



INVESTOR INFORMATION



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Avantax Wealth Management® is the holding company for the group of companies providing financial services under the Avantax® name.
Securities offered through Avantax Investment Services^{SMeSM}

Important Information Regarding Your Account

Avantax Investment Servicessm (AIS) is the broker/dealer through which your financial professional offers brokerage and securities products. As the broker/dealer that holds your account, we are providing you the following important information which you should review carefully and retain for your records.

Securities Transactions Effected Through Avantax Investment Services

- The responsibilities of AIS relate specifically to securities-related products and do not apply to any other products or services you may obtain from your financial professional. Your financial professional is an independent contractor who may offer additional products and services outside his/her relationship with AIS. For example, AIS does not provide or supervise tax, accounting, payroll or legal services.
- All payments for the purchase of securities or insurance through AIS should be made by check or ACH transfer payable to a mutual fund company, National Financial Services LLC, or the insurance carrier and *not* to a financial professional or his or her independent company. When you purchase an investment product in a brokerage account through AIS, you will receive a confirmation of the transaction and an account statement referencing AIS. When you purchase an investment product directly from a mutual fund or insurance company, you will receive a confirmation and statement directly from that company and not AIS. If you believe you made an investment through our company, but did not receive a confirmation referencing AIS, please call us at (866) 218-8206, option 7.
- **It is very important that you review all confirmations and statements that you receive from AIS or directly from the mutual fund or insurance companies on a timely basis to ensure that all transactions in your accounts, including deposits and withdrawals, are accurate and were effected in accordance with your instructions.**
- Additional information about AIS, including additional disclosures, can be found on our website at avantax.com/disclosure-catalog.
- Any complaints regarding your investments should be directed to the AIS Compliance department at (866) 218-8206, option 7.

Verification of Account Information

To help fight the funding of terrorism and money-laundering activities, federal law and contractual obligations require that AIS obtain your name, date of birth, Social Security number, address and government-issued identification information. (866) 218-8206, option 7.

Glossary of Terms

Investment Objective Definitions

Preservation of Capital: An

describe below another kind of fixed annuity called an Index Annuity.

Following is a more detailed look at the various types of annuity contracts available today.

Immediate Annuities

An immediate annuity provides a stream of income for a specified period of time that you choose. You pay a single purchase payment, and income payments typically begin 30 days later. Once you've selected a payment plan (monthly, quarterly, semi-annual or annual), income payments will last for the length of time selected. Payment options include:

- Period or term-certain annuitization where payments are made for a specified period or term such as 10 years
- Life annuitization where payments last for the life or joint life of the contract annuitant(s) or
- Life with period-certain annuitization where payments last the longer of the life of the annuitant(s) or the period-certain payments

Upon death of the owner/annuitant of an immediate annuity, if the payment period has not ended and the contract payments are continued under the contract, contract proceeds are paid to the beneficiary or estate. If the contract is owned by a trust, the proceeds are paid to the trust. If the contract is owned by a partnership, the proceeds are paid to the partnership. If the contract is owned by a corporation, the proceeds are paid to the corporation. If the contract is owned by an individual, the proceeds are paid to the individual. If the contract is owned by a trust, the proceeds are paid to the trust. If the contract is owned by a partnership, the proceeds are paid to the partnership. If the contract is owned by a corporation, the proceeds are paid to the corporation. If the contract is owned by an individual, the proceeds are paid to the individual.

annuities offer a guaranteed minimum rate of interest, they generally are less volatile than variable annuities. The rate, once set for the period, is not affected by fluctuations in market interest rates or the insurance company's yearly profit. However, fixed annuities offer little flexibility, generally no adjustment against inflation, and less potential for growth than variable annuities. Please read the prospectus, contract and/or offering material, and consult with your financial professional on the interest rates and the terms of the interest-rate guarantees, before purchasing a fixed annuity.

Deferred Variable Annuities

A variable annuity generally offers a diverse selection of investment options, usually referred to as sub-accounts. These sub-accounts have varying investment objectives and risk levels. The return on a variable annuity investment will depend on your investment allocation and the performance of the sub-accounts you choose. You may experience a negative return in a variable annuity. If you make a withdrawal or surrender your contract during the surrender charge period, a surrender charge may be assessed. In addition, you can transfer your money from one investment option to another without paying tax on your investment income and gains. This is an important feature because it permits you to change your investment strategy (for example from moderate risk to conservative risk) or change from poorly performing sub-accounts to other sub-accounts, without surrendering the contract. Dividends, interest and capital gains remain invested, tax-deferred, until withdrawals are made, allowing you to control when income taxes are paid.

Excessive trading between sub-account investment options, otherwise known as market timing, is not a permitted activity. The insurance company may charge a fee for excessive transfers and freeze sub-account transfer privileges if market-timing activities occur. Often a variable annuity also includes a fixed account, which offers a guaranteed fixed interest rate for a stated period of time. This means that during the accumulation phase of a deferred variable annuity, you can allocate your investment not only to one or more variable investment options, but to the fixed account as well. It is generally inadvisable to purchase a variable annuity contract for the purpose of investing solely in the fixed account.

