



Item 1: Cover Page

Form ADV 2A Appendix 1 Wrap Fee Program Brochure

March 28, 2025

SEC File No. 801 - 29892
Avantax Advisory Services, Inc.
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This Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure ("Wrap Fee Program Brochure") provides information about the qualifications and business practices of Avantax Advisory Services, Inc. ("AAS" or "Firm") which uses the trade name Avantax Advisory Services. If you have any questions about the contents of this Wrap Fee Program Brochure, contact us at (972) 870-6000 or AdvisoryCompliance@Avantax.com.

This information has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Avantax Advisory Services is also available at www.adviserinfo.sec.gov. You may search for information using the Firm's name or by its CRD number (#104556).

Note: References to being "registered" does not imply a certain level of skill or training. You should review this Wrap Fee Program Brochure and consider its contents before investing in a program offered by or through AAS.

Item 2: Material Changes

Item 2 provides a summary of material changes, if any, the Firm has made to this Brochure since the last annual update, which occurred in March 2024.

No material changes in 2024.

Will I receive a Brochure every year?

AAS may, at any time, update this Brochure. Any material changes will either be sent to you as a summary of those changes or, depending on the extent of these changes, you will receive the entire updated Brochure.

May I request additional copies of this Brochure?

Absolutely. You (the client or prospective client) may request and receive additional copies of this Brochure by:

- contacting your AAS Advisor,
- downloading the Brochure from the SEC website, www.adviserinfo.sec.gov, by selecting "Firm" and typing in Avantax Advisory Services, Inc. or its CRD# 104556,
- emailing the Firm at AdvisoryCompliance@Avantax.com or
- calling the Firm at 972-870-6000.

Item 3: Table of Contents

Item 1: Cover Page	1
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Services, Fees and Compensation.....	4
Item 5: Account Requirements and Types of Clients	19
Item 6: Portfolio Manager Selection and Evaluation.....	20
Item 7: Client Information Provided to Portfolio Managers.....	27
Item 8: Client Contact with Portfolio Managers.....	28
Item 9: Additional Information	29

Item 4: Services, Fees and Compensation

Who We Are

Avantax Advisory Services, Inc. ("AAS", "Firm", "us", "our", or "we"), also doing business as Avantax Advisory ServicesSM and Avantax Wealth Management®, was established in 1987¹ and is an investment adviser registered with the Securities and Exchange Commission ("SEC") that offers a variety of investment advisory services primarily to individuals, pension and profit-sharing plans, and businesses, as more fully described in this Wrap Fee Program Brochure. The Firm conducts business throughout the United States through its investment adviser representatives (each an "Advisor" and collectively, "Advisors"), who are primarily independent contractors registered with the Firm, their personnel, and AAS' employees (collectively, "Supervised Persons") to provide investment advisory services to you (the "client" or "prospective client").

As of December 31, 2024, AAS had \$46,109,939,749 in client assets under management, of which \$38,136,384,390 was managed on a discretionary basis and \$7,973,555,359 was managed on a non-discretionary basis.

AAS is an affiliate of Avantax Investment Services, Inc. ("AIS"), a broker-dealer and government securities dealer or broker registered with the SEC and a member of FINRA/SIPC. For most of AAS' clients, AIS provides brokerage, custody and execution services through its clearing arrangement with National Financial Services LLC ("NFS" or "Custodian"), a non-affiliated firm, member NYSE, SIPC and a Fidelity Investments® Company. AAS is also affiliated with Avantax Insurance AgencySM and Avantax Insurance ServicesSM (collectively, "Avantax Insurance") and Avantax Planning Partners, Inc. ("APP"), an affiliated investment adviser registered with the SEC.

AAS is wholly-owned by Avantax Wealth Management, Inc. ("Avantax Wealth Management"). Avantax Wealth Management is directly owned by Avantax WM Holdings, Inc. that is wholly owned by Avantax, Inc. that is directly owned by Aretec Group, Inc. DBA Cetera Holdings ("Aretec"). Aretec is a wholly-owned subsidiary of GC Two Intermediate Holdings, Inc., and an indirect wholly-owned subsidiary of GC Three Holdings, Inc. Through common ownership by Aretec, AAS is affiliated with Cetera Financial Group, Inc. ("Cetera Financial Group"). For more information on AAS' other financial industry activities and affiliations, see **Item 9**.

An Overview of Investment Advisory Services

Most advisory relationships begin with an initial client meeting between you and your Advisor. Typically, meetings are done in person, over the telephone, or through email communications. The purpose of this initial meeting is to discuss your investment history, goals, objectives, and risk tolerance and determine the investment advisory services that will meet your needs. For more information about the relationship with your Advisor, see **Item 8**.

Prior to engaging your Advisor to provide AAS investment advisory services, each client will be required to enter into a written agreement setting forth the terms and conditions of services, including client specific fee information. For AAS' Investment Management Solutions (IMS) platform, advisory accounts are required to be established and held through AAS' affiliated broker-dealer, AIS. AIS provides brokerage, custody and execution services through its clearing arrangement with National Financial Services LLC ("NFS" or "Custodian"), a non-affiliated firm, member NYSE, SIPC and a Fidelity Investments® Company. AAS selected AIS primarily due to its affiliation and AIS' relationship with NFS. As part of this relationship, AAS' receives substantial economic and non-economic benefits from NFS, including but not limited to, access to the Bank Deposit Sweep Program (as detailed in **Item 4** and **Item 9**), accessibility to dedicated service personnel, electronic and institutional trading, third-party research and technology, technical and operational support, advisory fee processing, and electronic communications and reporting to clients. AAS' and AIS' affiliation creates conflicts of interest and, in many cases, incentivizes AAS and its Advisors to recommend an affiliate's products and/or services versus other, similar, non-affiliated providers. Additionally, many of AAS' Advisors serve in multiple capacities and may be incentivized to recommend products or services that create the greatest compensation for the Advisor. For additional information, see **Item 9**.

AAS and its Advisors offer investment advisory services through various programs, as described in AAS' Brochure and this Wrap Fee Program Brochure. AAS is the sponsor and investment adviser for the wrap-fee programs described under this Wrap Fee Program Brochure. Under a "wrap fee" program the client pays a single fee, based

¹ Avantax Advisory Services, Inc. was formerly known as 1st Global Advisory Services ("1st Global") and H.D. Vest Advisory Services, Inc. ("HD Vest").

on a percentage of the managed assets, for investment advisory, portfolio management and trade execution. **Depending upon the investments, investment strategy, trading activity, and other factors, you (the client) may pay more or less in fees and expenses in a wrap fee program compared to a non-wrap fee program.** In addition to AAS' and your Advisor's fees, all clients will incur underlying investment expenses and, depending upon the investments, services, and negotiated agreement, may also incur other fees and expenses (e.g., third-party investment manager's fees and costs).

AAS and its Advisors price services based upon various objective and subjective factors. As a result, AAS' clients will pay diverse fees and costs based upon, among other things, the complexity of the engagement, type of service(s), investment products used, investment program and strategies employed, and other third-party-specific costs. **Clients may inquire at any time with their Advisor as to client-specific fees and costs.** The information contained in this Wrap Fee Program Brochure cannot disclose every possible fee, expense and cost that a client may incur and is not intended to be an exhaustive list. Rather, this section provides a description of the most commonly incurred fees, expenses and costs associated with AAS' wrap fee programs. An Advisor or AAS, at the Advisor's or AAS' sole discretion, may pay any of these fees, expenses and costs or AAS, in its sole judgment, can choose to waive or reduce the minimum initial investment amount or account minimums for its programs.

AAS and your Advisor are compensated in several ways, as described in this Wrap Fee Program Brochure. **Clients should be aware that the receipt of economic and/or other benefits by AAS and its Advisors creates a conflict of interest and may influence AAS' choices for and your Advisor's recommendations of investments, services, third-party investment managers and TAMPs.** Therefore, it is important that you understand how AAS and your Advisor are compensated, as well as the other costs and conflicts of interest associated with the investments and services provided to you through AAS and its Advisors.

Other brokerage account charges, such as stop payment fees, Fed Fund Wire Fees and margin interest will be charged to your account when applicable; a list of those fees that may be charged are available on our website at <https://avantax.com/disclosures/account-fees-and-costs>. These other brokerage account fees and expenses defray our costs associated with such services and include a profit to AIS, our affiliated broker-dealer. The additional compensation AIS receives represents a conflict of interest because AIS receives a financial benefit when it provides services in connection with maintaining your account. This compensation, however, is retained by the AIS [or Related BD] and is not shared with your Advisor, so your Advisor does not have a financial incentive to recommend certain transactions or for the Related BD or Firm to provide such additional services.

AAS will typically earn compensation for managing client accounts by charging you an advisory fee. This fee is called an "assets under management" (AUM) fee. Essentially, this means that on a quarterly basis, we will charge you a fee that is calculated as a percentage of the market value of the assets held within your advisory account.

Generally, AAS' and your Advisor's fees are negotiable on a client-by-client, account-by-account basis, subject to applicable maximum fees as outlined in this Wrap Fee Program Brochure. AAS and its Advisors offer a variety of services and manage a broad range of client accounts with different mandates, fee structures and expenses. AAS' Advisors charge differing investment advisory fees based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). This is also a conflict of interest, as it creates a financial incentive for AAS' Advisors to provide preferential treatment to one account over others in terms of allocation of management time, resources, and investment opportunities.

As more fully described in **Item 9**, many of AAS' Advisors are also registered representatives of AAS' affiliated broker-dealer, AIS, and/or licensed insurance agents with Avantax Insurance. Brokerage services, insurance services and investment advisory services are different, and the fees charged for those services are often separate. For example, your Advisor will earn investment advisory fees on an account managed under a written agreement through AAS and, if applicable, in the capacity as a registered representative with AIS, earn transaction-based compensation or commissions on brokerage services at AIS or insurance services through Avantax Insurance. **If your Advisor serves in multiple capacities, your Advisor has an incentive to recommend investment products or services that create the greatest compensation for your Advisor.** In addition to disclosing these conflicts of interest, AAS has created and implemented a compliance and supervisory program to mitigate such conflicts through the oversight of client accounts and investment advisory activities. AAS mitigates these conflicts of interest, in part, by endeavoring to act in each client's best interest and through the adoption and implementation of a Code of Ethics and other policies and procedures. See **Item 9** for additional information. **To determine whether your Advisor earns compensation in**

multiple capacities, review your Advisor's Form ADV 2B Brochure Supplement. If a client has not received a copy of that document, the client should contact the Firm, using the information on the cover page of this Wrap Fee Program Brochure.

AAS' clients are not under any obligation to enter into an agreement with and receive investment advisory products and services through AAS and its Affiliates, and many of these investment products and services are available through other investment advisers, broker-dealers, custodians, or other financial institutions. **Clients may inquire at any time with their Advisor as to any client-specific products, services, fees and costs.** AAS encourages all clients and prospective clients to read this Wrap Fee Program Brochure, all relevant Wrap Fee Program Brochure Supplements, and any documentation for the specific advisory programs, products and/or services, and ask any corresponding questions, prior to participation in any advisory program, product or service provided through AAS.

IMS Platform and Program Descriptions

We have developed the Investment Management Solutions (IMS) Platform, which consists of several advisory services and programs listed below (each a "Program" and collectively the "IMS Programs") to give you as much flexibility as possible and access to a wide variety of mutual funds, exchange-traded funds (ETFs) and a selection of third-party investment managers. Some of the IMS Programs allow for the inclusion of stock, bonds, and alternative/complex products. The specific Program selected by you may cost you more or less than purchasing program services separately. Factors that bear upon the cost of a particular Program in relation to the cost of the same services purchased separately include, but may not be limited to, the type and size of the account, the historical and/ or expected size of the account, and the number and range of supplementary advisory and client-related services provided to the account. We are the sponsor and investment adviser for the IMS Platform.

Prior to participating in any of the IMS Programs, the client and Advisor complete a Statement of Investment Selection ("SIS"), that includes a Risk Tolerance Questionnaire ("RTQ"), in order to determine the client's (or investor) risk profile. This information, along with consideration of all your assets, income, investments, and overall financial picture, as applicable, will be used to select any of the Program(s) and an investment strategy(ies). Your risk tolerance is scored based on three factors: 1) time horizon; 2) long-term goals and objectives; and 3) short-term risk attitudes. Using a weighted average, an overall risk tolerance score is generated and mapped to one of five (5) possible risk profiles:

- Ultra-Conservative
- Conservative
- Moderate
- Growth
- Aggressive Growth

The five possible risk profiles represent a theoretical risk spectrum from least risk to most risk. The recommended IMS Program (and the investments selected for your account) is constructed to represent the risk-return characteristics of your client risk profile. There is no guarantee that the risk tolerance generated from your answers accurately assesses your tolerance for risk, nor is there any guarantee that the asset mix or recommended IMS Program appropriately reflects your ability to withstand investment risk. See **Item 6** for additional information on risks.

The purpose of this Statement of Investment Selection ("SIS") is to establish an understanding between you and your Advisor regarding your investment objectives, goals, and investment management account guidelines. The SIS is considered a dynamic document that changes over time to reflect your changing life circumstances. Such changes naturally affect your goals, objectives, time horizon and feelings about risk in your account. If your financial situation changes, including your goals and objectives, it is important that you let your Advisor know as soon as possible. Your Advisor will meet with you to review your SIS at least annually. See **Item 9** for additional information on review of accounts.

Retirement Investors: When we (AAS and your Advisor) provide investment advice to you (the client) regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and/or the Internal Revenue Code, as amended ("IRC"), as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests. We have a conflict of interest with you when we recommend a rollover / transfer of retirement assets and receive more compensation as a result. We mitigate this conflict of interest by providing you with relevant information, reviewing that information with you, answering your questions, and recommending only alternatives that we believe are in your best interest. We have provided you with other required disclosures,

along with your account terms and conditions and/or advisory agreement that describe the specific services we will perform and/or terms and conditions of our relationship with you. **This is important information so please read it carefully.**

Additional information about each IMS program, including the types of portfolio management services, wrap fee charges, discretionary authorities, and additional program costs, is provided below. **For a more detailed description of each IMS program, contact your Advisor.**

The following is a list of our wrap-fee programs:

- IMS Access
- IMS Flex Choice (wrap)
- IMS Gateway
- IMS Portfolio Choice
- IMS Prime
- IMS Select
- IMS Unified Choice

➤ **IMS Access**

Under AAS' IMS Access program, AAS has retained Envestnet Asset Management, Inc., a registered investment adviser ("Envestnet"), to provide access to third-party investment managers (or SMA Managers). This is a discretionary program and AAS, Envestnet, and the selected SMA Manager have trading discretionary authority for your account. Your Advisor may select a SMA Manager, but does not have trading discretionary authority. AAS and Envestnet subsequently delegate the discretionary investment authority to the selected SMA Manager to directly manage the account per the selected investment strategy. AAS has a co-advisory relationship with the SMA Manager through Envestnet and AAS is responsible for selection, monitoring and termination of SMA Managers used under this program. Margin is available under this IMS program. **The IMS Access program minimum account size is \$100,000 and is subject to AAS' maximum annual Program Fee of 2.3%.** Additional information regarding program fees and costs is provided below.

➤ **IMS Flex Choice**

In AAS' IMS Flex Choice program your Advisor will create a mix of investments that are appropriate for your investment goals. The benefit of opening these types of accounts includes:

- Individualized management of your account
- Annual review of your account

The IMS Flex Choice (wrap) program minimum account size is \$15,000 and is subject to AAS' maximum annual Program Fee of 2.3%. Additional information regarding program fees and costs is provided below.

AAS' IMS Flex Choice program is available through a discretionary or non-discretionary arrangement. If you've granted your Advisor discretionary authority, your Advisor serves as the portfolio manager, will transact in your account and also rebalance investments consistent with the target investment allocations established for each particular risk profile. Each Advisor uses differing methods of analysis and investment strategies in formulating investment advice or managing assets and those assets may be subject to differing or additional risks. Advisors' investment strategies are based on the client's specific situation, including the client's designated investment objective(s), risk tolerance(s), investment time horizon, and investment restrictions (if any). **AAS encourages you to discuss this with your Advisor.** Some investments, such as alternative and complex products, have liquidity or other restrictions that may limit the amount and/or timing of rebalancing such investments. Margin is also available under this IMS program. See **Item 6** for additional information on risks.

If you're invested through a non-discretionary arrangement, your Advisor will be unable to affect any investment transactions without first obtaining your consent.

AAS offers the IMS Flex Choice program on a discretionary and non-discretionary basis and also offers this program under a wrap and non-wrap fee advisory arrangement. Depending upon the investments, investment strategy,

trading activity, and other factors, you (the client) may pay more or less in fees and expenses. Refer to AAS' Brochure for a complete description of AAS' non-wrap fee programs, including fees, costs and risks, as those are not described in this Wrap Fee Program Brochure. **AAS encourages you to discuss these differences with your Advisor.**

Flex Choice (Non-Wrap) and Flex Choice (Wrap) are materially the same with one important exception. In Flex Choice (Wrap), AIS or the Firm pays for any transaction costs (the fees associated with purchasing or selling securities) incurred in your account. In Flex Choice (Non-Wrap) transaction costs are paid by you. Because you are not paying for transaction costs in Flex Choice (Wrap), the Program Fee is higher than the Program Fee in Flex Choice (Non-Wrap). Please refer to Item 5 of this brochure for further information regarding fees for each Program. Both Flex Choice (Wrap) and Flex Choice (Non-Wrap) can be managed on a discretionary or non-discretionary basis, as shown on the SIS. You and your Advisor will work together on determining the investment strategy that works for you. Your Advisor must obtain your authorization to change your risk profile. Both Programs offer you access to a selection of multiple products and security types and allow your Advisor to build an investment strategy with these securities in order to meet your financial needs. The Advisor is responsible for the creation, implementation, and ongoing management of the investment strategy. We may have a financial incentive to recommend one of these programs over the other based upon anticipated trade volume and the different Program Fees, which results in additional compensation to the Firm and/or AIS.

