

Avantax Investment Services, Inc. and Avantax Advisory Services, Inc.

Form CRS Customer Relationship Summary

February 1, 2023

Avantax Investment Services, Inc. (“Avantax Investment Services”) is registered with the U.S. Securities and Exchange Commission (“SEC”) as a broker-dealer, and Avantax Advisory Services, Inc. (“Avantax Advisory Services”) is registered with the SEC as an investment adviser. Avantax Advisory Services and Avantax Investment Services may collectively be referred to as “Avantax,” “we,” “us,” or “our”. Avantax offers *retail investors* (“you” or “your”) investment products and services through our affiliated financial professionals, subject to appropriate licensing.

Brokerage, direct account and investment advisory products, services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

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

What investment services and advice can you provide me?

BROKERAGE & DIRECT ACCOUNT SERVICES	ADVISORY ACCOUNT SERVICES
<p>Avantax Investment Services can recommend and effect securities transactions for you, including buying and selling securities, that can be either held in accounts through our clearing firm, National Financial Services, LLC (“NFS”), member NYSE, SIPC, and a Fidelity Investments® Company (“brokerage accounts”) or held through accounts directly with an issuer (“direct accounts”).</p> <p>NFS provides execution, clearing and settlement of your transactions; preparation and mailing of your confirmations and account statements; safekeeping of your investments; and the extension of margin credit upon approval and if requested.</p> <p>Avantax Investment Services does not monitor your brokerage or direct account after a transaction is executed. We do not have discretionary authority in your brokerage or direct account, so you make the ultimate decision to buy and sell investments, based on your financial professional’s recommendation and your choice alone. There is no minimum account size to open a brokerage account. There will generally be a minimum account size to open a direct account, though these amounts vary by issuer.</p> <p>In brokerage accounts, you can buy and sell investments such as mutual funds, stocks, bonds, exchange-traded funds (“ETFs”), unit investment trusts (“UITs”), and other investments. You must have a brokerage account to trade and own stocks, bonds, options, certain alternative investments and ETFs. In a direct account, you are limited to buying and selling securities offered by each issuer (for example, mutual funds, variable annuities or certain alternative investments).</p> <p>We do not limit the types of investments you can buy and sell, but your financial professional is limited to making recommendations for which s/he is properly licensed. Other firms offer different products or services. We do not offer proprietary products.</p>	<p>Avantax Advisory Services offers investment advisory services, consisting of advisory accounts and financial planning, to you through our financial professionals. Advisory accounts are typically wrap or non-wrap fee advisory programs.</p> <p>Monitoring services are part of our standard services in our advisory programs, other than financial planning. Depending on the advisory program you choose, monitoring will be provided on a periodic or continuous basis. Your investment advisory agreement states whether you choose to give us or your financial professional discretion to make investment decisions on your behalf or whether you want to be responsible for making investment decisions.</p> <p>We and/or your financial professional serve as the portfolio manager for some advisory programs, and sometimes we recommend other non-affiliated third-party money managers to serve as portfolio manager on your account. If you choose a third-party money manager to serve as the portfolio manager on your account, the third-party money manager makes all investment decisions in and monitors your account.</p> <p>We have a minimum initial and ongoing advisory account size for our advisory accounts (as low as \$1,000) but no minimum for financial planning. Minimums for third-party money managers start at \$25,000 and vary by program.</p> <p>Your financial professional can provide periodic or one-time financial planning advice and will review your investment goals, retirement, education, and insurance needs if you choose financial planning services.</p>

For additional information, please visit avantax.com/disclosures and review the Regulation Best Interest Disclosures, the applicable Form ADV Part 2A Disclosure Brochure (Items 4 and 7 of Part 2A or Items 4.A and 5 of Part 2A Appendix 1) and other applicable disclosures.

Conversation Starters. Ask your financial professional:

- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do those qualifications mean?

What fees will I pay?

BROKERAGE & DIRECT ACCOUNT SERVICES

For our broker-dealer services, Avantax Investment Services is paid each time you place a trade or make a new investment in either your brokerage or direct account. This payment is typically called a “commission,” but it is also called a “sales charge” or a “markup.” If you buy an insurance product, like a variable annuity, you indirectly pay a commission, which is paid by the insurance company to us. You also pay internal fees and expenses embedded in certain types of products including mutual funds, ETFs, alternative investments, and variable annuities.

Mutual funds offer various share classes each with different fees and expenses. Different share classes pay us and your financial professional different amounts in commissions and ongoing payments (such as marketing, distribution, networking and service fees, or “12b-1”) fees. The difference in compensation creates a conflict of interest for us and your financial professional to recommend the share classes that pay us more. Some share classes are restricted by account type.

Additional fees and other costs include, but are not limited to, annual account fees, and account operations and service fees (such as wire fees or account termination fees). Brokerage account costs vary based on the type of account you need (for example, an individual or retirement account) and the services you utilize. Your transaction costs could be higher in a brokerage account than in a direct account. Transaction costs vary by product type.

Your financial professional can sell insurance products, such as annuities, through our affiliated insurance agencies, Avantax Insurance Services, Inc. and Avantax Insurance Agency, LLC, if they are properly licensed. We and your financial professional have a financial incentive to recommend the purchase of insurance products through our affiliated insurance company because we and your financial professional earn commissions.