Deferred Registered Index Linked Variable Annuities

A registered index linked variable annuity (RILA) provides access to index-based accounts, like the S&P 500 index, as the underlying allocation options. The annuity carrier will provide some downside protection to the policy value based on the performance of the selected index option in the contract. Most carriers offer several index options and protection levels. RILA products do not provide full principal protection to the account value. Their typical downside protection can range from 10-30% on an annual basis or over several years. Please read the product prospectus and details carefully to determine how the specific index protection levels apply on your policy. The carrier will also provide a cap or limit to the amount of upside or index gain that the contract will participate in when calculating the interest to apply to the contract value.

The RILA products can carry mortality and expense (M&E) fees as well as a surrender period. Please consider these fees and surrender periods when considering if the RILA product fits with your timeline. Your financial professional can explain the fee amounts and surrender period for your specific contract.

Deferred Index Annuities

A deferred index annuity is designed for those who wish to enjoy the potential benefits of owning an annuity with

period and charges associated with the annuity you are considering. When choosing an annuity contract, you should consider all charges and benefits — not just surrender charges.

Fixed Annuity Fees and Charges

When you buy a fixed annuity, your money is placed in the general account of the insurance company. When the insurance company sets the interest rate to be credited to an annuity contract, it usually considers not only the prevailing market rates, but also the costs of issuing and maintaining the annuity contract. In addition to the surrender charges discussed above, some annuity contracts assess annual contract fees, such as an account maintenance fee. Your financial professional is paid a commission for selling the fixed annuity to you. The insurance company pays this commission out of its assets, which include any profits it makes on the annuity contracts.

Variable Annuity Fees and Charges

In addition to the surrender charges mentioned above, variable annuities have other expenses you should be aware of. These fees and charges will reduce the value of your account and the return on your investment. They can include:

- Mortality and expense (M&E) risk charge - This charge is equal to a certain percentage of your account value, typically from 1.00% to 1.60% per year. The M&E risk charge can be used by the insurance company to offset the costs of selling9 Tw 0.347 0 Td(t)-11 (he)JJO Tc 0 9aS(c)-3 (o)-7 (w 1.14-0.003 Tc 0.003 Tw 1.96 0 Td(g)JJO Tceoo0.004 T0.553 0 Td(f)Tj-0.00

options to purchase a premium bonus or a shortened surrender charge.

B share annuities do not have an initial sales charge but do have a surrender charge, known

Variable annuity contracts have traditionally offered a GMDB during the accumulation period. The GMDB is generally equal to the greater of (a) the contract value or (b) purchase payments less prior withdrawals. Many variable annuity contracts allow you, for an additional charge, to “step-up” or “ratchet” the death benefit up to the contract value on a specified date (e.g., annually or every five years). In addition, some contracts will raise the GMDB floor at a specified rate for an additional charge.

Guaranteed Minimum Income Benefit (GMIB)

A GMIB is typically offered as an optional feature or rider to a variable annuity contract for an additional charge, generally ranging from 0.30% to 1.00% of the contract's account value per year. Contracts with GMIBs have a waiting period, typically seven to 10 years, before the benefit can be exercised. Age limits may also apply. For some contracts, if the benefit is exercised, only fixed annuity payments are available; others offer variable annuity payments.

The GMIB ensures under certain conditions that the owner may annuitize the contract based on the greater of (a) the actual account value or (b) a “payout base” equal to purchase payments credited with some interest rate (usually between 3% and 7%) or (c) the maximum anniversary value of the account prior to annuitization. The benefit guarantees that under the stated conditions, the contract owner will receive a minimum cash flow beginning at a future date as described above. However, there is no guarantee that this insurance feature, if purchased, will ever come into effect.

depending on your individual needs and circumstances. No one answer is right for everybody, and you may choose to engage in a combination of these options. However, it is important that you understand your options – and the costs and benefits of each – so that you can develop an effective strategy for your retirement savings.

Although there are advantages to an IRA, such as the ability to obtain personalized investment recommendations from your financial professional, we will only earn compensation if you roll your assets to an IRA held through AIS. You should also consider whether the fees associated with an IRA are higher than your employer-sponsored plan, and whether certain “institutional” investments with lower costs available through your employer plan (e.g., retirement share classes) may not be available in an IRA. The decision to move your retirement funds is important, and you should carefully consider all of the relevant factors to determine the best choice for you. Discuss your options with your financial professional. You can obtain additional information on IRA rollovers on the AIS website, avantax.com/disclosure-catalog and the Financial Industry Regulatory Authority website, finra.org.