Types of Securities

Your Advisor will purchase securities on your behalf based on your goals and objectives. In order to meet your needs, we provide a wide range of investment choices for you to consider. Some of the securities we may offer to you include, but are not limited to:

- General securities (stocks and bonds)
- Covered call options and protective put options
- Fixed income securities
- Mutual funds
- Structured products
- Exchange-traded funds
- Unit investment trusts
- Alternative/complex products

Minimum Account Opening Balance

In general, we require a minimum deposit of \$15,000 (based on fair market value of the account's assets) to open an IMS Flex Choice Non-Wrap account. Your opening balance may include both cash and securities. Depending on a number of factors, we may waive the minimum required balance, including whether or not you have other accounts with us. See [Item 7] for additional information regarding program minimums.

Advisor-Directed Tax Overlay services may be available through your Advisor. Advisors apply various techniques, such as tax-loss harvesting, long-term and short-term capital gain management, asset allocation and investment selections, when implementing a tax-managed investment strategy, primarily with respect to determining when assets in an advisory account should be bought or sold. Additionally, various methodologies and assumptions are used in determining the tax-implications relative to the strategy. There are no guarantees as to the effectiveness of the tax-managed investing strategy and clients will be impacted differently. **The client is solely responsible for ensuring that all positions and tax lots in the account have complete and accurate cost basis information at all times.** AAS does not (itself) provide legal or tax advice and clients should discuss any questions with or request further information from the Advisor and/or legal and tax professionals prior to engaging in a tax overlay strategy. See **Item 8** for additional considerations and risks related to employing a tax overlay strategy.

➤ **IMS Gateway**

AAS' IMS Gateway program provides you access to a wide variety of mutual funds, cash and/or cash equivalents. Your Advisor will select the investments and monitor your account and evaluate its performance in relation to your long-term goals and objectives; however, your Advisor does not retain discretionary trading authority. AAS retains discretionary trading authority in the IMS Gateway program and will automatically rebalance the account, as needed, on a periodic schedule chosen by the client from options provided by AAS. **The IMS Gateway program minimum account size is \$1,000 and is subject to AAS' maximum annual Program Fee of 0.35% - 1.0% based on the account size, as follows:**

IMS Gateway Maximum Annual (Incremental) Fee Schedule:

Account Size*	Maximum Annual Program Fee
≤ \$100,000	1.00%
\$100,000 - \$250,000	0.50%
\$250,001 - \$1,000,000	0.40%
+\$1,000,001	0.35%

* based on Billable Account Value

Additional information regarding program fees and costs is provided below.

➤ **IMS Portfolio Choice**

Under AAS' IMS Portfolio Choice program, AAS has retained Envestnet to provide access to unaffiliated third-party Fund Strategist Portfolio models ("FSP Models"). FSP Models include a wide array of investments, including mutual funds, equities, bonds, exchange-traded funds (ETFs) and alternative/complex products and investment strategies, including AAS' IMS Select Model Portfolio Strategies (as described below under IMS Select). Your Advisor selects the FSP Model, but does not have trading discretionary authority. AAS retains discretionary trading authority and provides overlay management services to accounts participating in the IMS Portfolio Choice Program. AAS will make investment changes, as needed, to keep the account in line with the selected FSP Model. **The IMS Portfolio Choice program minimum account size is \$25,000, is subject to AAS' maximum annual Program Fee of 2.3% and the client incurs additional costs for the selected FSP model(s).** Additional information regarding program fees and costs is provided below.

- **IMS Select Portfolio Franklin Templeton Strategy** is a unique sleeve-based investment solution built using the Franklin Templeton family of mutual funds. The strategy consists of four distinct sleeve portfolios: Domestic, International, Balanced Income and Taxable Fixed Income – all of which can be used on a standalone basis or in combination to create a diversified portfolio. The Franklin Templeton Strategy is only available through the IMS Portfolio Choice Program. AAS determines the asset allocation for the individual sleeves and is responsible for fund selection and ongoing monitoring.

➤ **IMS Prime**

AAS' Prime program provides you access to a wide variety of exchange-traded funds ("ETFs"), cash and/or cash equivalents. Depending upon your Advisor's securities licenses, your Advisor will either 1) select a risk-based asset allocation with ETFs, as established by AAS, or 2) develop an asset allocation and choose the ETFs to align with that allocation. Under either, your Advisor will monitor your account and evaluate its performance in relation to your long-term goals and objectives; however, your Advisor does not retain discretionary trading authority. AAS retains discretionary trading authority in the IMS Prime program, monitors the relative performance of your account in relation to the economy, capital markets and widely followed indices and will automatically rebalance the account annually, or as needed. **The IMS Prime program minimum account size is \$5,000 and is subject to AAS' maximum annual Program Fee of 2.3%.** Additional information regarding program fees and costs is provided below.

➤ **IMS Select**

The IMS Select program currently offers eleven (11) portfolio strategies (each an "IMS Select Portfolio Strategy") managed by AAS on a discretionary basis. Strategies may be added or removed at AAS' sole discretion. Your Advisor selects the strategy and AAS retains discretionary trading authority in the IMS Select program, monitors the relative performance of your account in relation to the economy, capital markets and widely followed indices and will automatically rebalance the account, as needed, based on the selected IMS Select Portfolio Strategy. **The IMS Select program minimum account size is \$25,000 and is subject to AAS' maximum annual Program Fee of 2.3%.** Additional information regarding program fees and costs is provided below.

Each IMS Select Portfolio Strategy has a unique mandate, utilizing mutual funds and exchange-traded funds ("ETFs"), as further described below (in alphabetical order):

- **IMS Select Portfolio Blended Strategy** uses an "active" and "passive" investment management approach

by investing in active mutual funds, active ETFs, or factor-based (commonly referred to as “smart beta”) ETFs, and low cost, market-cap weighted ETFs within the portfolio’s strategic asset allocation established by AAS. This strategy is meant to generate capital appreciation over the long term within the risk profile chosen by the client (through the SIS).

- **IMS Select Portfolio Dimensional Strategy** seeks to deliver the performance of capital markets and increase returns, within the risk profile chosen by the client (through the SIS), through state-of-the-art portfolio design and trading techniques using a select group of Dimensional Fund Advisors (DFA) mutual funds. AAS is responsible for the strategic asset allocation, fund selection and fund weighting within this strategy.
- **IMS Select Portfolio Dimensional Environmental, Social, and Governance (“ESG”) Strategy** uses a select group of Dimensional “sustainability” mutual funds that take into consideration the impact companies may have on the environment, excluding or underweighting securities of companies whose environmental footprint could be detrimental to society as compared to other companies in the mutual fund’s investment universe. AAS is responsible for the strategic asset allocation, fund selection and fund weighting within this strategy.
- **IMS Select Portfolio Dimensional Socially Responsible Investing (SRI) Strategy** uses a select group of Dimensional “socially responsible” mutual funds that apply a screening methodology that reflects a broad set of investors’ social concerns. AAS is responsible for the strategic asset allocation, fund selection and fund weighting within this strategy.
- **IMS Select Portfolio Franklin Templeton Strategy** is only available through the IMS Portfolio Choice Program, as described above.
- **IMS Select Portfolio Global Strategy** offers exposure to both U.S. and International markets, utilizing active, passive, or “smart beta” mutual funds and ETFs. This strategy seeks to take advantage of unique opportunities in the current economic environment and, as such, there may be notable tilts within assets classes and sectors relative to the benchmark that may also result in higher turnover (i.e., more frequent trading activity).
- **IMS Select Portfolio Income Strategy** is specifically designed for those seeking current income with capital preservation and/or total return as secondary objectives and is only available under three risk profiles: ultra conservative, conservative and moderate. This strategy assumes that the client will be taking all income produced by the underlying mutual funds and ETFs, rather than reinvesting income and distributions. Therefore, as markets fluctuate, so will the account, more so than a traditional total return portfolio in which the client is reinvesting income.
- **IMS Select Portfolio Passive Strategy** uses a “passive” investment management approach by investing in low cost, market-cap weighted ETFs within the portfolio’s strategic asset allocation (“SAA”) that is designed to track the movements of a specific market index. This strategy is meant to generate capital appreciation over the long term within the risk profile chosen by the client (through the SIS).
- **IMS Select Portfolio Russell Investments Tax-Managed Strategy** uses a select group of Russell Investments mutual funds that use a technique that Russell Investment Management (“RIM”) calls “total portfolio management,” whereby multiple active manager positions are held in a single custody account with trades implemented by RIM with a focus on tax efficiency. This tax-managed strategy seeks to minimize capital gains and other fund distributions in order to mitigate the tax drag on portfolio performance. AAS is responsible for the strategic asset allocation, fund selection and fund weighting within this strategy.
- **IMS Select Portfolio Tax-Smart Strategy** focuses on tax-efficient investments, seeking equity exposure through ETFs, that may be “active,” “passive” (market-Cap weighted) or factor-based, and fixed income exposure through mutual funds or ETFs that contain underlying municipal bond exposures. This strategy is meant to generate capital appreciation over the long term within the risk profile chosen by the client (through the SIS).
- **IMS Select Portfolio U.S. Only Strategy** offers exposure to U.S. markets, utilizing active, passive, or “smart

beta” mutual funds and ETFs. This strategy seeks to take advantage of unique opportunities in the current economic environment and, as such, there may be notable tilts within assets classes and sectors relative to the benchmark that may also result in higher turnover (i.e., more frequent trading activity).

Under the IMS Select program, if elected by the client and/or Advisor, a tax-intelligent investment strategy (also referred to as a tax-managed investment strategy or tax overlay strategy) may be applied to a taxable account. A tax-managed investment strategy considers tax implications related to after-tax returns while staying as consistent as possible with the risk/return characteristics of the selected investment strategy. **There are no guarantees as to the effectiveness of the tax-managed investing strategy and clients will be impacted differently.** AAS does not (itself) provide legal or tax advice and clients should discuss any questions with or request further information from the Advisor and/or legal and tax professionals prior to engaging in a tax overlay strategy. **The client is solely responsible for ensuring that all positions and tax lots in the account have complete and accurate cost basis information at all times.**

- **Advisor-Directed Tax Overlay** services may be available through your Advisor. Advisors apply various techniques, such as tax-loss harvesting, long-term and short-term capital gain management, asset allocation and investment selections, when implementing a tax-managed investment strategy, primarily with respect to determining when assets in an advisory account should be bought or sold. Additionally, various methodologies and assumptions are used in determining the tax-implications relative to the strategy.
- **IMS Select Tax Managed (TM)** services are provided through Envestnet. The client authorizes Envestnet to exercise discretion to manage the account to client's specified tax sensitivity level, in an effort to help improve after-tax returns and also help reduce the client's tax burden. This service includes funding the account with legacy positions — both strategy and not-in-strategy — and optimizing the portfolio to the new IMS Select Portfolio Strategy. The service also includes ongoing tax management in the form of tax-loss harvesting, holding alternative positions, potential capital gains deferrals, tax-sensitive withdrawals and tax-sensitive rebalancing of the portfolio. **An additional fee of 0.08%, or at a minimum \$40, is charged to the client, and is included in AAS' and the Advisor's Program Fee and the minimum account size to participate in this service is \$75,000.**
- **IMS Select Tax-Loss Harvesting (TLH)** services is an automated loss-harvesting program managed by AAS, whereby an account in an IMS Select Portfolio Strategy with \$5,000 or more in losses (on a month-over-month basis) will be automatically loss-harvested each month. While AAS plans to perform tax loss harvesting on a monthly basis, as described, AAS retains the right to perform tax loss harvesting at any time.

Additionally, a portion of an account managed under the IMS Select program may be separately invested, from the chosen IMS Select Portfolio Strategy, in structured products. This portion of the account ("Structured Products Account") will be managed on a non-discretionary basis by your Advisor and may only include structured products as available and approved for the IMS Select program and as determined by your Advisor.

➤ **IMS Unified Choice**

Under AAS' IMS Unified Choice program, AAS has retained Envestnet Asset Management, Inc., a registered investment adviser ("Envestnet"), to provide 1) overlay management services whereby Envestnet performs overlay management services of program accounts for third-party model providers, implementing portfolio changes pursuant to an investment model updated by the model provider and/or 2) access to third-party investment managers (or Sub-Managers). This is a discretionary program and AAS, Envestnet, and/or the selected Sub-Manager have trading discretionary authority for your account. Your Advisor selects the strategy/strategies, but does not have trading discretionary authority. For certain investment strategies, the Sub-Manager manages the program account directly (without Envestnet's overlay services). In such instances, Envestnet delegates its discretionary trading authority to the Sub-Managers. AAS has a co-advisory relationship with the Sub-Manager through Envestnet and AAS is responsible for selection, monitoring and termination of SMA Managers used under this program. **The minimum investment in the IMS Unified Choice program is \$500,000 and the minimum investment for each single asset class fixed income portfolio is \$250,000. The IMS Unified Choice program is subject to AAS' maximum annual Program Fee of 3.0% and the client incurs additional costs for the selected third-party model provider(s) and/or Sub-Managers.** Additional information regarding program fees and costs is provided below.

Under the IMS Unified Choice program, if elected by the client and/or Advisor, a tax-intelligent investment strategy (also referred to as a tax-managed investment strategy or tax overlay strategy) may be applied to a taxable account. A tax-managed investment strategy considers tax implications related to after-tax returns while staying as consistent as possible with the risk/return characteristics of the selected investment strategy. **There are no guarantees as to the effectiveness of the tax-managed investing strategy and clients will be impacted differently.** AAS does not (itself) provide legal or tax advice and clients should discuss any questions with or request further information from the Advisor and/or legal and tax professionals prior to engaging in a tax overlay strategy. **The client is solely responsible for ensuring that all positions and tax lots in the account have complete and accurate cost basis information at all times.**

- **Advisor-Directed Tax Overlay** services may be available through your Advisor. Advisors apply various techniques, such as tax-loss harvesting, long-term and short-term capital gain management, asset allocation and investment selections, when implementing a tax-managed investment strategy, primarily with respect to determining when assets in an advisory account should be bought or sold. Additionally, various methodologies and assumptions are used in determining the tax-implications relative to the strategy.
- **Tax-Loss Harvesting** services are provided through Envestnet. The client authorizes Envestnet to exercise discretion to manage the account to client's specified tax sensitivity level, in an effort to help improve after-tax returns and also help reduce the client's tax burden. This service includes funding the account with legacy positions — both strategy and not-in-strategy — and optimizing the portfolio to the new IMS Select Portfolio Strategy. The service also includes ongoing tax management in the form of tax-loss harvesting, holding alternative positions, potential capital gains deferrals, tax-sensitive withdrawals and tax-sensitive rebalancing of the portfolio. **An annual fee of 0.05% - 0.08% (or 8 basis points), based on the account's asset size, is charged to the client and is in addition to AAS' and the Advisor's Program Fee.**

Trading and Brokerage Practices

Generally, the Firm does not accept directed brokerage arrangements, which is where a client requires that account transactions be affected through a specific client directed broker-dealer. Client transactions are executed through the designated custodian(s), third-party investment manager(s) and/or TAMP(s). Clients should be aware that some third-party investment managers and/or TAMPs execute trades away from the custodian. For more information about the brokerage practices of any Platform Provider, third-party investment manager or TAMP, clients should refer to the information provided by the Advisor, including, but not limited to, the applicable disclosure(s) and applicable agreement(s).

For AAS' Investment Management Solutions (IMS) platform, advisory accounts are required to be established and held through AAS' affiliated broker-dealer, AIS. AIS provides brokerage, custody and execution services through its clearing arrangement with National Financial Services LLC ("NFS" or "Custodian"), a non-affiliated firm, member NYSE, SIPC and a Fidelity Investments® Company. AAS selected AIS primarily due to its affiliation and AIS' relationship with NFS. As part of this relationship, AAS' receives substantial economic and non-economic benefits from NFS, including but not limited to, access to the Bank Deposit Sweep Program (as detailed in Item 4 and Item 9), accessibility to dedicated service personnel, electronic and institutional trading, third-party research and technology, technical and operational support, advisory fee processing, and electronic communications and reporting to clients. AAS' and AIS' affiliation creates conflicts of interest and, in many cases, incentivizes AAS and its Advisors to recommend an affiliate's products and/or services versus other, similar, non-affiliated providers. Additionally, many of AAS' Advisors serve in multiple capacities and may be incentivized to recommend products or services that create the greatest compensation for the Advisor. For additional information about AIS' order execution and routing practices, visit <https://www.avantax.com/disclosures/order-execution-routing> or contact the Firm using the information on the cover page of this Brochure.

AAS is obligated to seek best execution for all trades, regardless of program; however, in seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a services. **While AAS reviews the accuracy, timeliness and execution of trades processed through the designated custodians, AAS cannot guarantee that a client will receive the most favorable execution of trades, which in turn may cost clients more money.** Periodically, AAS reviews the custodial services provided by other qualified custodians in comparison to those provided by AIS and NFS. **For additional information about AIS' order execution and routing practices, visit**

<https://www.avantax.com/disclosures/order-execution-routing> or contact the Firm using the information on the cover page of this Wrap Fee Program Brochure.

