

Regulation Best Interest Disclosure document
Avantax Investment Services, Inc.

02/01/2023

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Who is Avantax?

Avantax Wealth ManagementSM is the holding company for the group of companies

Your Financial Professional

The products our Financial Professionals can recommend to you, and the services they are able to provide, depend on the examinations they have passed. For example, a Financial Professional with a Series 7 license can recommend stocks, bonds, mutual funds, unit investment trusts, exchange-traded funds, options, variable annuities or variable life insurance (if appropriately insurance licensed) and other products for you. Someone with a Series 6 license has a more limited range of products available to recommend, and they will be limited to recommendations of mutual funds, municipal fund securities, unit investment trusts, and variable annuities or variable life insurance, if also appropriately insurance licensed.

Although many Financial Professionals offer both brokerage and investment advisory services, some offer only brokerage services and others offer only investment advisory services. If your Financial Professional indicates to you that you may need a service that Avantax is not in the business of providing or that your Financial Professional cannot recommend due to licensing limitations, your Financial Professional should recommend that you speak to another appropriately licensed Avantax Financial Professional.

Our Financial Professionals are generally independent contractors of Avantax who often offer additional products and services outside their relationship with AIS. Most commonly, these include tax preparation services, accounting, bookkeeping and payroll services. Avantax's responsibilities to you relate specifically to the investment-related products and services offered through the Firm and do not apply to any other product or service you may obtain from your Financial Professional. We do not supervise or participate in these other products or services not sold through AIS, and they are not discussed in this document.

How can I learn more about my Financial Professional?

To learn more about your Financial Professional and their experience as well as information regarding customer complaints, arbitrations, regulatory actions, employment terminations, bankruptcy filings and criminal or civil judicial proceedings they have been involved with, as well as the products they can recommend based on their licenses, please visit BrokerCheck® by FINRA at brokercheck.finra.org. BrokerCheck is a free tool to research the background and experience of Financial Professionals and firms. Simply type in your Financial Professional's name and Avantax (as the firm name) and then click on the Search button.

Titles

Throughout this document we refer to our registered persons as "Financial Professionals." Registered representatives are registered as securities agents (*i.e.*, brokers), which means the investments they can recommend and make available to you, as well as the way they are paid, is different than investment adviser representatives. Investment adviser representatives can, but are not required to, become registered representatives as well. Financial Professionals who are registered representatives and investment adviser representatives can offer more products and services than those who operate only as a registered representative or investment adviser representative.

Registered Representatives

Registered representatives are compensated based on commissions generated from the products you purchase from them, and they are compensated on most transactions. Depending on their specific licensing, registered representatives, can help you buy and sell stocks, bonds, options, mutual funds, exchange-traded funds (ETFs), unit investment trusts (UITs), variable annuities, alternative products (such as REITs, limited partnerships, and business development companies) and other investments approved to be purchased through AIS. Registered representatives will provide you with investment and account recommendations on our retail brokerage and direct account platforms. We discuss these activities in this document.

Investment Adviser Representatives

Investment adviser representatives (IARs) are licensed to provide investment advisory services, and they do business in their capacity as an investment adviser representative. They receive a fee based on a percentage of assets in your account, generally paid quarterly (in advance of each quarter), and can provide you with investment and account recommendations on our advisory platform. IARs do not earn commissions from transactions in your advisory account, and they are compensated for providing ongoing

service and monitoring every quarter regardless of whether trades are placed in your account. For additional information on these services, please refer to our Form ADV Disclosure Brochures located in the Advisory Services section of avantax.com/disclosures.

Designations

Financial Professionals can choose to pursue a variety of professional certification and educational opportunities. These often lead to specialized designations in subject areas such as retirement planning, investment planning, financial planning, risk management and other product specific courses, an137 0.122 0.125 RG(P)4

to account. This is important to understand so you do not expect the same standard of care for each account.

All recommendations regarding your brokerage and direct accounts will be made in a broker-dealer capacity, and all recommendations regarding your advisory accounts will be in an advisory capacity. When we make a recommendation, we will expressly tell you orally which account we are discussing.

How do I Evaluate Which Account Type and Scope of Services are Appropriate for Me?
Throughout

In your brokerage and direct accounts, we have an obligation to make recommendations that are in your best interest based on your stated investment profile. However, when we act in a brokerage capacity, we do not enter a fiduciary relationship

Expense Variances between Brokerage and Direct Accounts

Expenses (i.e., “how you pay”) are another area for consideration when establishing a direct or brokerage account

Internal Operating Expenses

Some of the costs associated with mutual funds and other investments in either your brokerage or direct account include internal operating expenses. Included in these internal operating expenses are management fees, mutual fund 12b-1 fees, costs for shareholder

Exchange-Traded Funds (ETFs)

You pay us a commission when ETFs are purchased or sold in your account. This gives your Financial Professional a financial incentive to recommend trading ETFs in your account, because AIS and your Financial Professional earn commissions only when trades are placed. Commissions for ETFs are similar to stock commissions and agreed upon between NFS and AIS. Discounts are allowed from the posted commission schedule and determined by your Financial Professional which creates a conflict of interest since your Financial Professional can charge more for some trades than for others. Your Financial Professional can, at his/her discretion, provide you with discounted commissions; however, this can create a conflict of interest since your Financial Professional can charge more for some trades than for others and may not offer discounts to all customers.

Options

You pay us a commission on options contracts when they are purchased or sold in your account. This gives your 0.125 RG[P]4(r)-3(ofe)4(s)-5(s)-5(i)5(on)-7(al)]TJETQq0.00000912 4137 0..W* nBT/F4 9.96 Tf1 0 0 1 358.03

Ticket Charges

pay NFS. This incentivizes AIS to recommend brokerage accounts over direct accounts.

Cash Sweep Program

The cash balances in your accounts held at NFS will be automatically deposited or “swept” into an FDIC Insured Bank Deposit Sweep Program (the “Sweep Program”). The balances in the Sweep Program are FDIC insured up to \$250,000 per participating bank and are invested in deposit accounts at one or more FDIC insured banks (Program Bank). Cash balances in the 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. Current rates can be obtained from your Financial Professional or by [visitinrgr1Tm0.137 0.122 0.125 rg0.137 0.122 0.125 RG\(\)](#)

When you purchase a variable annuity, you will also indirectly pay the fees and expenses associated with owning the mutual funds you select as your

although the amounts and type of compensation vary. Accordingly, a conflict of interest exists when Avantax receives more compensation from one issuer than another. The broad categories of Third-Party Compensation (which includes revenue sharing) are outlined in more detail below:

programs are often subsidized by external vendors, such as mutual fund companies, insurance carriers, issuers or money managers and Avantax affiliates. Therefore, Financial Professionals have a financial incentive to recommend the programs and services