Annuity Tax Issues

Although annuities generally allow your investment to be held on a tax-deferred basis, you should be aware of certain tax issues before you purchase an annuity. For example:

- Gains or earnings on withdrawals from annuities, including partial withdrawals and surrenders, may be taxable. Generally, a withdrawal or distribution from an annuity consists of both an earnings component and a return of principal.

your withdrawals) if you withdraw funds from the new annuity. If your original contract has decreased in value below its death benefit, you will be giving up the difference by surrendering the contract. Further, the new annuity may have higher annual fees and charges than your existing annuity, which will reduce your returns.

What Should I Consider Before Investing in an Annuity?

Annuities are long-term investments designed to meet retirement and other long-range goals. Annuities are not suitable for pursuing short-term investment goals, because substantial taxes and charges from the insurance company generally apply if you withdraw your money early. Variable annuities also involve investment risks.

Before investing in any annuity contract, you should learn about the specific annuity you are considering. Variable annuities are sold by prospectus. Request a prospectus or any other available material from the insurance company or from your financial professional and read it carefully before you invest. The prospectus contains important information about the annuity contract, including risks, fees and charges, investment options, death benefits, annuity payout options, and other important information. You should compare the benefits and costs of the annuity to other annuities and to other types of investments, such as mutual funds and life insurance, which could be more appropriate for your situation.

Before you decide to purchase an annuity, consider the following questions:

- Are you taking advantage of all your other tax-deferred opportunities, like 401(k)s and IRAs?

- AIS also receives ongoing payments, known as residuals or trail commissions, on invested assets that are held in your variable annuity for more than one year. These ongoing payments are set by the insurance company, and AIS generally pays a portion of the trail commissions to its financial professionals. Trail commissions generally range from 0% to 1% per year on invested assets. Invested assets of \$10,000 would equate to a maximum trail of \$100 per year assuming

irionline.org; Alliance for Lifetime Income: protectedincome.org; Financial Industry Regulatory Authority: finra.org; Securities and Exchange Commission: SEC.gov; or Avantax Investment Services: avantax.com/disclosure-catalog.



PRIVACY POLICY

This policy is effective as of December 1, 2021

- **Companies that perform services for us or assist us in servicing your account.** For example, National Financial Services LLC (“NFS”) (Avantax’s clearing firm), data processors, technical systems consultants and computer programmers, check printers, data aggregators, marketers, mail fulfillment vendors and insurance policy underwriting, administration, and claims handling.
- **Others as permitted or required by law.** For example, responding to court orders, subpoenas, regulatory inquiries and legal investigations, reporting to credit bureaus, and those with whom you have requested or authorized us to share information; and
- **In connection with an acquisition, merger, restructuring, sale or other transfer** of all or any portion of Avantax we may share Personal Information with the purchaser or potential purchaser.

Information You Share With Others

Account owners may choose to allow Avantax or their Financial Professional to share their Personal Information or account-related information with individuals who are not account owners. For accounts held jointly by two or more persons, the privacy choices made by any account holder apply to everyone on your account. This applies, but is not limited to, Personal Information and account-related information provided to an account owner in paper or electronic formats.

Information Your Financial Professional Obtains

Your Financial Professional will obtain Personal Information about you during the course of servicing your accounts while the Financial Professional is affiliated with Avantax and may retain that information after leaving Avantax. That information remains subject to restrictions that limit the use or disclosure of the information (except as permitted or required by law). If your Financial Professional joins a nonaffiliated securities broker-dealer, investment adviser or insurance company, we or your Financial Professional may share your Personal Information with the new firm to enable your Financial Professional to notify you of their new firm and as a means to continue servicing and maintaining your accounts.

You can limit the Personal Information a Financial Professional retains or shares with a new firm, or we share with a new firm, by following the instructions provided below (Avantax can only limit this sharing if we receive your instructions in a timely manner before the Financial Professional has terminated their affiliation with Avantax).

Avantax Financial Professionals are independent contractors affiliated with Avantax solely for the purpose of conducting securities-related activities offered through Avantax. If your Avantax Financial Professional

----- Mail-In Opt-Out Form To:



- By completing and submitting this Opt-Out Form, I am instructing Avantax Wealth Management® (“Avantax”) to **not** allow my Avantax Financial Professional to retain my Personal Information if they terminate their relationship with Avantax, or share my personal information with any new firm they may join.

Avantax Operations
 Department PO Box 142829
 Irving, TX 75014-2829

Your election to opt-out will not be recognized if you do not complete all of the information below. Please print legibly.

Name _____ Address _____
 City _____ State _____ Zip Code _____
 Account Number(s) _____
 Avantax Financial Professional Name _____

Investments & Insurance Products:

| | |
|---|--|
| Not Insured by the FDIC or Any Federal Government Agency | Not Deposits of or Guaranteed by the Bank or Any Bank Affiliate |
| May Lose Value | |

Securities offered through Avantax Investment ServicesSM, Member FINRA, SIPC. Investment advisory services offered through Avantax Advisory ServicesSM, 3200 Olympus Blvd., Suite 100, Dallas, TX 75019, 972-870-6000. Avantax Investment Services, Inc is registered with the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). Information is available on the MSRB website that describes protections available under MSRB rules and how to file a complaint.