AAS and its Advisors have the ability to aggregate, “bunch,” or “block” client transactions. If elected, advisory accounts included in the bunched trade will receive an average price, if the entire order is not filled at a single price. Average pricing only occurs for trades in the same security entered at the same time by the same Advisor and not among different Advisors and only for stocks and ETFs. It is possible that there will be two or more aggregate trades for the same security for the same Advisor on the same day (e.g., one bunched trade is entered in the morning and one or more are entered later that same day). AAS does not generally do an average price calculation across multiple aggregate trades (either among the same or different Advisors). If the order does not execute in its entirety, the shares are allocated on a pro rata basis based on the original aggregated trade. There can be occasions where the pro rata allocation is increased or decreased to avoid holding odd lot or small numbers of shares, especially for smaller accounts. This allocation is determined in good faith in an attempt to be fair and equitable.

AAS’ policies do not require your Advisor to block trade client orders. When an Advisor chooses not to aggregate client orders for the same security a conflict of interest exists. In such instances, the Advisor must decide which client order to place first which may result in one client receiving a better execution price over another client and could lead to certain client accounts receiving more favorable order executions over time. The Firm does not monitor Advisors choosing not to aggregate orders to determine whether any one client or group of clients is systematically disadvantaged over time.

Trades for tax-managed investing accounts may be processed separately from non-tax managed investing accounts. Therefore, same-day or multi-day trade timing differences can occur between the processing, submission and the execution of securities transactions, resulting in execution price differences between accounts and clients.

Agency Cross or Principal Trades

An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlling, controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Principal transactions arise when the Firm acts as an investment adviser and broker in a transaction between an advisory client on one side of a transaction and the Firm (including accounts of Firm representatives) on the other side of the transaction. This includes buying securities from or selling any security to an advisory client from the Firm’s own account.

AAS does not engage in cross trading. AAS permits principal trades in exceptional circumstances with approval from an Advisor’s supervisor and the Firm’s compliance department. If an exception is approved, the Firm will receive consent from the client prior to executing the transaction and the principal transaction will be consistent with SEC guidelines. The Firm monitors trading for potential agency and principal trades and reviews every permitted principal transaction for suitability. Some of the items that the Firm reviews include, but are not limited to, security pricing and trade volume in order to determine if a principal transaction is in the client’s best interest. No commission is received for the execution of principal transactions.

IMS Platform and Program Fees and Costs

Your Advisor and AAS will typically earn compensation for wealth management advisory services by charging an asset-based Program Fee that includes investment advisory, portfolio management, periodic reporting, and administration. **All clients will incur underlying investment expenses.** Furthermore, depending upon the investments, services, and negotiated agreement, clients will also incur other fees and expenses. This information is documented in the agreement (via the SIS) and the custodial agreement. Additional information about these fees and expenses is described in the section entitled **Other Expenses, Fees and Costs**.

The Program Fee is negotiated between you and your Advisor (on an account-by-account, client-by-client basis) and is subject to AAS’ maximum annual Program Fee, as follows:

Program Name	Minimum Account Size*	Maximum Annual Program Fee	Additional Program Costs
IMS Access	\$100,000	2.3%	
IMS Flex Choice	\$15,000	2.3%	
IMS Gateway	\$1,000	0.35% - 1.0%	
IMS Portfolio Choice	\$25,000	2.3%	Third-party manager fee(s)
IMS Prime	\$5,000	2.3%	
IMS Select Portfolios	\$25,000	2.3%	Tax-overlay services (optional)
IMS Unified Choice	\$500,000	3.0%	Third-party manager fee(s)

* based on Billable Account Value

The Program Fee is reflected in the client agreement (via the SIS) as a flat, tiered or incremental annual percentage, that is calculated on the Billable Account Value, billed quarterly in advance (January, April, July and October), directly debited from the client's account, and reflected on the custodial account statement.

The Program Fee may be a flat, tiered or incremental annual percentage, as further described below:

Flat Fee Schedule: A Program Fee based on a flat percentage would apply the applicable Program Fee rate (%) based on the applicable Billable Account Value, regardless of the amount. For example, under a fixed fee schedule, if an account has a Billable Account Value of \$1,500,000, the entire \$1,500,000 would be charged a Program Fee rate of 1.25% (annually).

Tiered Fee Schedule: A Program Fee based on a tiered percentage would apply the applicable Program Fee rate (%) based on the applicable Billable Account Value (assets) that fell within each tier, subject to the maximum annual program fee.

From	\$0	to	\$1,000,000	, the fee is	1.25%
From	\$1,000,001	to	\$2,000,000	, the fee is	1.00%
From	\$2,000,001	to	\$5,000,000	, the fee is	0.75%
Over	\$5,000,000+			, the fee is	0.60%

Under the illustrative tiered fee schedule, if an account has a Billable Account Value of \$1,500,000, the first \$1,000,000 would be charged at a Program Fee rate of 1.25% and the remaining \$500,000 would be charged at a Program Fee rate of 1.00% (annually).

Incremental Fee Schedule: The IMS Gateway Program Fee is based on an incremental schedule, whereby the Program Fee rate (%) is based on the total Billable Account Value. The fee changes once the Billable Account Value reaches the next fee increment. For example, if an account has a Billable Account Value of \$1,000,000, the Program Fee rate would be 0.40% (annually). If during the next billing cycle, the account's Billable Account Value is \$1,500,000, the Program Fee rate would be 0.35% (annually).

NOTE: AAS and its Advisors price services based upon various objective and subjective factors. As a result, AAS' clients will pay diverse fees and costs based upon, among other things, the complexity of the engagement, type of service(s), investment products used, investment program and strategies employed, and other third-party-specific costs. **Clients may inquire at any time with their Advisor as to client-specific fees and costs.**

The Program Fee is calculated by taking the Program Fee percentage (%), divided by the number of days in the calendar year (i.e., 365 or 366 for leap years), then multiplying the quotient by the number of days in the billable calendar quarter (i.e., 90, 91 or 92 depending on the quarter and year), and multiplying that quotient by the Billable Account Value (\$). The sum (i.e., quarterly Program Fee) is the amount that is directly debited from the client's account, unless otherwise agreed to in writing, and reflected on the custodial account statement in January, April, July and October.

Subject to variances outlined below, the "Billable Account Value" is equal to the market value of all assets, including cash and cash equivalents, and less the market value of any excluded assets. The market value of all assets and the calculation of the Program Fee is provided through a third-party portfolio accounting system that receives information from AAS' custodian. The market value information provided by the third-party portfolio accounting system is as of the close of business on the last business day of the billable calendar quarter. However, these quarter-

end market valuations may be different from the market valuations provided by the custodian due to timing of corporate actions, accrued interest, and trade settlements. Excluded assets are determined in the sole discretion of AAS or as requested by an Advisor and approved by AAS. For more information about AAS' fee billing process, contact your Advisor or the Firm using the information on the front of this Wrap Fee Program Brochure.

The Program Fee includes AAS' administrative fee, which ranges from 0.012% to 0.35% based upon your Advisor's total advisory assets under management through AAS. You (the client) are charged and debited the agreed upon Program Fee from which AAS' administrative fee is deducted and the remaining portion is distributed to your Advisor.

The following Program Fee variances apply:

Initial Program Fee: The initial Program Fee, or Inception Fee, is calculated as of the date the Billable Account Value is funded or, if applicable, reaches the Program's minimum amount ("Inception Date") and is prorated for the balance of calendar days remaining in the calendar quarter. The initial Program Fee is billed the month following the Inception Date.

Interim Program Fee Adjustments: In the event any deposits and/or withdrawals (netted) equal or exceed \$10,000 (in market value on an absolute basis) on any business day in an account, an interim, prorated Program Fee will be charged or refunded (as applicable) to the account. This is commonly referred to as flow or interim billing and is only applicable on an account-by-account basis (not aggregated with other related accounts). Each interim, prorated Program Fee is assessed in the month following the receipt/payment of the deposits/withdrawals (netted) and is based on the number of days remaining in the current billing period. You may request periodic withdrawals; and alternatively, may withdraw account assets subject to the usual and customary securities settlement procedures. You must acknowledge that your account is responsible for any charges, including contingent deferred sales charges, surrender charges, or redemption fees, that apply to redemptions or liquidations of securities held in the account.

Related Account(s): Upon a client's request, as negotiated with the Advisor, and as accepted by AAS in AAS' sole discretionary, advisory accounts may be associated or linked together ("Related Accounts") for tiered-fee billing purposes and may allow the Related Accounts (in aggregate) to achieve a lower-cost, tiered billing rate. The default billing method is to debit advisory fees for each account respectively, although you may be offered the option to have a consolidated management fee deducted from one primary account, instead of having management fees deducted from each account, provided this primary account is not a retirement account. The primary account will have lower performance returns than it would otherwise have, and your other accounts will have higher returns than they would otherwise have. For additional information, contact your Advisor.

Program Fee Changes: AAS reserves the right to modify or change the Program Fee after thirty (30) days of written notice to the client. You and your Advisor may renegotiate a Program Fee at any time and, an increase in a Program Fee will require a new client agreement and SIS; however, a decrease in a Program Fee requires only a notification by your Advisor to AAS. Program Fee changes will become effective at the beginning of the next billing period (i.e., start of each calendar quarter).

Ineligibility: In the event an account is deemed ineligible for a program, such as no longer meeting a program's minimum requirements or not funding an account (minimum size) within 90 days of opening an account, the advisory account will automatically be moved to a retail, brokerage account with AAS' affiliated broker-dealer, AIS. Wealth management advisory services will be discontinued and the related Program Fee will be terminated in accordance with AAS' policies (e.g., never charged or refunded). AAS and your Advisor will no longer be obligated to provide on-going advice and any trading will be done at your request (non-discretionary) and subject to retail commissions on a trade-by-trade basis.

Termination Refunds: Wealth Management Advisory Services may be terminated via notice at any time by either the client or AAS and, following the receipt of a notice of termination, the client will be issued a prorated refund of paid Program Fees, based upon the number of days from the termination date through the end of the then-current fee period. A refund, if any, is paid the month following the termination date. After the agreement has been terminated, transactions are processed at the prevailing brokerage rates/fees. You become responsible for monitoring your own assets and our firm has no further obligation

to act upon or to provide advice with respect to those assets.

Advisory Programs May Be More Expensive

The advisory fees you pay to us are for the investment advisory services that we provide to assist you with selecting your investment allocation. Because most advisory programs purchase investments that have their own internal or management fees (such as mutual funds), the total cost of the program will be more than if you were to buy the securities individually.

You may purchase certain investment products that we recommend through other brokers or agents that are not affiliated with AAS.

Additional Compensation

Our programs make available mutual funds and ETFs, including through relationships with Strategic Partners, that also provide us with revenue. Regardless of this additional compensation, these products do not cost you more by purchasing them from us versus another firm. Our Strategic Partner program and the revenue received are described in more detail further in **Item 9**.

As noted below, Accounts are able to invest in certain mutual funds with a share class that have a distribution charge, also referred to as a 12b-1 fee. The clearing/custodial firm, NFS, has been instructed to credit any 12b-1 fees received to the client's account. Neither AAS nor the Advisor shall receive 12b-1 fees from mutual funds purchased in any accounts.

Program Choice Conflict of Interest

Clients should be aware that the compensation to the Firm and your Advisor will differ according to the specific advisory program chosen. The compensation to the Firm, AIS and your Advisor will be more than the amounts otherwise received if you participated in another program or paid for investment advice, brokerage, and/or other relevant services separately. As a result of the differences in fee schedules and other sources of compensation that exist among the various advisory programs and services offered by the Firm, AIS and your Advisor, we have a financial incentive to recommend particular programs or services over other programs and services available through the Firm.

Third-Party Investment Managers and Turnkey Asset Management Platforms ("TAMPs")

AAS offers advisory services by referring clients to unaffiliated third-parties, including but not limited to investment managers and Turnkey Asset Management Platforms ("TAMPs"). These third-parties may charge a minimum fee, and clients should be aware that the imposition of minimum fees by another entity will result in a higher fee being charged than is described in this Wrap Fee Program Brochure. Clients may authorize the deduction of a third-party's fees from the client's custodial account(s). These additional fees and charges will be set forth in the information provided by the Advisor, including, but not limited to, the applicable third-party's disclosure(s) or the applicable agreement(s).

Other Expenses, Fees and Costs

All clients will incur underlying investment expenses and, depending upon the investments, services, and negotiated agreement may also pay other fees and expenses, as described below. Clients may inquire at any time with their Advisor as to client-specific fees and costs. Additional information about other expenses, fees and costs typically associated with AAS' advisory services is provided below

- **Underlying Investment Expenses for Mutual Funds and ETFs:** Mutual funds and/or exchange traded funds ("ETFs") pass along costs to investors by imposing fees and expenses, such as shareholder fees, operating expenses and/or transaction costs. These costs reduce the returns on mutual funds and ETFs. Therefore, clients should fully understand the costs incurred through these investments, as fully described in the mutual fund or ETF prospectus that is available upon request from your Advisor, and fully discuss these costs with your Advisor. For example, a client invested in a mutual fund or ETF through an AAS advisory program will pay at least two layers of fees. The client will pay the mutual fund or ETF underlying investment management fees and will also pay AAS' Program Fee. Clients may invest in many of the ETFs and mutual funds that AAS makes available through another broker-dealer, custodian, investment adviser or another financial institution and, as a result the client's fees may be higher or lower than those charged by AAS and

your Advisor.

- **Share Class Costs and Fees:** Mutual funds and ETFs have different share classes with different fee structures and costs. Some share classes of a fund charge higher internal expenses, whereas other share classes of a fund charge lower internal expenses. Institutional and advisory share classes typically have lower expense ratios and are less costly for a client to hold than Class A shares or other share classes that are eligible for purchase in an advisory account. In some instances, a mutual fund offers only Class A Shares, but another similar mutual fund may be available that offers institutional shares. Some share classes incur a ticket charge (commonly described as TF shares). Other share classes incur no ticket charges (commonly described as NTF shares), but usually have higher underlying costs, and the associated costs would ultimately be incurred by the client.
 - While AAS strives to utilize the lowest cost share class available (without a surcharge) through its custodians, there may be other less costly share classes offered by a fund that are 1) not available for use by AAS due to constraints imposed by the terms of the fund's prospectus, 2) not available on the custodial platform, and/or 3) subject to other conditions or restrictions that make utilizing such share class unreasonable, costly or prohibitive. A conflict of interest exists in those limited situations in which AAS elects to utilize a share class more costly to the client, than the lowest cost share class available at the custodian, in order to avoid a custodian-imposed surcharge.
- **12b-1 Fees and Revenue Share:** Some mutual funds charge "12b-1 fees" to cover the costs of marketing and selling fund shares (distribution) and providing shareholder services. Distribution fees include fees to compensate brokers and others who sell fund shares and to pay for advertising, the printing and mailing of prospectuses to new investors, and the printing and mailing of sales literature. Shareholder service fees are fees paid to persons to respond to investor inquiries and provide investors with information about the mutual fund. Shareholder service fees can also be paid outside of 12b-1 Fees ("Revenue Share"). Certain mutual fund companies pay AAS' affiliate, AIS, to provide shareholder liaison services to investors. These fees are classified as shareholder servicing fees and generally include responding to investor inquiries and providing information on mutual fund investments.
 - While AAS does not directly receive this revenue, a conflict of interest exists because AAS indirectly benefits from its affiliates' profitability and growth. Specifically, AAS' affiliated broker-dealer, AIS, receives these shareholder service fees from certain mutual funds based on AAS' advisory assets invested in a particular mutual fund.
- **Sales Charges, Redemption Fees, and Other Restrictions:** If a client transfers a previously purchased mutual fund, and there is an applicable contingent deferred sales charge on the fund, the client will pay that charge when the mutual fund is sold. If the account is invested in a mutual fund that charges a fee if a redemption is made within a specific time period after the investment, the client will be charged a redemption fee. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax-loss harvesting).
 - Clients have the ability to retain the higher cost share class until any contingent or deferred sales loads have passed before including such positions in an AAS account.

See **Item 8** for additional information on risks, including mutual fund and ETF risks.

- **Advisory Fees on Cash Assets and the Bank Deposit Sweep Program:** AAS, by and through its affiliate, AIS, makes available a Bank Deposit Sweep Program to its clients. AAS calculates asset-based fees (e.g., Program Fees and Asset Management Fees) on assets placed under its management, including cash, cash equivalents, money market funds, and assets held in the Bank Deposit Sweep Program. This creates several conflicts of interest and potentially additional costs to you. Depending on the client's investment objective and/or strategy, these cash balances could be relatively high and represent a material portion of the overall account. Clients should understand that the asset-based fees charged on these balances may exceed the returns provided by cash, cash equivalents, money market funds and/or Bank Deposit Sweep Program, especially in low interest rate environments. Furthermore, AAS' affiliate, AIS, and the custodian, NFS, receive revenue share from the Bank Deposit Sweep Program. Any fees earned from the Bank Sweep Program are not shared with your Advisor; however, the returns on the Bank Deposit Sweep Program may

be less than you would earn through other similar programs and/or other investments. Furthermore, the more assets that are held in the Bank Sweep Program and/or as interest rates increase, the revenue share increases. Such increases do not directly correlate to increased returns for clients invested in the Bank Deposit Sweep Program. AAS is incentivized by its business model to use its affiliate's Bank Deposit Sweep Program, rather than individualized client circumstances. See **Item 14** for additional information about this program.

