

## INTRODUCTION

Our firm, Highland Capital Management, LLC, is registered with the Securities and Exchange Commission as an investment adviser. There are free and simple tools available to research firms and financial professionals at [www.Investor.gov/CRS](http://www.Investor.gov/CRS), which also provides education materials about broker-dealers, investment advisers, and investing. One purpose of this document is to help you understand how the fees on advisory and brokerage services differ.

## WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

We provide investment advisory services, specializing in managing equity and fixed income portfolios for retail investors. We provide continuous advice as to the investment of your funds and tailor our advisory services to your individual needs. As such, we take into consideration the nature and amount of your assets and investments, risk tolerance, and liquidity requirements in providing you individualized advisory services. We have full discretion to invest your assets, on a continuing basis, without prior consultation with you, with or through brokers, dealers or issuers selected by us, all subject to your specific limitations, needs and objectives imposed by you. As always, you may instruct us to buy or sell specific securities, this is your money. At this point we would consider this a non-discretionary request.

We also provide services to meet the needs of participants currently enrolled in 401k plans we manage. We provide informational meetings to participants educating them on their specific plan and investment options. If more information is needed, the participants may call us to provide more one-on-one help.

Daily our investment team monitor analytics of securities held by you. We use various third-party and internal resources to assist in monitoring investments, issuers, companies, industries and trends. We also provide you with statements each quarter, detailing your security holdings, including the cost and market values. As always, we are available to you for discussions about your investment portfolio.

Highland does not impose a minimum investment amount. We will work with you to determine the investment strategy that makes sense for your investment needs.

Additional information about our advisory services is located in Item 4 & 7 of our ADV Part 2 Brochure. It is available at: <https://adviserinfo.sec.gov/firm/summary/104842>.

## WHAT FEES WILL I PAY?

You will be charged a quarterly fee based on the value of the investment in your account. Our management fee depends on the investment strategy and the market value of assets we manage for you. Our fees are negotiable, but will not exceed 1.00% per year. The fees are described in our ADV Part 2 Brochure, Items 5 and 6, <https://adviserinfo.sec.gov/firm/summary/104842>. The more assets there are in your account, the more you will pay in fees. Therefore, we may have an incentive to encourage you to increase the assets in your investment portfolio.

We also charge an additional fee of 10%, if you invest in our Core Plus strategy. This fee is calculated on the profit made on your investments. These are called performance fees. You pay more in fees, as your account's profitability increases.

You will pay a transaction-based fee when we buy and sell investments for your investment portfolio. Those fees are charged by the broker-dealer. You will also pay fees to the custodian who hold your investment assets.

You may also pay other indirect fees related to specific investment products. These fees are common with mutual funds, index funds, and exchange traded funds. These expenses will reduce the performance of your investments.

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

## WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN ACTING AS MY INVESTMENT ADVISER? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?

*When we act as your investment adviser*, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Below is an example to help you understand what this means.

We may direct your security trade to a broker-dealer that provides security and industry research. Your trade commission will be used to purchase this research. You will pay a higher commission rate. Please see Item 12 of our Part 2 Brochure located at: <https://adviserinfo.sec.gov/firm/summary/104842>.

## HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Our financial professionals are salaried employees and, just like all other employees, their compensation is based on the jobs they perform.

## DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

No for our firm. Yes for our financial professionals. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research Highland Capital Management, LLC and our financial professionals.

## ADDITIONAL INFORMATION

You can obtain additional information about our investment advisory services on the SEC's website, <https://adviserinfo.sec.gov/firm/summary/104842>. You may also contact our firm at 901-761-9500 to request a copy of this relationship summary and other up-to-date information.

### Questions to Ask Us:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?
- Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?
- How might your conflicts of interest affect me, and how will you address them?
- As a financial professional do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how that person is treating me?