production from FH Consultants, FH Capital, and First Heartland® Corporation an affiliated insurance agency. The receipt of, or the potential to receive, these awards and trips, will affect your IAR's judgment in selecting products sold to you, thereby creating a conflict of interest. This conflict is controlled by always basing investment decisions on the individual needs of our clients.

If your IAR recommends advisory services to you under this program, your IAR will receive compensation from FH Consultants. This compensation includes a portion of the advisory fee and includes other compensation as noted above. The amount of this compensation will be more or less than what your IAR would receive if you participated in a different FH Consultants program, programs of other investment advisers or paid separately for investment advice, brokerage and other client services. Therefore, your IAR has a financial incentive to recommend these advisory services over other programs and services. This conflict is controlled by always basing investment decisions on the individual needs of our clients.

Proxies/Class Actions

FH Consultants and IARs do not vote proxies on behalf of Plans or participants. Therefore, it is the Plan's responsibility to vote all proxies for securities held.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy voting documents and make a determination based on the information provided. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact your IAR. However, you will have the ultimate responsibility for making all proxy voting decisions.

With respect to third-party platform providers, we will not vote the proxies associated with these assets. You will need to refer to your contract with the third-party platform provider to determine whether the third-party provider will vote proxies on your behalf.

You retain the right under applicable securities laws to initiate a lawsuit individually or join a class action lawsuit against the issuer of a security that was held, purchased or sold by or for you. FH Consultants and your IAR will not initiate such a legal proceeding on behalf of clients and will not provide legal advice to clients regarding potential causes of action against such a security issuer, or whether or not the client should join a class action lawsuit. We recommend that you seek legal counsel prior to making a decision regarding whether to participate in or initiate any such lawsuit. Moreover, our services do not include monitoring or informing you of any potential or actual class action lawsuits against the issuers of the securities that were held, purchased or sold by or for you.

Financial Information

FH Consultants does not require any client to prepay an advisory fee of \$1,200 or more, 6 or more months in advance for advisory services.

FH Consultants is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over client accounts.

FH Consultants has not been the subject of a bankruptcy petition.