- **Clearing and Custody Fees ("C&C Fees"):** Client-specific custodial asset-based charges are detailed in the client's custodial agreement(s) or client's custodial quarterly statements. The custodial asset-based charge is paid to the custodian, based on a percentage of the market value of the assets held within the account. The investment strategy will determine whether the C&C Fees will be deducted from the Program Fee, paid by the Advisor or deducted from the client's account. The amount of C&C Fees is usually determined by the level of assets held in the account or particular program. AIS, at its sole discretion, adds a markup to various C&C Fees that are paid by clients. The markup generates additional revenue for AIS. See **Item 9** for additional information.
- **Trade Execution Costs ("Ticket Charges"):** Client-specific custodial transaction-based charges are detailed in the client's custodial agreement(s) or client's custodial quarterly statements. The custodial transaction-based charges are billed by and paid on trade date to the custodian when a transaction is executed through the custodian and is based on the specific security or investment involved in the transaction. The investment strategy, investments and related transactions will determine whether the Ticket Charges will be deducted from the Program Fee, paid by the Advisor or deducted from the client's account. AIS, at its sole discretion, adds a markup to various Ticket Charges that are paid by clients. The markup generates additional revenue for AIS. See **Item 9** for additional information.
- **Account and Elective Services Costs:** All third-party providers, including the custodian, third-party investment managers, and TAMPs available through AAS offer elective (or add-on) services and other charges that are borne solely by the client. For example, wire fees, transfer fees, margin interest, account activity fees, retirement account maintenance fees, platform fees, strategist fees, and annuity/insurance carrier fees. These costs may be waived, in whole or in part, by the third-party based on level of assets maintained with the third party, or other factors and/or conditions. Such fees may be higher or lower than those required by other third-parties.
- **Alternative and Complex Products' Impact on Advisory Fees:** Certain alternative and complex products (e.g., Direct Participation Programs involving Non-Traded Private Equity investments and/or Non-Traded REITs; Structured Products) may be deemed illiquid or non-tradeable. Consequently, these products will effectively become static holdings in your portfolio, with other holdings being rebalanced around the static/illiquid product(s). The Program Fee for these types of investments may be calculated based on unaudited net asset values provided as estimates by the sponsor of the product. These unaudited net asset values (deemed a "Fair Value") are provided by the product sponsor on a reporting period basis (e.g., monthly). AAS does not audit or confirm the accuracy of the Fair Values provided by sponsors. Sponsors do not adjust previously determined Fair Values. These valuations affect the calculation of a Program Fee. For example, the portion of your Program Fee attributed to a Non-Traded Alternative Investment may be calculated based on its Fair Value as of the end of the second month of the previous calendar quarter, rather than as of the end of the previous quarter. Thus, increasing or decreasing your Program Fee. See **Item 8** for additional information on risks, including alternative and complex product risks.
- **Margin and Margin Interest:** The use of margin is permitted in some investment advisory programs, and may be recommended by your Advisor, resulting in additional costs, Program Fees and conflicts of interest. Margin, or a margin debit balance, is created by borrowing against your account which gives you access to cash and/or the ability to purchase additional investments. It is a conflict of interest if you borrow on margin in your account because AAS' affiliate, AIS, and the custodian receives compensation on the interest you pay on your margin debit balance. You are encouraged to evaluate the interest rates you pay by borrowing on margin and compare those interest rates to other available sources of credit (or lenders) from which you can borrow, as the interest you might be charged by borrowing on margin may be greater than loans available to you elsewhere. The use of margin exposes investors to the potential for higher losses. If you decide to open a margin account, please carefully consider that: (i) if you do not have available cash in your account and use margin, you are borrowing money to purchase securities, pay for fees associated with your

account or withdraw funds; and (ii) you are using the securities that you own as collateral. Your Advisor also has a conflict of interest when recommending that you purchase or sell securities using borrowed money. This conflict occurs because your advisory fee is based on the total market value of the securities and cash balances in your account. If you have a margin debit balance (in other words you have borrowed and owe money to the Firm), your margin debit balance does not reduce the total market value of your Account. In fact, since you have borrowed money to purchase additional shares, the total market value of your account will be higher, which results in a higher advisory fee. Please also carefully review the margin disclosure document for additional risks involved in opening a margin account. See **Item 8** for additional information on risks, including margin and leveraging.

- **Variable and Index Annuity and Other Pooled Investment Fund Costs:** If a client holds a variable annuity that is managed as part of advisory account, there are mortality, expense and administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year imposed by the variable annuity sponsor. Likewise, if a client holds a Unit Investment Trust (“UIT”) in a program account, UIT sponsors charge creation and development fees or similar fees. Clients should understand the costs incurred through these investments, as more fully described in the prospectus that is available upon request from your Advisor.
- **Trading Errors:** AAS endeavors to identify and correct trade errors as soon as possible. When a trade error has been identified by AAS, the Advisor or client, AAS will promptly correct the error with the goal of restoring the account back to the same condition that would have resulted if the error had not occurred. Losses associated with trade errors that are not caused by the client will be borne by AAS or the Advisor. Under some circumstances, correction of an error could result in a gain; such gains are retained by AAS. For purposes of determining the gain or loss, related transactions are corrected in the aggregate so that profits offset associated losses; a client may not elect to ratify only those portions of a related transaction that are profitable.

Item 5: Account Requirements and Types of Clients

AAS’ wealth management advisory services are primarily designed for individuals, corporations and other businesses that reside or are domiciled in the United States. This includes but is not limited to natural persons, high-net worth individuals, custodial accounts (i.e., UGMA, UTMA), estates, corporations, limited liability companies (LLCs), partnerships, and trusts. All advisory and retirement planning clients are required to sign a written agreement with AAS.

AAS does not design its programs or services for government entities² or municipal entities³, and these types of clients are generally prohibited by AAS, unless otherwise approved in writing by AAS’ compliance personnel.

Following is a high-level summary of AAS’ wrap fee programs minimum account sizes (in alphabetical order):

Program Name	Minimum Account Size*	Maximum Annual Program Fee	Additional Program Costs
IMS Access	\$100,000	2.3%	
IMS Flex Choice	\$15,000	2.3%	
IMS Gateway	\$1,000	0.35% - 1.0%	
IMS Portfolio Choice	\$25,000	2.3%	Third-party manager fee(s)
IMS Prime	\$5,000	2.3%	
IMS Select Portfolios	\$25,000	2.3%	Tax-overlay services (optional)

² The term “government entity” carries the same definition found in Rule 206(4)-5 of the Investment Advisers Act, as amended, and includes, but is not limited to, any agency, authority or instrumentality of the state or political subdivision; a pool of assets sponsored or established by the state or political subdivision or any agency, authority or instrumentality thereof, including but not limited to a defined benefit plan or a state general fund; and a plan or program of a government entity

³ The term “municipal entity” carries the same definition found in Section 15B(e)(8) of the Securities Act, as amended, and includes, but is not limited to municipal corporate instrumentality of a State and any other issuer of municipal securities.

IMS Unified Choice	\$500,000	3.0%	Third-party manager fee(s)
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*based on Billable Account Value.

For detailed information about each IMS Program requirements, see Item 4

AAS, in its sole judgment, can choose to waive or reduce the minimum initial investment amount or account sizes for its programs. Custodian-sponsored programs, third-party investment managers, TAMPs, and other third-parties may require different account eligibility requirements and/or minimum asset levels. These additional requirements will be set forth in the information provided by the Advisor, including, but not limited to, the applicable third-party's disclosures or agreement(s).

Item 6: Portfolio Manager Selection and Evaluation

Advisory Business

AAS offers a variety of investment advisory services primarily to individuals, pension and profit-sharing plans, and businesses. Most clients engage AAS on a discretionary basis, which means the Advisor will make investment decisions without the client's prior authorization. Clients who engage AAS on a non-discretionary basis are responsible for making all final investment decisions and, in some instances, the implementation of any recommendation. For example, under a non-discretionary investment advisory agreement AAS and the Advisor will be unable to affect any investment transactions (as it would for its discretionary investment advisory clients) without first obtaining the client's consent. Some investment advisory services are only available on a discretionary or non-discretionary basis, as further described in this Wrap Fee Program Brochure or AAS' Brochure. Additionally, some of AAS' investment advisory services are subject to conditions, such as a minimum account size (or asset level) or minimum annual fee, and/or restrictions, such as being available only to certain types of clients (e.g., retirement plans or accredited investors).

AAS accepts discretionary trading authority to manage accounts on behalf of clients. This discretionary trading authorization does not grant discretionary authority to withdraw funds or securities (other than for payment of advisory fees, as described in **Item 4**) nor does it allow for any trading outside the advisory program selected in the agreement. Clients who engage AAS on a discretionary basis may, at any time, impose reasonable restrictions on AAS' discretionary authority (e.g., limit the types or amounts of particular securities, etc.). Such restrictions must be provided to AAS in writing and can affect the account's performance or limit the investment strategies available to the client. You may rescind the discretionary authorization at any time by providing written notice to the Firm at the address on the front of this Wrap Fee Program Brochure.

Each of AAS' investment strategies (programs) is designed to focus on a specific investment style, using specified-types of securities. In turn, AAS and/or the Advisor align a client's specific situation, using the client's designated investment objective(s), risk tolerance(s), investment time horizon, and investment restrictions (if any), with one of AAS' investment strategies. Clients who engage AAS on a discretionary basis may, at any time, impose reasonable restrictions on AAS' discretionary authority (e.g., limit the types or amounts of particular securities, etc.). For additional information on AAS' investment strategies see **Item 4**.

Many of AAS' investment advisory services are provided under "wrap fee" programs whereby the client pays a single fee, based on a percentage of the managed assets, for investment advisory, portfolio management and trade execution. **AAS' wrap fee programs are described in this Wrap Fee Program Brochure.** AAS also offers investment advisory services and programs, known as non-wrap fee programs, whereby the client is separately assessed and pays for investment advisory, portfolio management and trade execution, as applicable. **A full and complete description of AAS' non-wrap fee programs is separately provided in AAS' Brochure.** AAS' programs differ by investment strategy, risk profiles, and asset allocation; however, the primary difference between a wrap fee and a non-wrap fee program is whether AAS/Advisor or the client pay for, as applicable, a custodial and trade execution charges. All clients pay for underlying investment expenses. For additional information on fees, expenses, and costs, see **Item 4**.

Performance-Based Fees and Side-by-Side Management

AAS does not charge performance-based fees or engage in side-by-side management.

Performance-based fees are fees based on a share of capital gains on or capital appreciation of the assets of a client. Side-by-side management generally refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management, hourly charges, fixed fees (not including subscription fees) and at the same time manages other accounts for which fees are assessed on a performance fee basis. Since AAS does not charge performance-based fees, it does not engage in side-by-side management.

AAS' fees and compensation are disclosed in **Item 5** above and other compensation matters are disclosed in **Item 14**.

Methods of Analysis, Investment Strategies and Risk of Loss

As further described under **Item 4**, some of AAS' IMS Programs (discretionary) your Advisor serves as the portfolio manager. Each Advisor uses differing methods of analysis and investment strategies in formulating investment advice or managing assets and those assets may be subject to differing or additional risks. AAS encourages you to discuss this with your Advisor.

Some of AAS' IMS Programs (discretionary) are overseen by AAS' investment oversight committee ("IOC" or "Committee"), chaired by the Firm's Chief Investment Office. The IOC monitors the current state of the economy and markets, researches and selects the various investments and investment strategies for AAS, and analyzes and reports on the performance of such investment strategies.

In other AAS' IMS Programs (discretionary) AAS has a co-advisory relationship with a third-party manager, whereby AAS has delegated discretionary authority to the third-party manager and the third-party manager serves as the portfolio manager. Each third-party manager uses differing methods of analysis and investment strategies in formulating investment advice or managing assets and those assets may be subject to differing or additional risks. AAS encourages you to discuss this with your Advisor.

Methods of Analysis

AAS and its Advisors use a variety of methods of analysis, including any one or combination of the following:

- **Economic Analysis:** Economic analysis generally involves studying various factors in an economy, including macro-economic factors (such as interest rates, inflation, and growth) and micro-economic factors (such as market share, supply, and consumer demands) specific to a particular industry, sector, or company. Economic analysis generally considers data in aggregate, presenting risk when individual items need to be considered separate.
- **Fundamental Analysis** Fundamental analysis generally involves assessing a company's or security's value based on factors such as sales, assets, markets, management, products and services, earnings and financial structure. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.
- **Qualitative Analysis:** Qualitative generally involves analyzing a company's or an issuer's overall value based on non-quantifiable indicators, such as management expertise and philosophy, employee and customer satisfaction, quality assurance and market recognition, and legal or regulatory issues. Qualitative observations typically cannot be readily measured and, therefore, are inherently subjective.

Investment Strategies

Advisors' investment strategies are based on the client's specific situation, including the client's designated investment objective(s), risk tolerance(s), investment time horizon, and investment restrictions (if any). Advisors may use one or a combination of the following investment strategies outlined below.

Each of AAS' IMS Programs is designed to focus on a specific investment style, using specified-types of securities. In turn, AAS and/or the Advisor align a client's specific situation, using the client's designated investment objective(s), risk tolerance(s), investment time horizon, and investment restrictions (if any), with one of the RMS Select Portfolios. In constructing the IMS Platform Strategies, the Committee uses a combination of the following investment

strategies outlined below.

- **Portfolio Diversification:** Portfolio diversification attempts to reduce investment risks by spreading assets across a variety of investments and is a key component of the modern portfolio theory (“MPT”). A portfolio can be primarily diversified in terms of asset classes, investment style, and geography, as further described below:
 - **Asset Allocation:** Asset allocation centers around the decision about what asset classes (i.e., cash, equities, bonds, etc.) to include in a portfolio, and how much to include in each. Asset allocation investment strategies attempt to optimize the risk and reward of a portfolio by investing among several asset classes. Strategic asset allocation calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment valuations and cashflows skew asset allocation percentages. Tactical asset allocation allows for a range of percentages in each asset class (e.g., equities 40-50%), establishing investable parameters (minimum and maximum boundaries) to make minor adjustments based on economic, market and other factors.
 - **Investment Style:** Investment style refers to the general portfolio characteristics that are favored by the manager’s investment philosophy (as further described below). The most well-known styles in equity investing are based on company size (e.g., small, mid, and large-cap) and fundamental attributes (e.g., value, blend, growth, and momentum).
 - **Geography:** Geography usually refers to countries but more often to regions, such as the Americas, Europe and the Middle East, Asia, the United States or international (non-U.S.).
- **Investment Management Philosophy:** An investment management philosophy is the beliefs and principles that guide the way an investor and investment manager approach investment-making decisions.
 - **Active Management:** Active investing seeks to outperform a designated benchmark on a relative-basis typically by specializing in a particular sector (e.g., technology, etc.) or sub-subsector (e.g., semiconductors, software, hardware, etc.) and taking sometimes concentrated positions in individual securities or targeting event-driven, market inefficiencies (e.g., corporate events, bankruptcies, etc.).
 - **Passive Management:** Passive investing seeks to track a designated benchmark on a relative-basis by applying a rules-based, investment approach that does not typically involve specializing in individual securities and/or short-term trading practices. Indexing is a passive management philosophy that refers to strategies intended to replicate the performance of non-investable benchmark index (e.g., S&P 500 Index).
- **Tax-Intelligent Investing:** As described in **Item 4** and if elected by the client and/or Advisor, a tax-managed investing investment strategy (also referred to as a tax overlay strategy) considers tax implications related to after-tax returns. AAS and its Advisors apply various techniques when implementing a tax-managed investment strategy and use various methodologies and assumptions when determining tax-implications relative to the strategy. When selling and repurchasing securities, AAS seeks to avoid wash sales, which occur when securities are sold at a loss and then re-purchased within 30 days, and any tax loss sought through the sale of a security may be disallowed, under current IRS regulations. AAS cannot monitor assets held outside of clients’ AAS account. The methodologies and assumptions used by AAS or its Advisors may not be appropriate in all client situations. See below for additional risks related to employing a tax overlay strategy.

Risk of Loss

Investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of, nor predictable by AAS. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war or regional/global pandemic) that affect investments in general or in specific industries or companies. The investment decisions made, and the actions taken in managing client assets will be subject to various market, liquidity, currency, economic, political and other risks. Investing in securities involves a risk of loss that clients should be prepared to

bear. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a client's investments will fluctuate due to market conditions and other factors. Investments may lose value and past performance is never a guarantee of future results.

The information contained in this Wrap Fee Program Brochure cannot disclose every potential risk associated with an investment strategy, nor all of the risks applicable to a particular manager, security or investment. Risks vary by client according to their investment objectives, guidelines, liquidity needs or risk tolerances and not every strategy or portfolio will be exposed to each of the risks described in this Wrap Fee Program Brochure. This list is not intended to be exhaustive of all of the risks associated with investing in strategies or securities that are utilized or recommended by AAS. Rather, it is a general description of the nature and risks of the investment advisory services provided by AAS and the related investments.

This summary is qualified in its entirety by reference to the prospectuses and offering documents that apply to the funds and/or strategies that AAS recommends and/or in which a client invests. Clients should carefully read any applicable prospectuses and/or offering documents and should consider consulting with their legal and/or tax professionals before engaging in any particular investment strategy or transacting in any specific investment. Past performance is no guarantee of future results.

A. GENERAL RISKS

Asset Allocation: A portfolio that holds large cash positions may deviate from the stated benchmark and could underperform as a result. Differences in the security holdings and weights of a portfolio versus the strategy benchmark will result in disparities between a portfolio's performance relative to its benchmark. A portfolio may perform better or worse than a similarly managed account for various reasons including, but not limited to, the frequency and timing of rebalancing and trading each portfolio and the size and number of positions in each portfolio.

Concentration: Strategies that are concentrated in only a few securities, sectors or industries, regions or countries or asset classes could expose a portfolio to greater risk and may cause greater portfolio volatility.

Investment Strategy (Model): AAS cannot and does not guarantee that the investment strategies offered will be able to achieve a particular level of return or maintain a particular risk profile. AAS' investment strategies are developed by AAS. Each investment strategy's performance is based on a composite aggregation of related portfolios managed by AAS, the securities in the portfolio are directly owned by the separate account's owner(s) and the separate account's owner(s) have the right to terminate the investment advisory agreement with AAS at any time. Investors in each strategy will have slightly different weightings in holdings, asset classes and performance results, primarily due to the timing of an investment (cash) into and out of the respective strategy. Separate accounts are unregistered investment vehicles and do not have the legal or regulatory requirements as registered securities.

Market: Securities markets are volatile and investing in securities involves the risk of loss that clients should be prepared to bear. The direction of the capital markets (e.g., stock, credit, interest rate, real estate, private equity, volatility, etc.) are difficult to predict and are dependent upon changes in a number of factors, including, but not limited to, interest rates, inflation, and a host of additional economic and political factors. There is always a risk that the capital markets as a whole will decline, bringing down the value of individual securities regardless of their fundamental characteristics. Market risk is also known as systematic risk or undiversifiable risk. This risk is both unpredictable and impossible to completely eliminate.

Security Selection: The risk of choosing a security that underperforms the market for unanticipated reasons. There can be no assurance that clients will ever come to realize the value of some of these investments, and that the investment will ever increase in value. During this time, the client may have funds locked up in an underperforming investment, which presents an opportunity cost for other investments.

B. INVESTMENT-SPECIFIC RISKS

Alternative and Complex Products: Complex products, including but not limited to, structured notes, leveraged ETFs, non-traded real estate investment trusts (REITs) and options, may use advanced trading techniques such as leverage, options, futures, swaps, and other derivatives or assets which lead to additional risks. Investing in a complex product should not be compared to investing in the underlying asset, as the features and risks may differ significantly.

Investors should be aware of any attributes related to limits on the upside or downside potential of returns, call options, income, risk reduction strategies, early termination events, tax consequences, and market events that impact the complex product or its underlying asset. Certain complex products carry additional risk, including the potential for losses that may exceed the original investment amount.

Alternative Investments are subject to various risks such as limitations on liquidity, pricing mechanisms, and specific risk factors associated with the particular product, which for products associated with real estate, would include, but not be limited to, and property devaluation based on adverse economic and real estate market conditions. Alternative Investments may not be suitable for all investors. A prospectus that discloses all risks, fees and expenses, and risk factors associated with a particular Alternative Investment may be obtained from your Advisor. Read the applicable prospectus(es) or offering document(s) carefully before investing.

Investors considering an investment strategy utilizing Alternative Investments should understand that Alternative Investments are generally considered speculative in nature and involve a high degree of risk, particularly if concentrating investments in one or few Alternative Investments or within a particular industry. The risks associated with Alternative Investments are potentially greater and substantially different than those associated with traditional equity or fixed income investments.

Annuities: A variable annuity contract is subject to product terms and limitations and the claims-paying ability and financial strength of the issuing insurance company. A variable annuity contract contains certain fees, restrictions and risks; withdrawals may be subject to ordinary income taxes and, if made prior to age 59½, may be subject to a 10% federal tax penalty; and surrender charges may also apply. Additionally, the potential tax benefits of a variable annuity contract are eliminated if the variable annuity contract is used to fund a qualified plan, such as a 401(k) or IRA. An index annuity should not be compared to investing in the underlying asset, as the features and risks may differ significantly. An indexed annuity contract contains certain fees, restrictions and risks, including market risks. Investors should be aware of any attributes related to limits on the upside or downside potential of returns, risk reduction strategies, early termination events, tax consequences, and market events that impact the indexed annuity, including the potential for losses that may exceed the original investment amount.

Bank Deposit Sweep Program: As described in **Item 4**, the Bank Deposit Sweep Program is through AIS, AAS' affiliated broker-dealer, and NFS and is the sole cash sweep option available to all advisory accounts, except 401(k) related advisory accounts. AIS earns revenue on all accounts in the Bank Deposit Sweep Program, except ERISA accounts, 401(k) accounts, Simple IRAs and SEP-IRAs, and this creates a conflict of interest. Additionally, banks participating in the Bank Deposit Sweep Program do not have a duty to offer the highest rates available or rates that are comparable to money market funds. Furthermore, you (the client) are responsible for monitoring the total amount and insurable capacity of deposits both as part of and outside of the Bank Deposit Sweep Program, for the purpose of determining the FDIC insurance coverage for those deposits. To the extent deposits exceed the applicable FDIC maximum coverage amount, these excess funds are ineligible for FDIC insurance. All funds not insured by the FDIC are at risk of loss in the event of a bank failure.

Cash-Equivalents (Money Market Funds): Cash equivalents are short-term, highly-liquid investments, such as money market funds (a type of mutual fund) and are subject to interest rate and issuer-specific changes. Interest rate increases can cause the price of a money market security to decrease. Likewise, a decline in the credit quality of an issuer can cause the price of a money market security to decrease. An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at one dollar per share, it is possible to lose money by investing in a money market fund.

Concentrated Investment Strategies: Certain investment strategies may be concentrated in a specific sector or industry. If you invest in a portfolio or strategy that is made up of a concentrated position, sector or industry, your portfolio will be more likely to sharply increase or decrease in value with changes in the markets. Concentrated strategies are more volatile because the risk associated with each company represents a large percentage of your overall portfolio value.

Equities (Stocks): Equity instruments are subject to equity market risk, which is the risk that common stock prices will fluctuate over short or even extended periods. Equity securities generally have greater price volatility than fixed income securities. The market price of equity securities may increase or decrease, sometimes rapidly or unpredictably. Equity securities may decline in value due to factors affecting markets generally, particular industries, sectors or geographic regions represented in those markets, or individual security concerns.

Exchange Traded Funds (“ETFs”): ETFs are, by definition, portfolios of securities, and although the risk associated with investments in ETFs may be low relative to investments in securities of individual issuers, there are events that can trigger sharp, and sometimes adverse, price movements in ETFs that are not related to movements of the markets in general. These events include, but are not limited to, unanticipated dividends, changes to regular dividend amounts, announcements of rights offerings and possible unexpected revisions to the net asset values of the ETF. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the “spread.” The spread varies over time based on the ETF’s trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. ETFs may be closed and liquidated at the discretion of the issuing company.

Fixed Income (Bonds or Debt): Debt securities are affected by changes in interest rates. When interest rates rise, the value of debt securities are likely to decrease. Conversely, when interest rates fall, the values of debt securities are likely to increase. The values of debt securities may also be affected by changes in the credit rating or financial condition of the issuing entities.

Leveraged Investment Strategies (Margin, Options, Loans/Borrowing): Borrowing against securities may not be suitable for all investors. A decline in the value of collateralized assets, including as a result of markets going down in value, may require deposits of more securities or funds to maintain the level needed to avoid a maintenance call or pay down the line of credit. Investors should be aware of any attributes related to limits on the upside or downside potential of returns, call options, income, risk reduction strategies, early termination events, tax consequences, and market events that impact the product or strategy. Certain products/strategies carry additional risk, including the potential for losses that may exceed the original investment amount.

Management Risk: The services we offer involve your Advisor developing and implementing an investment strategy for you. Developing and implementing a profitable investment strategy inherently involves making decisions about the future behavior of, among other things, the securities markets as a whole and the market for individual securities. Because there is no available methodology for accurately predicting future events over time, there can be no guarantee that your Advisor will be successful in developing a profitable investment strategy for you or in implementing the strategy he or she develops.

Money Market Funds: An investment in a money market mutual fund, unlike bank deposits, is not insured or guaranteed by the FDIC or any other governmental agency, and it is possible to lose money by investing in a money market mutual fund. Money market mutual funds are covered by SIPC, which protects against the custodial risk (not a decline in market value) when a brokerage firm fails by replacing missing securities and cash up to a limit of \$500,000, of which \$250,000 may be cash.

A money market mutual fund generally seeks to achieve a competitive rate of return (less fees and expense) consistent with the fund’s investment objectives, which can be found in the fund’s prospectus. As discussed in Item 14, rates in a money market fund will vary over time and may be higher or lower than the rate paid on the Bank Deposit Sweep Program or other money market mutual funds not offered as part of a cash sweep. The Firm typically earns more by designating the Bank Deposit Sweep Program as the default sweep program for your account. Accordingly, the Firm has a conflict in selecting cash sweep programs which is discussed further in Item 14.

Mutual Funds: The risks with mutual funds include the costs and expenses within the fund that can impact performance, change of managers, and the fund straying from its objective (*i.e.*, style drift). Mutual funds have certain costs associated with underlying transactions, as well as operating costs such as marketing and distribution expenses and underlying advisory fees. Mutual fund costs and expense vary from fund to fund and will impact a mutual fund’s performance. Additionally, mutual funds typically have different share classes, as further discussed below, that trade at different Net Asset Value (“NAV”) as determined at the daily market close and have different fees and expenses.

Mutual Fund Share Classes: Mutual funds that offer different share classes are priced differently and have varying levels of internal costs. For example, institutional share classes often have higher trading costs; however, the internal costs of the fund are lower. Over a period of time, certain share classes will become more expensive if held in an

account for an extended period of time. Additionally, even though multiple share classes may be available, a custodian may only make available a limited number of share classes, or a custodian may not choose to offer the least expensive share class that is available. Other custodians and investment advisers may offer the same mutual fund or a different mutual fund share class at a lower overall cost to the investor.

Options: Certain types of option trading are permitted in order to generate income or hedge a security held in the program account; namely, the selling (writing) of covered call options or the purchasing of put options on a security held in the program account. Client should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the program account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold by the program account.

Structured Products: Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

Tax Overlay Strategy: A tax overlay strategy (or tax-managed) relies on various techniques, assumptions, and calculation methodologies and cannot be guaranteed to reduce or minimize a client's overall tax liabilities, or as to the tax results that may be generated by a given transaction (or transactions). A tax-managed strategy may cause a client portfolio to hold a security in order to achieve more favorable tax treatment or to sell a security in order to create tax losses. Factors that could impact the value of tax-managed investing techniques include, but are not limited to market conditions, the tax characteristics of securities used to fund an account, client-imposed investment restrictions, client tax rate, asset allocation, investment approach, investment universe, and any tax law or firm policy changes. The pre-tax performance of a tax-managed account may be lower than the performance of similar advisory accounts portfolios not employing a tax overlay strategy. Under current IRS regulations wash sales, which occur when securities are sold at a loss and then re-purchased within 30 days, and any tax loss sought through the sale of a security may be disallowed by the IRS. AAS' Advisors cannot monitor all assets held outside of clients' AAS account. Tax-managed investing does not equate to comprehensive tax advice, is limited in scope, and not designed to eliminate taxes in an account.

C. PROCEDURAL AND OPERATIONAL RISKS

Cybersecurity and Information Security: A portfolio is susceptible to operational and informational security risks due to the increased use of the internet. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices through "hacking" or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cybersecurity failures or breaches of third-party service providers may cause disruptions at third-party service providers and impact business operations, potentially resulting in financial losses; the inability to transact business; violations of applicable privacy and other laws, regulatory fines, or penalties; reputational damage; unanticipated expenses or other compensation costs; and/or additional compliance costs. AAS has an established business continuity and disaster recovery plan and related cybersecurity procedures designed to prevent or reduce the impact of such risks; there are inherent limitations in such plans and systems due in part to the evolving nature of technology and cyberattack tactics. Additionally, AAS employs reasonable security standards and safeguards to protect clients'

personal information and prevent fraud. Additional information about AAS' business continuity and disaster recovery plan and privacy policy is available at <https://www.avantax.com/disclosures/account-protection-and-privacy>. **If you suspect fraudulent activity in your AAS account(s), you should immediately contact the Firm at 866-218-8206, Option 2 (Client Service) or contact your account custodian using the information on the custodial statement.**

Operational Risk: Portfolios are exposed to operational risk introduced through human intervention or the failure of automated processes. Operational risks include, but are not limited to, reconciliation errors, trading the wrong security, trading a security for an unintended portfolio or purchasing a security that a portfolio was intended to sell, or vice versa.

Technology and Third-Party Vendors AAS relies on third-party vendors and technology providers in order to provide many of its services. Additionally, some of the technology used is provided by third-party vendors and is, therefore, beyond AAS' direct control. AAS seeks to ensure adequate backups of hardware, software, telecommunications, internet-based platforms, and other electronic systems, through its vendor due diligence procedures, but there is no guarantee that any or all third-party service provider risks will be mitigated. In addition, natural disasters, power interruptions and other events may cause system failures, which will require the use of backup systems. Backup systems may not operate as well as the primary systems and may fail to properly operate, especially when used for an extended period. To reduce the impact a system failure may have, AAS evaluates its backup and disaster recovery systems and performs periodic testing of its backup systems operations. Despite AAS' reasonable efforts, hardware, telecommunications, or other electronic systems malfunctions may be unavoidable and result in consequences such as the inability to execute client transactions or monitor client accounts.

Voting Client Securities

AAS does not retain the authority to vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client will be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Generally, clients will receive proxy materials directly from the applicable custodian(s) or issuer's proxy agent and should direct any questions as instructed in the specific proxy matter.

AAS does not provide legal advice or represent or facilitate class action claims or participate in other similar legal proceedings on behalf of clients. The responsibility and authority for responding to class actions and other legal proceedings rests solely with the registered shareholder (e.g., client) or legally appointed agent (e.g., custodian) of the client or the client's attorney.

As it pertains to proxy voting matters, class action claims, and other similar legal proceedings, AAS and its Advisors retain no authority, through the investment advisory relationship, and therefore have no responsibility for reviewing any proxy materials, corporate action materials, prospectuses and/or other offering documents and any other information related to such.

Clients should be aware that some third-party investment managers and/or TAMPs retain the authority to vote client proxies. For more information about the practices of a third-party investment manager or TAMP, clients should refer to the information provided by the Advisor, including, but not limited to, the applicable third-party's disclosure(s) or applicable agreement(s).

Item 7: Client Information Provided to Portfolio Managers

For AAS' Investment Management Solutions (IMS) platform, advisory accounts are required to be established and held through AAS' affiliated broker-dealer, AIS. AIS provides brokerage, custody and execution services through its clearing arrangement with National Financial Services LLC ("NFS" or "Custodian"), a non-affiliated firm, member NYSE, SIPC and a Fidelity Investments® Company. AAS will share client information with AIS and NFS. All client funds and securities are held by a custodian in accounts identified individually to the client. Some investments are custodied by or through the issuer, for example mutual funds or variable annuity products. Clients receive written transaction confirmations and/or accounts statements directly from the custodian (or issuer). Clients will also receive periodic, written reports from AAS and its Advisors. Clients are urged to compare any report provided by AAS and its Advisors with the confirmations and statements directly received from the custodian. **NOTE:** The custodian does

not verify the accuracy of AAS' advisory fee calculation and clients do not receive an invoice from AAS showing calculation of its advisory fees. Clients should speak with their Advisor with any questions or contact the Firm using the information on the front of this Wrap Fee Program Brochure.

For certain investment advisory services, AAS utilizes custodian-sponsored programs and services, third-party investment manager programs and/or Turnkey Asset Management Platforms ("TAMPs"). These services may be offered as a separately managed account (commonly referred to as "SMAs") or as a unified managed account (or "UMAs"). AAS will provide such custodians, investment managers and TAMPs, as applicable, client-specific information to enable that custodian, investment manager or TAMP to provide the elected services. Under this scenario the client will pay fees and expenses to such third-parties, in addition to the fees paid to AAS and its Advisors. For additional information related to third-party programs and services, see Item 4 and Item 9.

Item 8: Client Contact with Portfolio Managers

You and Your Advisor

A client's primary contact is with an Advisor and the client has, without restriction, reasonable access to the AAS Advisor who is providing the investment advisory services for the client's account.

Most advisory relationships begin with an initial client meeting between you and your Advisor. The purpose of this initial meeting is to discuss your investment history, goals, objectives, and risk tolerance and determine the investment advisory services that will meet your needs.

Our Advisors' investment advice is tailored to our clients' individual needs. As a result, the investment advisory services provided by AAS' Advisors depend largely on the personal information you, the client, provide to the Advisor. For AAS' Advisors to provide appropriate investment advice to, or, in the case of discretionary accounts, make appropriate investment decisions for, the client, it is very important that clients provide accurate and complete responses to their Advisor's questions about their financial condition, needs and objectives. Clients may request reasonable restrictions be applied to the investments bought, sold, or held in or on the types of investment strategies utilized in the client's investment advisory account(s). For example, a reasonable restriction may indicate your desire that we do not invest in a certain sector or industry. Typically, your advisor will also proactively reaffirm with you any modifications you may have to these restrictions at least on an annual basis during your normally scheduled client review meetings. Pursuant to any restriction(s) you may suggest, your advisor will document this upon receipt. However, your advisor may refuse to accept or manage your account if he/she determines that such restrictions are unreasonable. In the event that your advisor is unable to accept your restriction, he/she will give you the opportunity to modify or withdraw the restriction.

The exact products and services you will receive and the fees you will be charged are dependent upon, and negotiated between you and, your Advisor. Advisors, in their capacity as AAS' Advisors, are restricted to providing investment advisory services and charging fees in accordance with the descriptions detailed in this Wrap Fee Program Brochure and are instructed to consider the individual needs of each client when recommending any investment advisory product or service and negotiating fees for such. **However, as more fully described in Item 9, many of AAS' Advisors are also registered representatives of AAS' affiliated broker-dealer, AIS, and/or licensed insurance agents with Avantax Insurance.** In addition, your Advisor may be unable to offer or can elect not to offer certain financial products and/or services based on subjective and objective factors, including the Advisor's licensing and registration, investment philosophy and/or individual professional preferences. Depending on such factors, there may be restrictions on and conflicts of interest related to the types of financial products and/or services that your Advisor can or is willing to offer to you.

It is important that you understand the differing products and fees available in investment advisory, brokerage and insurance services. AAS encourages you to discuss this with your Advisor. Additionally, there are free and simple tools available to research firms and financial professionals at [Investors.gov/CRS](https://www.investors.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing.

As independent contractors, AAS' Advisors can have separate businesses, branch offices, personnel, and/or marketing names for the purpose of creating a brand that is specific to that Advisor and separate from AAS or Avantax. While AAS allows its Advisors to use a name other than AAS or Avantax, all investment advisory services are offered through AAS, unless otherwise disclosed in writing to the client.

Custodian-Sponsored Programs, Third-Party Investment Managers and Turnkey Asset Management Platforms

To the extent AAS or its Advisor utilizes custodian-sponsored programs and services, third-party investment manager programs or Turnkey Asset Management Platforms (“TAMPs”), portfolio managers from those entities, generally, are not available to discuss client-specific investment issues.

Item 9: Additional Information

Disciplinary Information

On December 20, 2021, Avantax Advisory Services, Inc. (“Avantax”) entered into a settlement with the Securities and Exchange Commission (“SEC”) in connection with the SEC’s findings that 1st Global Advisors, Inc. (“1st Global”), a firm that had been acquired and merged into Avantax in 2019, had not sufficiently disclosed to its advisory clients conflicts of interest arising from fees received by its affiliated broker from certain investment products.

To settle the 1st Global matter with the SEC, Avantax consented, without admitting or denying the SEC’s findings, to an Order regarding the inadequacy of disclosures by 1st Global between 2014 and 2019 concerning the revenue received from 1) 12b-1 fees; 2) certain no-transaction fee revenue received by 1st Global’s affiliated broker from mutual funds; and 3) money market cash sweep products that generated fees for 1st Global’s affiliated broker. Under the settlement, Avantax agreed (a) to cease and desist from committing or causing violations and any future violations of Sections 206(2) of the Investment Advisers Act of 1940; (b) to a censure; and (c) to pay affected investors \$12,349,153.11 in disgorgement and \$2,524,000 in prejudgment interest, as well as a civil monetary penalty of \$2,000,000 for the conduct by 1st Global.

The Firm’s current registration record, including additional disclosure information, Wrap Fee Program Brochure, and Form CRS, is available on the SEC website, www.adviserinfo.sec.gov, by selecting “Firm” and typing in Avantax Advisory Services, Inc. or its CRD# 104556.

If there are legal or disciplinary events material to a client’s or prospective client’s evaluation of an Advisor, those material facts will be disclosed through a Wrap Fee Program Brochure Supplement. If a client or prospective did not receive a Wrap Fee Program Brochure Supplement, the client should contact the Firm using the information on the cover page of this Wrap Fee Program Brochure.

Other Financial Industry Activities and Affiliations

The Firm’s and its Advisors’ other financial industry activities and affiliations create conflicts of interest and, in many cases, incentivizes AAS and its Advisors to recommend an affiliate’s products and/or services versus other, similar, non-affiliated providers. Additionally, many of AAS’ Advisors serve in multiple capacities and may be incentivized to recommend products or services that create the greatest compensation for the Advisor.

As further detailed in **Item 4** and **Item 11**, AAS seeks to address these conflicts of interest by monitoring and enforcing a Code of Ethics, along with other compliance and supervisory policies and procedures, and through the establishment of the investment oversight committee (“IOC” or “Committee”), chaired by the Firm’s Chief Investment Officer. Furthermore, AAS seeks to disclose material conflicts of interest to its clients and prospective through this Wrap Fee Program Brochure and other documents.

Avantax Wealth Management Entities

Affiliates with which AAS is under common control and shares operations and/or supervised persons with (collectively, the “Avantax Wealth Management Entities”) includes:

- **Affiliated Broker/Dealer:** Avantax Investment Services, Inc. (“AIS”) is a SEC-registered broker-dealer and government securities dealer or broker, member FINRA/SIPC. AIS is authorized to solicit, buy and sell securities and annuities in one or more states. Additional information about AIS is available on brokercheck.finra.org, by searching “Avantax Investment Services, Inc.” or CRD# 13686.
- **Affiliated Investment Adviser, Financial Planner and Pension Consultant:** Avantax Planning Partners, Inc.

("APP") is a SEC-registered investment adviser. APP provides financial planning, portfolio management, retirement plan services and other investment advisory services. Additional information is available on www.adviserinformation.sec.gov, by searching "Avantax Planning Partners, Inc." or CRD# 106237.

- **Affiliated Insurance Agencies:** Avantax Insurance Agency, LLC ("AIA LLC") and Avantax Insurance Services, LLC ("AIS LLC") offer a variety of insurance products and services (collectively, "Avantax Insurance"). **Note:** *Insurance products and services are not deposits, not FDIC insured, not guaranteed by a bank, not insured by any federal government agency, and may go down in value. Not all insurance products and services are available in all states.*

AAS' clients and prospective clients are not under any obligation to obtain professional services or products (of any kind) from the Avantax Wealth Management Entities; however, certain services and/or products made available through AAS are from one or more of the Avantax Wealth Management Entities.

Cetera Entities

As further described in **Item 4**, AAS is an indirect subsidiary of Aretec and, as a result, affiliated with Cetera Financial Group. Cetera Financial Group owns a network of independent broker-dealers, investment advisers registered with the SEC, and general insurance agencies ("Cetera Entities"), including but not limited to:

- **Cetera Affiliated Brokers/Dealers:** Cetera Advisors LLC (CRD# 10299), Cetera Advisor Networks LLC (CRD# 13572), Cetera Financial Specialists LLC (CRD# 10358), and Cetera Investment Services LLC (CRD# 15340).
- **Cetera Affiliated Investment Advisers:** Cetera Advisory Services LLC (CRD# 285648), Cetera Investment Advisers LLC (CRD# 105644), Cetera Investment Management LLC (CRD# 165436), and The Retirement Planning Group LLC (CRD# 129625)
- **Cetera Affiliated Pension Consultants:** Cetera Retirement Plan Specialists
- **Cetera Affiliated Insurance Agencies:** Cetera Advisors Insurance Services LLC, Cetera Advisor Networks Insurance Services LLC, Cetera Insurance Agency, LLC, and NFG Brokerage, LLC
- **Cetera Affiliated Trust Company:** Cetera Trust Company, N.A.

AAS is under common control and shares operations and/or supervised persons with some of these Cetera Entities. Currently, AAS has no reason to believe that the relationship with the Cetera Entities creates a conflict of interest with AAS clients. AAS' clients and prospective clients are not under any obligation to obtain professional services or products (of any kind) from the Cetera Entities; however, certain services and/or products made available through AAS may be provided by one or more of the Cetera Entities. A complete list of Cetera Related Entities is available upon request by contacting the Firm using the information on the cover page of this Wrap Fee Program Brochure.

CPA Firms

AAS is not an accounting firm and does not provide tax advice, however the Firm maintains collaborative, referral arrangements with independent, nonaffiliated certified public accounting firms ("CPA firms") and their accounting professionals ("CPAs"), many of whom are registered with AAS as investment adviser representatives ("IARs" or "Advisor Representatives"). When an Advisor Representative determines that their clients need tax or accounting services, those clients are referred to the Advisor Representative's CPA firm. In addition, if account or tax clients of an Advisor Representative needs financial planning or other investment advisory services, the Advisor Representative, acting in a separate capacity as an accountant, refers clients to AAS.

Clients that are referred to AAS by a CPA firm will receive a commission and fee disclosure document, describing the direct and indirect compensation paid to the CPA firm. See **Item 9** for additional information on client Referrals and Other Compensation, including conflicts of interest and material arrangements with CPA firms.

Custodians

As previously described in this Wrap Fee Program Brochure, AAS' affiliated broker-dealer, AIS, provides brokerage,

custody and execution services through its clearing arrangement with National Financial Services LLC (“NFS” or “Custodian”), a non-affiliated firm, member NYSE, SIPC and a Fidelity Investments® Company.

As further detailed in **Item 4**, AAS receives research and other products or services (other than custody of securities, trade execution, clearance and settlement of transactions) from NFS. The products and services are provided to AAS as part of its overall relationship with the custodians; however, some of these benefits may be based on the amount of advisory assets held by the custodian. The receipt of these benefits creates a conflict of interest because any advice from AAS’ Advisors may be based in part on the benefit to AAS or its Advisors and the availability of the foregoing research and other benefits and not solely on the nature, cost or quality of custody or brokerage services provided by the custodian.

Additionally, as further details in **Item 9**, AAS’ affiliated broker-dealer, AIS, receives direct and indirect compensation from NFS in part based on AAS’ advisory client and assets held in custody with NFS.

Third-Party Investment Managers and Turnkey Asset Management Platforms

As further detailed in **Item 4**, AAS utilizes third-party investment manager programs designed to allow AAS’ Advisors to recommend (solicitor/promotor) and/or select (co-advisory) unaffiliated investment advisers for clients. These third-party investment managers (sometimes referred to as sub-advisors or third-party asset managers) may be selected directly by AAS’ Advisors or available to AAS through a custodian-sponsored program and may handle all or a portion of a client’s assets. Under this scenario the client will enter into a separate, written agreement with the third-party investment manager, detailing the fees and expenses that the client will pay to such third-party investment manager, in addition to the fees paid to AAS and its Advisors.

AAS and its Advisors may also recommend (solicitor/promotor) and/or select (co-advisory) Turnkey Asset Management Platforms (“TAMPs”) to handle all or a portion of the asset management process. TAMPs typically include technology, investment research, portfolio management and other outsourcing services. TAMPs generally provide services that enable the Firm and its Advisors to integrate multiple providers, programs, products, and custodians.

For more information regarding custodian-sponsored programs and services, third-party investment manager programs and/or Turnkey Asset Management Platforms (“TAMPs”), including additional information on the advisory services and fees that are applicable, the types of investments available in the programs and the potential conflicts of interest presented by the programs, refer to the information provided by the Advisor, including, but not limited to, the applicable sponsor’s/program’s disclosures and agreement(s).

Investment Companies (Mutual Funds and Exchange Traded Funds)

While AAS does not have a related person that is an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund), client assets are primarily invested through investment companies that offer mutual funds and exchange traded funds (“ETFs”). Some of these investment companies have entered into revenue sharing agreements with AAS’ affiliate(s). See **Item 4** and **Item 9** for additional information about investment company revenue sharing payments.

Other Financial Industry Relationships or Arrangements

AAS has no relationship or arrangement with any futures commission merchant, commodity pool operator, commodity trading advisor, or sponsor or syndicator of limited partnerships that it believes to be material to the Firm’s advisory business or its clients.

Advisors’ Other Business Activities

If your Advisor serves in multiple capacities, a conflict of interest exists because your Advisor has an incentive to recommend products or services that create the greatest compensation for your Advisor. Clients should review the Advisor’s Form ADV Part 2B Wrap Fee Program Brochure Supplement to determine whether the client’s Advisor is engaged in any of the activities described in this section that may create a conflict of interest. If the client did not receive the Advisor’s Form ADV Part 2B Wrap Fee Program Brochure Supplement, the client may contact the Firm

using the information on the cover page of this Wrap Fee Program Brochure. **Clients are not under any obligation to purchase or sell any commission products or any other services from AAS' Advisors.** AAS does not (itself) provide tax or legal advice and clients should discuss any questions with or request further information from the Advisor and/or legal and tax professionals prior to engaging in a tax overlay strategy.

Accountants: AAS is not an accounting firm and does not provide tax advice, however, certain Advisors, in their individual capacities, are accountants or Certified Public accountants ("CPAs"). When Advisors that are accountants determine that their clients need tax or accounting services, those clients are referred to the Advisors accounting firm or practice. In addition, if account or tax clients of an Advisor need financial planning or other investment advisory services, the Advisor, acting in the capacity as an accountant, refers clients to AAS (or an affiliate).

Affiliated Broker-Dealer, Investment Adviser and Insurance Agencies: Most of AAS' Advisors are also registered with one or more Avantax Wealth Management Entities, such as registered representatives of AAS' affiliated broker-dealer, AIS, registered investment adviser representatives with AAS' affiliated advisory firm, APP, and/or licensed insurance agents with Avantax Insurance. Brokerage services, insurance services and investment advisory services are different, and the fees charged for those services are often separate. For example, an Advisor will earn investment advisory fees on an account managed under a written agreement through AAS and, if applicable, in the capacity as a registered representative with AIS, earn transaction-based compensation or commissions on brokerage services at AIS or insurance services through Avantax Insurance.

While accounts are reviewed for suitability by an appointed supervisor and the Firm monitors for certain in appropriate trading, you should be aware of the incentives we have to sell certain account types and investment products for which AAS receives compensation (as described above) and you are encouraged to ask us about any conflict presented. Please be aware that you are under no obligation to purchase products or services recommended by us, members of our Firm, or a related entity in connection with providing you with any advisory services.

Attorneys: AAS is not a law firm and does not provide legal advice, however, certain Advisors, in their individual capacities, are practicing attorneys. When such individuals determine that their clients need legal services, those clients are referred to the Advisor's law firm or practice. In addition, if legal clients need financial planning or other investment advisory services, the Advisor (acting in the separate capacity as an attorney) refers clients to AAS (or an affiliate).

Banking or Thrift Institutions: AAS is not a bank or thrift institution nor affiliated with any banking or thrift institutions, however, in certain circumstances, investment advisory services of AAS may be marketed through banks and other depository institutions, in accordance with applicable regulations. Further, some Advisors conduct business from and/or are affiliated with a bank or other depository institution.

Insurance Agents: AAS is not an insurance agency, but is affiliated with two insurance agencies, as described above. Additionally certain of AAS' Advisors, in their individual capacities, are licensed insurance agents and recommend the purchase of certain insurance-related products on a commission basis through non-affiliated insurance agencies. As a result, these individuals may be incentivized to recommend one insurance agency over another.

Other Investment Advisers, Financial Planners and/or Pension Consultants: Some Advisors own or are affiliated with Independent Investment Adviser firms ("I-RIA"). AAS and the I-RIAs are not affiliated companies and I-RIAs do not act as sub-advisors for AAS. Some Advisors provide asset management, financial planning, pension consulting and similar services as AAS, separately, through the I-RIA, while others only provide client referral or limited advisory services through the I-RIA. Fees provided to an I-RIA are separate and distinct from the fees paid to AAS and its Advisors in their capacities as Advisors. Clients that engage an I-RIA will receive a copy of the I-RIA's disclosure document and execute a client agreement with, and specifying the services provided and fees charged by, the I-RIA.

Real Estate Agents / Mortgage Loan Originators: AAS is not real estate broker or dealer; however, certain Advisors, in their individual capacities, are real estate agents or mortgage loan originators. In this separate capacity, the Advisor who is a licensed real estate broker will earn commissions for real estate transactions. Advisors that are mortgage brokers will earn commissions when selling or refinancing real estate loans.

Code of Ethics, Participation or Interest in client Transactions and Personal Trading

Code of Ethics

We are committed to providing brokerage services and investment advice with the utmost professionalism and integrity.

AAS has adopted a code of ethics that includes standards of business conduct, reflecting the Firm's and its Advisors' fiduciary obligations, and provisions that require all supervised persons to comply with applicable federal securities laws. This code of ethics sets forth guidelines and restrictions for personal securities trading, including an absolute prohibition of trading on the basis of "inside" (i.e., material, non-public) information. AAS provides the code of ethics and related training to all supervised persons as a part of new hire orientation, and then annually thereafter. AAS' supervised persons are required to attest to having read and understood the code of ethics.

A copy of AAS' code of ethics is available upon request by contacting the Firm using the information on the cover page of this Wrap Fee Program Brochure or by contacting your Advisor.

Personal Investing by Your Advisor

Your Advisor may purchase or sell the same security as you. This type of trading activity creates a conflict between your Advisor and you because your Advisor's transaction may receive a better price than your transaction. Our Code of Ethics places restrictions on your Advisor's personal trading activities. These restrictions include a prohibition on trading based on non-public information, pre-clearance requirements for certain personnel transactions with advance knowledge of model transactions and a requirement that any personal securities transactions do not disadvantage clients or otherwise raise fiduciary or antifraud issues.

Also, your Advisor may not purchase securities in an initial public offering or participate in a private placement without our written approval.

Personal Holdings and Transaction Reporting

We receive information of the security transactions purchased and/or sold by your Advisor in their personal accounts. We also receive information listing all securities that they currently own in their personal securities accounts. We also use monitoring systems to supervise trading in Advisor personal accounts that are held through AAS. Certain investments are not required to be reported to us by your Advisor, such as mutual funds holdings and securities issued by the Government of the United States.

Participation or Interest in client Transactions

Generally, neither AAS nor any related person of AAS recommends to clients, or buys or sells for client accounts, securities in AAS or where any related person of AAS has a material financial interest. For example, AAS does not generally act as (1) a principal when buying securities from (or selling securities to) clients; (2) general partner in a partnership that clients are solicited to invest in; or (3) an investment adviser to an investment company (i.e., mutual fund) that is recommended to clients.

Review of Accounts

Transactions that occur in AAS' investment advisory accounts are reviewed by Avantax personnel for adherence to criteria and guidelines on security selection, concentration, diversification and other restrictions that may apply. The Avantax personnel are assisted by various data processing exception reports and do not review every individual transaction. Other plan-related and financial planning services are reviewed on a risk-adjusted basis, as-needed, by Avantax personnel for adherence to contractually-obligated services and other criteria.

Investment advisory accounts, plan investment consulting and investment management accounts, and financial plans under the Seasonal Model are reviewed by your Advisor on at least an annual basis. AAS and/or its Advisors conduct account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client profile, a market correction or material market event or otherwise by client request. These annual or other-than-periodic reviews are typically conducted with the client in person, by phone or via video conference. **NOTE: It is your (the client's) responsibility to promptly notify your Advisor, or AAS, of any changes in your client profile (i.e., investment objective, risk tolerance, investable time horizon, financial situation, liquidity considerations, etc.)**

AAS provides written Quarterly Performance Reports (“QPRs”) to its Advisors on a quarterly basis who, in turn, will make the QPRs available to the advisory clients. Alternatively, clients may elect electronic delivery of QPRs via an online client portal by requesting access from the client’s Advisor. The QPRs provide information regarding an account’s investment performance, asset allocation, investment holdings and other information. The QPRs are generated by a third-party service provider and, while the information is believed to be reliable, timing, sources of data and/or calculation methods will result in differences between what is reported on custodial statements. Advisors may also provide other written, periodic reports to clients regarding their accounts. The content and frequency of these reports will vary based on the Advisor and/or the client’s needs.

Clients are urged to compare any report provided by AAS and its Advisors with the confirmations and statements directly received from the custodian.

Client Referrals and Other Compensation

Client Referrals

AAS and/or its Advisors sometimes receive client referrals from outside solicitors, usually attorneys, CPAs or other professionals (collectively, “promoters”). AAS has established the Strategic Alliance Program that is a referral program designed to compensate these promoters for referring advisory business to AAS. If a client is referred to AAS or an Advisor by a promoter, AAS pays a portion of the earned advisory fee to the promoter, typically for as long as the client maintains an advisory relationship with AAS, as compensation for the referral. AAS does not charge additional fees to the client if the client is referred to AAS by a promoter. Solicitation/referral arrangements are disclosed to clients at the time of the solicitation/referral via execution of a Disclosure Statement that outlines the nature and amount of the compensation AAS pays to the promoter. Additionally, the promoter is required to provide prospective clients with a current copy of AAS’ Form ADV Part 2A no later than the date on which the client enters an advisory relationship with AAS and the Advisor. Promoters participating in the Strategic Alliance Program are prohibited from soliciting municipal or other government entities.

Referrals From AAS to APP’s RPS Program: Advisors of Avantax Advisory Services, Inc. (“AAS”), APP’s affiliate, may introduce or refer current or prospective investment advisory clients to APP’s RPS Program. APP will pay AAS, who in turn pays the AAS’ Advisor, a percentage of the annual investment management fee paid by referred clients, pursuant to the terms of a written agreement between APP and AAS’ Advisor. For referred clients with account sizes \$1,000,000 or less, APP will pay AAS 20% of the total fee actually collected by APP; for accounts over \$1,000,000, APP will pay AAS 40% of the total fee actually collected by APP. This creates a conflict of interest, as this arrangement incentivizes AAS and its Advisors to recommend an affiliate’s products and/or services versus other, similar, non-affiliated providers.

AAS also refers clients to unaffiliated third-party investment manager(s) and/or TAMP(s), as outlined throughout this Wrap Fee Program Brochure, and receives a fee for doing so. Refer to **Item 5** and **Item 10** for additional information.

AAS and/or its Advisors may also have legacy referral arrangements, such as with unaffiliated banks or credit unions or other individuals, that allows for the payment of compensation based on a pre-determined percentage of the advisory fee paid by the client. Such arrangements typically extend for as long as the client maintains an advisory relationship with AAS and do not result in additional fees charged to the client. Clients introduced to AAS or an Advisor through one of these arrangements will receive a written disclosure statement indicating disclosing the relationship and the amount of the referral fee.

Other Compensation

In addition to the information detailed in **Item 4** and **Item 9**, AAS, its affiliates, and/or its Advisors receive economic and non-economic benefits from third-parties as a result of investment advice or other advisory services provided to AAS’ clients (collectively, “other compensation”). In some instances, such other compensation is substantial and incentivizes AAS, its affiliates and/or its Advisors to act in a manner that may be self-motivated rather than on the clients’ interests, creating conflicts of interest. Some of these conflicts of interest cannot be avoided because of AAS’ business model; others are mitigated through AAS’ compliance and supervisory policies and procedures. The information provided in this Wrap Fee Program Brochure regarding other compensation is not intended to be exhaustive of all of the other compensation arrangements. Rather, it is a general description of the other

compensation arrangements that AAS believes are material to its clients and potential clients in making an informed decision whether to engage AAS and its Advisors to provide investment advisory products and services. **By entering into a written agreement with AAS, you (the client) consent to AAS', its affiliates' and/or its Advisors' retaining their respective portion of other compensation (directly or indirectly) in connection with AAS' investment advisory products and services you (the client) receive from and through AAS.** AAS encourages you to discuss this with your Advisor or to contact the Firm, using the information provided on the cover page of this Wrap Fee Program Brochure, with any client-specific questions.

Direct Other Compensation

- **Administrative Fee:** AAS charges Advisors an administrative fee, which ranges from 0.00% to 0.35% based upon an Advisor's total advisory assets under management through AAS. The administrative fee is included in (and not in addition too) a client's Program Fee
- **Training, Educational and Marketing Support – TAMPs/Third-Party Managers:** AAS receives direct financial support from third-party investment managers and TAMPs for conferences, trainings, ongoing advisor education, and marketing efforts. In consideration for this financial support, AAS assists in the distribution of the third-party investment managers' and TAMPs' marketing materials to AAS' Advisors, provides opportunities for the third-party investment managers and TAMPs to participate in AAS' conferences and meetings, and other support as agreed upon by the parties. These arrangements create conflicts of interest, as it directly incentivizes AAS to promote products and services from third-party investment managers and TAMPs that provide direct financial compensation related to educational and marketing support. AAS mitigates this conflict by not directly sharing such compensation with its Advisors (who ultimately provide you, the client, with advice and recommendations); however, the Advisors indirectly benefit from the support through education, conferences, and training opportunities.
- **Training, Educational and Marketing Support – Mutual Funds and Insurance:** We and our representatives receive additional compensation from mutual fund and insurance companies, including Strategic Partners (defined below) that is not related to individual transactions or assets held in accounts. This money is paid, in accordance with regulatory rules, to offset up to 100% of the costs of training and education of our representatives and employees. In some instances, mutual fund and insurance companies pay a flat fee in order to participate in our training and educational meeting. These meetings or events provide our representatives with comprehensive information on products, sales materials, customer support services, industry trends, practice management education, and sales ideas.

It is important to note that due to the number of mutual fund and variable insurance products we offer, not all product sponsors have the opportunity to participate in these training and educational events. In general, our Strategic Partners have greater access to participation in these events and therefore greater access to, and opportunity to build relationships with, our representatives.

Some of the training and educational meetings for which we or our representatives receive reimbursement of costs include client attendance. If you attend a training or educational meeting with your registered representative and a product sponsor is present, you should assume that the product sponsor has paid for all or a portion of the costs of the meeting or event.

- **Other Cash and Non-Cash Compensation:** In addition to reimbursement of training and educational meeting costs, we and our representatives receive promotional items, meals or entertainment or other non-cash compensation from representatives of mutual fund companies, insurance companies, and direct participation sponsors, as permitted by regulatory rules. The sale of mutual funds, variable insurance products and other products, whether of our Strategic Partners or not, may qualify our representatives for additional business support and for attendance at seminars, conferences and entertainment events. Further, some of our home-office management and certain other employees receive a portion of their employment compensation based on sales of products of Strategic Partners.
- **Compensation from Strategic Partners:** Although we offer thousands of mutual funds and hundreds of variable life and annuity contracts, we concentrate our marketing and training efforts on those investments offered by a much smaller number of select and well-known companies (Strategic Partners). Strategic Partners are selected, in part, based on the competitiveness of their products, their technology, their customer service and their training capabilities. Strategic Partners have more opportunities than other

companies to market and educate our Advisors on the investments and products they offer. We also provide Strategic Partners with additional opportunities to make their products available in programs or services offered by the Firm. For a current list of our Strategic Partners, please see the below list of Strategic Partners.

Our Strategic Partners pay extra compensation to us and/or our affiliates in addition to the usual product compensation described in the applicable prospectus. The additional amounts that Strategic Partners pay us vary from one Strategic Partner to another and from year to year. Some Strategic Partners pay us up to 0.45% of your total purchase amount of a mutual fund or variable insurance product. So, for example, if you invest \$10,000 in a mutual fund, we could be paid up to \$45. Additionally, some Strategic Partners make a quarterly payment or additional quarterly payment based on the assets you hold in the fund or variable insurance product over a period of time of up to 0.15% per year. For example, on a holding of \$10,000, we could receive up to \$15.

Alternatively, we may receive compensation from the mutual fund or insurance company as: (1) a flat fee regardless of the amount of new sales or assets held in client accounts; or (2) the greater of such flat fee or amount based on assets and/or new sales as referenced above and any ticket charge payments referenced below. These payments are designed to compensate us for ongoing marketing and administration and education of its employees and Advisors. You do not make these payments. They are paid by the mutual fund and insurance companies and/or their affiliates out of the assets or earnings of the funds or insurance companies or their affiliates.

It is important to note that you do not pay more to purchase Strategic Partner mutual funds or insurance products through us than you would pay to purchase those products through another broker-dealer, and your Advisor does not receive additional compensation for selling a Strategic Partner product.

We also receive revenue sharing payments from companies that are not Strategic Partners.

Conflicts of Interest in Receiving Revenue Sharing from Strategic Partners

A conflict of interest exists in that we are paid more revenue-sharing fees if you purchase one type of product instead of another and/or you purchase a product from one particular sponsor instead of another. Your representative also indirectly benefits from Strategic Partner payments when the money is used to support costs relating to product review, marketing or training. Our Advisors do not receive any compensation associated with the revenue sharing payments.

List of Strategic Partners

The following is the list of revenue Strategic Partners in alphabetical order.

Mutual Fund Companies:

<ul style="list-style-type: none">• <i>American Funds</i>• <i>Amundi Pioneer</i>• <i>Blackrock</i>• <i>Calvert</i>• <i>Cantor Fitzgerald</i>• <i>DWS</i>• <i>Eaton Vance</i>• <i>Federated</i>• <i>Fidelity Advisors</i>• <i>First Trust</i>	<ul style="list-style-type: none">• <i>Hartford</i>• <i>Invesco</i>• <i>John Hancock</i>• <i>Lord Abbett</i>• <i>MFS</i>• <i>Morgan Stanley</i>• <i>PGIM</i>• <i>Transamerica Mutual Funds</i>• <i>T. Rowe Price</i>• <i>Voya Investments</i>
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Annuity Carriers:

<ul style="list-style-type: none"> • Allianz • Athene • Brighthouse • Delaware Life • Eagle Life • Equitable • F&G • Jackson National • Lincoln Financial • Mass Mutual Ascend • Nationwide 	<ul style="list-style-type: none"> • New York Life Insurance Annuity • Pacific Life • Protective • Prudential • Sammons Financial Group • Securian / MN Life Insurance • Securian Financial Annuity • Security Benefit Life • Symetra • Transamerica • TruStage
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Exchange Traded Products Partner Program: AAS offers an exchange traded products partner program (ETP Partner Program), which as described below, has similar features to the Firm's Strategic Partner Program. The Firm currently has entered into agreements with the ETP Partners listed below, and intends to add additional ETP Partners on an ongoing basis. For the most current list of our ETP Partners, please refer to our website at <https://avantax.com/disclosures> or call your Advisor.

Although we offer thousands of exchange traded products (ETPs), we concentrate our marketing and training efforts on those investments offered by ETP Partners. An ETP Partner is selected, in part, based on the competitiveness of its products, its technology, its customer service and its training capabilities. An ETP Partner has greater exposure to our Advisors (e.g., at conferences), and more opportunities to market and educate our Advisors on investments and the products they offer.

An ETP Partner pays extra compensation to us and/or our affiliates in addition to the compensation described in the prospectus. The additional amounts may vary from one ETP Partner to another and from year to year. In general, an ETP Partner pays us the greater of an annual flat fee regardless of the amount of new sales or assets held in client accounts or up to 0.25% of the ETP's net expense ratio (as set forth in the prospectus or supplement) of your investment's average daily balance during the quarter. So, for example, for each \$10,000 average quarterly daily balance of an ETP Partners' product held by our clients, we would be paid up to \$25 on an annual basis. Further, if the annual flat fee were \$500,000 and the total asset-based fee did not reach that amount we would still be paid \$500,000.

These payments constitute compensation to the Firm. The payments are paid by the ETP Partner and/or their affiliates out of the assets or earnings of the ETP Partner or their affiliates. You do not pay more to purchase an ETP Partner's product through us than you would pay outside of the ETP Partner Program, and your representative does not receive additional compensation for selling an ETP Partner product. For the most current description of the compensation we receive from ETP Partners, please refer to the Firm's website at <https://avantax.com/disclosures>.

Conflicts of Interest in Receiving Revenue Sharing from ETP Partners

A conflict of interest exists in the recommendation of ETP Partner products since we receive additional revenue if you purchase an ETP Partner product and/or if you purchase a product from one particular sponsor instead of another. Your representative also indirectly benefits from ETP Partner payments when the money is used to support costs relating to product review, marketing or training, as described below. Our Advisors do not receive any compensation associated with the revenue sharing payments.

In general, if you are not comfortable with the use of ETP Partner products in your account and the resulting conflicts of interest, then you should notify your Advisor of this preference and you should not participate in any advisory program that includes ETP Partner products.

List of Exchange Traded Products Partners

<ul style="list-style-type: none">• <i>American Funds</i>• <i>Blackrock</i>• <i>DWS</i>• <i>Eaton Vance</i>• <i>Federated</i>• <i>Fidelity Advisors</i>• <i>First Trust</i>• <i>Franklin Templeton</i>	<ul style="list-style-type: none">• <i>Invesco</i>• <i>John Hancock</i>• <i>MFS</i>• <i>PGIM</i>• <i>T. Rowe Price</i>• <i>GlobalX</i>• <i>WisdomTree Asset Management</i>
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Direct Participation Programs and Other Alternative Investments:

We, through our representatives, offer our clients a wide variety of direct participation programs and alternative investment products (Alternative Investments) including: non-listed real estate investment trusts, limited partnerships, 1031 exchange programs, non-traded business development companies, oil and gas programs, closed-end and interval funds, and direct alternatives.

Whether a client is charged a commission upon the sale of an Alternative Investment, be it assessed in full, in part, or not at all, it is based upon whether the investment is held in an advisory or brokerage account, and if it is on Avantax's approved products list. If a client purchases an Alternative Investment from the advisory approved products list, it will be sold in an advisory program without a commission and will be included in the billing and reporting of the account assets. If the Alternative Investment is not on the advisory approved products list, the representative has the ability to:

- Purchase the product for the client while charging a commission and holding it directly within a brokerage account; or
- Hold the product in an advisory account solely for convenience purposes, but it will be excluded from the billing and reporting of the account assets, and regular billing will continue on all other eligible assets held in the account.

We also receive from certain Alternative Investment sponsors additional compensation relating to administrative services, due diligence, and/or marketing allowance. The amount of these payments that we receive and/or the type of arrangement that we have varies by sponsor and/or class of shares, as some product sponsors pay a due diligence or marketing allowance fee for certain classes of shares: (i) up to 0.20% annually on assets held at the sponsor, (ii) up to 1.50% on the gross amount of each sale, depending on the product, or (iii) a flat fee regardless of the amount of new sales or assets held in client accounts. Other product sponsors pay a flat administrative services fee for certain classes of shares, based on a minimum amount of trades executed through an advisory platform. These payments are designed to compensate us for ongoing marketing, administrative services, and/or maintenance of advisory platform systems, as well as the training and education of our employees, and Advisors regarding these types of products. You do not make these payments. They are paid by the product sponsor out of the assets or earnings of that product sponsor.

It is important to note that you do not pay more to purchase such products through us than you would pay to purchase those products through another broker-dealer, and your representative does not receive additional compensation for selling products from sponsors that pay us such additional compensation.

A conflict of interest exists because we are paid more revenue-sharing fees if you purchase one type of product or class of a product's shares, instead of another and/or you purchase a product or class of a product's shares from one particular sponsor instead of another. Your Advisor also indirectly benefits from these sponsor payments when the money is used to support costs relating to product review, marketing or training.

You should read the applicable prospectus(es) or offering document(s) carefully before investing which may be obtained from your Advisor.

List of Alternative Investment Partners

<ul style="list-style-type: none"> • <i>Apollo Global Securities, LLC</i> • <i>Blackstone</i> • <i>Bluerock Capital Markets</i> • <i>Cantor Fitzgerald</i> • <i>Capital Square</i> • <i>CION</i> • <i>CNL Securities Corp</i> • <i>Cottonwood Communities, Inc.</i> 	<ul style="list-style-type: none"> • <i>Eagle Point Securities</i> • <i>Griffin Capital</i> • <i>Hines Securities</i> • <i>Inland Securities</i> • <i>Preferred Capital Securities</i> • <i>Sealy</i> • <i>SmartStop Strategic Storage</i> • <i>Stepstone</i>
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- **Research and Other Benefits from Third-Parties:** AAS receives research and other benefits, directly and indirectly, from the custodians, third-party investment managers, TAMPs, products sponsors (e.g., mutual funds, ETFs, and alternative/complex product issuers), annuity and insurance carriers, and other business partners. Such research and other benefits include, but are not limited to, investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/ or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/ or software and/or other products used by AAS in furtherance of its investment advisory business operations. Other benefits include, facilitating payment of advisory fees from its clients' accounts, assisting with back-office training and support functions, recordkeeping and client reporting, and institutional trading and custody services (not available to retail investors). Many of these services are used to service all or some substantial number of AAS' advisory accounts, including accounts not serviced by the particular third-party that provides or pays for the research or other benefit(s).

The custodians, third-party investment managers, TAMPs, products sponsors (e.g., mutual funds, ETFs, and alternative/complex product issuers), annuity and insurance carriers, and other business partners also makes available to AAS other services intended to help AAS manage and further develop its business enterprise. These services include professional, compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing.

The custodians, third-party investment managers, TAMPs, products sponsors (e.g., mutual funds, ETFs, and alternative/complex product issuers), annuity and insurance carriers, and other business partners, in some instances, pay for (or arrange to pay for) the above-referenced types of services and other benefits. Where such services are provided by a third-party or AAS', the third-party makes a payment to AAS to cover the cost of such services, reimburse AAS for the cost associated with the services, or pay the third-party vendor directly on behalf of AAS.

The products and services described above are provided to AAS as part of its overall relationship with these third-parties. These arrangements create conflicts of interest, as it directly incentivizes AAS to promote products and services from these third-parties. Additionally, the receipt of these benefits creates a conflict of interest because any advice from AAS' Advisor may be based in part on these benefits and not solely on each client's interests. In addition to disclosing these conflicts of interest, AAS has created and implemented a compliance and supervisory program to mitigate such conflicts through the oversight of client accounts and investment advisory activities.

- **Transition Assistance and Recruiting Incentives:** Your Advisor can be incentivized to join and remain affiliated with AAS, its affiliates or custodian (NFS). These incentives can include compensation arrangements such as bonuses and/or business transition loans in the form of a promissory note. The proceeds of such transition assistance or recruiting incentives are intended to be used for a variety of purposes, including, but not necessarily limited to, providing working capital to assist in funding the Advisor's business, satisfying any outstanding debt owed to the Advisor's prior firm, offsetting account transfer fees, technology set-up fees, marketing and mailing costs, stationery and licensure transfer fees, moving expenses, office space expenses, staffing support, termination fees associated with moving accounts and may include foregoing revenues during account transition. The amount of the transition assistance or recruiting incentive is generally based on the size of the Advisor's business established at the prior firm and/or assets held at the custodian.

The receipt of Transition Assistance creates a conflict of interest, as it creates a financial incentive for an Advisor to recommend that clients maintain their accounts under the investment advisory service of AAS and/or a particular custodian. The opportunity for loan forgiveness presents a conflict of interest by presenting a financial incentive for the Advisor to remain with AAS whether or not it is advantageous to the Advisor's clients. In addition, AAS benefits from the transition assistance and recruitment incentives because the payment of such increases AAS' ability to attract new Advisors and, thereby, increases its assets under management and overall (Firm) revenue.

Because the final decision to custody assets with any custodian is made by the client, clients should be aware of this conflict and take it into consideration in deciding whether to engage AAS and its Advisors for investment advice and whether to custody their assets at any particular custodian.

Compensation from Third-Party Money Managers: We enter into a select number of relationships with third-party money managers (TPMMs) approved by our due diligence department (Approved TPMMs). AAS and your IAR receive a portion of the fee that you pay the Approved TPMM whenever we refer or recommend their advisory business to you. Approved TPMMs also compensate AAS with an additional fixed annual payment for providing ongoing due diligence, operational oversight, and opportunities to market and educate our IARs on investments and the products they offer (Additional Compensation). We only offer Approved TPMMs to clients. Approved TPMMs are selected, in part, based on whether they offer competitive products, their technology, their customer service, and their training capabilities. Approved TPMMs may attend or sponsor education and training meetings for our IARs.

The following is our list of Approved TPMMs:

- SEI
- AssetMark

We may, from time to time, update our Approved TPMMs. Similar to our Strategic Partner program, our Advisors do not individually receive any part of the Additional Compensation for recommending an Approved TPMM.

You similarly do not pay more to purchase an Approved TPMM-offered product through us than you would pay to purchase those products through the TPMM directly, and your Advisor does not receive any part of the Additional Compensation for recommending or selling products from Approved TPMMs. The compensation your Advisor receives is paid out of the Approved TPMM's assets or earnings.

Nevertheless, the Additional Compensation to AAS creates an incentive for us to promote Approved TPMM products over other products. Your Advisor indirectly benefits from these payments when the money is used to support costs relating to product review, operational oversight, marketing or training. To mitigate this conflict of interest, we routinely review our client accounts to ensure that the recommended services and products are consistent with your stated goals and objectives.

The Firm's Advisors receive reimbursements from Approved TPMMs for the costs of marketing expenses and costs incurred by the Advisor subject to the Firm's cash non-cash compensation policy. Such reimbursements will be paid to the Advisor from the program sponsor's own resources and not from client funds or assets. Such arrangements will have no impact on the fees being charged to clients by the Firm, the Advisor, or the program sponsor.

529 Plans: In addition to commission-based compensation for sales of 529 plans, 529 plan assets are included in the amount of total mutual fund or variable annuity assets for which revenue sharing is paid as described above. We do not separately account for these payments and do not have any 529 plan Strategic Partners.

Indirect Other Compensation

Bank Deposit Sweep Program: The Bank Deposit Sweep Program is the default investment option for cash balances in AAS' advisory accounts (excluding 401(k) accounts) custodied at NFS. The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures.

Under the Bank Deposit Sweep Program, the Firm enables clients' available cash balances awaiting investment or reinvestment in eligible accounts, including cash balances derived from the sale of securities, dividend payments, interest credited from bonds, and cash deposits, to be automatically deposited (swept) into interest bearing deposit accounts offered through one or more participating program banks (Program Banks). Deposits at an individual Program Bank are covered by FDIC insurance up to a maximum of \$250,000 and an aggregate total across all Program Banks of up to \$2,500,000, subject to bank availability. For purposes of calculating the available FDIC coverage at each Program Bank, cash deposited at a Program Bank is aggregated with all other deposits held by you outside of the Bank Deposit Sweep Program in the same insurable capacity at that Program Bank. Under certain economic conditions or for other reasons, it is possible for Program Banks to limit or reduce the amount of deposits they will accept through Bank Deposit Sweep Program. If Program Banks cannot accept all the cash balances in your account due to such capacity constraints, then your excess funds will be invested in shares of a money market fund that the Firm makes available. If the money market fund is not accepting excess funds, then those excess funds will be maintained in your account as a free credit balance (discussed below). The overall amount of available FDIC insurance protection will vary depending upon the number of Program Banks accepting deposits through the Bank Deposit Sweep Program at any time. If most or all the Program Banks have insufficient capacity to accept funds (or further funds), then the aggregate amount of FDIC insurance coverage available to you could be significantly reduced.

Should you wish to move your free credit balance into a money market mutual fund or other product that AAS makes available for purchase, such as U.S. Treasuries or a brokered Certificate of Deposit, your financial professional can assist you. If you are invested in a wrap fee program, all transaction charges are included in the fees you pay for that program. We also offer a limited number of non-wrap fee programs which would require you to pay the transaction charge for purchasing such a product. If you are unsure of what type of program you are in, please discuss with your financial professional. You should consider your investment objectives, liquidity needs and risk tolerance in reviewing whether participation in the Bank Deposit Sweep Program or another product is appropriate for you. If you desire to maintain a large cash position for an extended period of time, you should contact your financial professional to discuss your options.

- AIS is solely responsible for establishing the interest rate passed through to customer accounts, including AAS' client advisory accounts. AIS receives, as revenue share, the remaining program interest, if any, after deducting NFS' administrative fee, a vendor fee, and customer interest from the total program interest (i.e. the aggregated amount of interest received by NFS from participating banks based on AIS' program assets held at such bank). Both AIS' revenue share and NFS' administrative fee are variable based on contractual schedules tied to the Targeted Fed Funds ("TFF") Rate and the average daily balance of assets in the Bank Deposit Sweep Program. The vendor fee is static and assessed by NFS to cover third-party vendors (retained by NFS) that provide various program-related services. As of the date of this Wrap Fee Program Brochure, NFS' annual administrative fee ranges from 0.04% - 0.54% and the annual vendor fee is 0.06% of the average daily balance of assets in the Bank Deposit Sweep Program. These fees are paid monthly, deducted from the total income generated by AIS' Bank Deposit Sweep Program. **For more complete information on the Bank Deposit Sweep Programs and current rates, review the comprehensive Standard Bank Deposit Sweep Program – Natural and Non-Natural Persons Disclosure Document and additional disclosure and program information available at <https://www.avantax.com/disclosures/cash-sweep> or by contacting the Firm using the information on the cover page of this Wrap Fee Program Brochure.**

The revenue share generated from the Bank Deposit Sweep Program creates a material financial benefit to AIS. The more assets that are held in the Bank Deposit Sweep Program and/or as interest rates increase, the revenue share increases. Such increases do not directly correlate to increased returns for AAS' clients invested in the Bank Deposit Sweep Program. Cash balances in the Bank Sweep Program earn less than in other cash equivalent investment options that do not have FDIC insurance, and the rates of return paid to you on the cash balances varies over time. At times, the interest percentage earned by AIS will be higher than the interest percentage you earn on your cash balances. In addition, AIS sets the interest rate you earn, and this creates a conflict of interest for us to provide you with a low interest rate, which, in turn, allows us to earn more on your cash balances. **AAS is incentivized by its business model to use its affiliate's Bank Deposit Sweep Program, rather than individualized client circumstances.** To mitigate this conflict of interest, clients have the ability to not participate in of the Bank Deposit Sweep Program by contacting the client's Advisor (or the Firm using the information on the cover page of this Wrap Fee Program Brochure) and requesting a change.

In addition, we continue to charge an investment advisory fee while your cash is held in the Bank Deposit Sweep Account so the fees that AIS receives are in addition to the advisory fees that you pay us and your financial professional. This means that AIS and AAS earn two layers of fees on the same cash balances in your Bank Deposit Sweep account. If AAS were to reduce or eliminate our advisory fee for cash balances held in Bank Deposit Sweep accounts where such fee reduction is greater than the amount of compensation AIS receives on Bank Deposit Sweep Account deposits, this would create a conflict of interest for us to avoid or minimize such cash holdings or to utilize other products, where available. The interest rate you earn will generally be lower than interest rates available to depositors in interest-bearing accounts held at other FDIC-insured depository institutions, but such institutions could require a minimum amount to establish an interest-bearing deposit account that is maintained outside of the FDIC- Insured Programs. The income AIS earns based on the balances in the Bank Deposit Sweep Account program will in almost all circumstances be substantially greater than the amount of interest you earn from those same balances in the Bank Deposit Sweep Account program. The combined total fees that we and NFS may earn in the Bank Deposit Sweep Program will be a maximum of the Federal Funds Target Rate (as can be found online at <https://fred.stlouisfed.org/series/DFEDTARU>) plus 0.25% as determined by the total deposit balances at all of the Program Banks over a 12-month rolling period. Due to our affiliation with AIS, AAS therefore has an incentive for your funds to be swept into the Bank Deposit Sweep Account program rather than an alternative to the Bank Deposit Sweep Account.

In our discretion, we may reduce the amount of a payment and vary the reductions among clients which would result in some clients getting paid a higher interest rate, and, therefore, earning more interest than other clients. Additionally, the payments the Firm receives generally vary by Program Bank and will affect the interest rate paid to you. If we were to reduce or eliminate our advisory fee for cash balances held in Bank Deposit Sweep accounts where such fee reduction is greater than the amount of compensation we receive on Bank Deposit account deposits, this would create a conflict of interest for us to avoid or minimize such cash holdings or to utilize other products, where available. The interest rate you earn will generally be lower than interest rates available to depositors in interest-bearing accounts held directly at a Program Bank or other FDIC-insured depository institutions, but such institutions could require a minimum amount to establish an interest-bearing deposit account that is maintained outside of the Bank Sweep Programs.

For ERISA advisory accounts, the Firm offers a money market mutual fund, which aims to provide a return on your account balances, as a cash sweep default option. The Firm and Advisor do not receive any sweep-related compensation in connection with cash in ERISA advisory accounts that are swept into any money market mutual fund that the Firm designates for ERISA advisory accounts. A money market mutual fund generally seeks to achieve a competitive rate of return (less fees and expenses) consistent with its investment objective(s), as described in its prospectus. Money market funds seek to preserve a net asset value of \$1.00, with excess earnings that are generated through interest on portfolio holdings distributed to investors in the form of dividend payments. Average annual rates of return of the money market mutual fund option offered as the cash sweep option have varied over time and have typically been higher than the interest rate paid on deposits to you through the Bank Sweep Program. Due to stressed market conditions (e.g., which causes the Federal Reserve Bank to purchase government securities from the market in order to lower interest rates and increase the money supply, also known as “quantitative easing”), however, money market funds may not pay investors any excess dividends or distributions. Under severe market stress, a money market fund may fail to preserve a net asset value of \$1.00 and/or may no longer be a viable business for the fund sponsor, which may force the sponsor to liquidate. As a result of any of these factors, it is possible to lose money in a money market fund.

- **Custodial Benefits, Compensation and Revenue Sharing:** As previously described in this Wrap Fee Program Brochure, AAS’ affiliated broker-dealer, AIS, provides brokerage, custody and execution services through its clearing arrangement with National Financial Services LLC (“NFS” or “Custodian”), a non-affiliated firm, member NYSE, SIPC and a Fidelity Investments® Company. AIS receives direct and indirect compensation from NFS, in part, based on AAS’ advisory clients and assets held in custody with NFS. **The compensation AIS receives from NFS is material and includes, but are not limited to:**
 - continuous revenue sharing payments derived from certain types of transactions, positions, and assets in client accounts held at NFS, including AAS’ advisory accounts;
 - technology credits for utilizing NFS’ and its affiliates proprietary technology products and services;
 - reimbursement of transfer costs associated with transferring direct held mutual funds accounts to NFS or transfer other accounts onto NFS’ clearing platform;
 - open account payments, whereby NFS pays AIS a flat fee per open account on an annual basis for every account opened, subject to a maximum fee over the life of AIS’ contract with NFS;

- credit interest on margin accounts and for non-sweep cash balances; and
- revenue share on the Bank Deposit Sweep Program, as further detailed above.

AIS has negotiated a long-term contract with NFS, that contains an early termination penalty, and is otherwise financially incentivized to use NFS as its custodian. AIS does not directly share this financial compensation with AAS' Advisors. **For more complete details on these conflicts of interest, refer to the Regulation Best Interest Disclosure document and the Schedule of Fees located at <https://www.avantax.com/disclosures> or by contacting the Firm using the information on the cover page of this Wrap Fee Program Brochure.**

As further detailed in this Wrap Fee Program Brochure, as part of AIS' overall relationship with NFS, AAS receives research and other products or services (other than custody of securities, trade execution, clearance and settlement of transactions) from NFS. Some of these benefits may be based on the amount of advisory assets held by the custodian. Additionally, AAS receives asset-based pricing on custodial charges in lieu of ticket or transactional charges. **The receipt of these custodial benefits creates a conflict of interest for AAS.** Additionally, the receipt of these benefits creates a conflict of interest because any advice from AAS' Advisors may be based in part on the benefit to AAS or its Advisors and the availability of the foregoing research and other benefits and not solely on the nature, cost or quality of custody or brokerage services provided by NFS. In addition to disclosing these conflicts of interest, AAS has created and implemented a compliance and supervisory program to mitigate such conflicts through the oversight of client accounts and investment advisory activities.

- **Markup on Brokerage and Custodial Fees:** AIS, at its sole discretion, adds a markup to various brokerage and custodial fees that are paid by clients. The markup generates additional revenue for AIS. The actual fees and charges that clients will incur are dependent upon the type of account and the nature and quantity of the transactions that occur, the services that are provided, or the positions that are held in the account. Not all brokerage firms markup these or other fees.

Financial Information

AAS does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

AAS has no financial commitment or condition that is reasonably likely to impair its ability to meet contractual commitments to its clients.

AAS has not been the subject of a bankruptcy petition at any time.