ADVISORY ACCOUNT SERVICES

You pay an advisory fee to Avantax Advisory Services for investment advisory services. An advisory fee is an annual percentage based on the value of the total assets held in your advisory account. Advisory fees are generally paid quarterly in advance and are paid even if there are no trades in your account.

You do not pay commissions on transactions in your advisory accounts, but you do pay internal fees and expenses embedded in products such as mutual funds, UITs, ETFs and variable annuities. With some advisory programs, you pay ticket charges (a charge for each trade) in addition to the advisory fee. At times, you will pay account operations or service fees, such as wire fees or account termination fees.

A wrap program charges a bundled advisory fee that covers investment advice and ticket charges and is generally higher than fees for non-wrap programs. Whether a wrap program is more cost effective for you depends on the level of trading in your account. For example, in an account with frequent trading, you sometimes pay less in a wrap program than if you pay your advisory fee and ticket charges separately.

If you choose financial planning services, you pay a flat fee, an ongoing fee, or no fee. This is disclosed in your financial planning agreement.

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

For additional information about our brokerage and advisory programs, visit avantax.com/disclosures and review the Regulation Best Interest Disclosures, the applicable Form ADV, Part 2A brochure (Items 4 and 7 of Part 2A or Items 4.A and 5 of Part 2A Appendix 1) and other applicable disclosures.

Conversation Starters. Ask your financial professional.

- Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

Examples of Ways We Make Money and Conflicts of Interest

BROKERAGE & DIRECT ACCOUNTS

In addition to commissions and sales charges, certain issuers make ongoing payments (such as marketing, distribution and service fees, or “12b-1” fees) to Avantax Investment Services. Ongoing payments create an incentive for us to sell you investments from – and maintain relationships with – issuers that make these payments. Since the amount of compensation we receive varies by issuer, we have an incentive to sell you investments that pay us greater compensation over others that pay us less in ongoing payments or not at all. Ongoing payments also increase your costs to invest and reduce the return on your investment.

BROKERAGE, DIRECT & ADVISORY ACCOUNTS

Some issuers pay us to help offset the costs of providing training and marketing support to our financial professionals, including hosting educational conferences and meetings. This is a conflict of interest because we have an incentive to recommend the products of issuers who make these types of payments over the products of issuers that do not.

Some issuers of products such as mutual funds, alternative investments and variable annuities, make additional payments to us that are based on aggregate sales; the amount of assets maintained with the issuer; or a flat dollar amount. This is commonly referred to as revenue sharing. This creates an incentive for us to sell you investments from – and maintain relationships with – issuers that make these payments and recommend their products and services over others that pay us less in revenue sharing or not at all. Although your financial professional does not receive direct compensation from Avantax’s revenue sharing arrangements, s/he does benefit indirectly through their paid attendance at educational conferences and meetings, and reimbursement of expenses to cover the cost of a local client event, for example.

BROKERAGE & ADVISORY ACCOUNTS

NFS pays Avantax to maintain our contractual relationship with NFS as our custodian, and they pay us other compensation such as a percentage of interest paid on assets in its sweep program and direct customer costs that are marked-up by us. This presents a conflict of interest and incentivizes us to have your financial professional open accounts through NFS, which can cost you more than opening a direct account. However, benefits to you include the ability to purchase different investments in one account, consolidated reporting and other benefits which you can discuss with your financial professional. Most advisory accounts maintain a brokerage account through our affiliated broker-dealer, Avantax Investment Services. This is a conflict of interest because Avantax Investment Services earns additional compensation based on assets in your advisory account.

ADVISORY ACCOUNTS

While the percentage of your annual fee as agreed upon between you and your financial professional will only change with your consent, the total dollar fee earned by your financial professional and Avantax will increase as the market value of your account increases. We earn fees in an advisory relationship without regard to the level of trading activity in your account. Although we are not paid performance fees based on profits in your account, we do earn more if your advisory assets increase as a result of positive performance. Our portion of the advisory fees vary by program and depend on whether Avantax Advisory Services, your financial professional or a third-party money manager serves as the portfolio manager. This creates a conflict of interest because it gives us a financial incentive to recommend the advisory program that pays us the highest advisory fee. In some advisory programs, your financial professional can agree to pay ticket charges – the trading costs for each trade. If your financial professional agrees to pay ticket charges, they have an incentive to make fewer trades for your account.

Conversation Starters. Ask your financial professional.

- How might your conflicts of interest affect me, and how will you address them?

For additional information about our conflicts of interest, please visit avantax.com/disclosures, and review the Regulation Best Interest Disclosures, the applicable Form ADV Part 2A Disclosure Brochure (Items 4 and 7 of Part 2A or Items 4.A and 5 of Part 2A Appendix 1) and other applicable disclosures.

How do your financial professionals make money?

BROKERAGE & DIRECT ACCOUNT SERVICES

For brokerage and direct accounts, we share a portion of the commissions and sales charges we receive with your financial professional. Commissions and sales charges are a primary source of compensation for us and for some financial professionals.

The compensation your financial professional receives differs based on the investment type; the share class selected; the amount you invest; and other factors. Some products we make available charge higher commissions or sales charges than others, often based on the nature and complexity of the product and service. For specific details, please refer to the applicable prospectus, disclosure document or ask your financial professional. Your financial professional receives the same payout percentage regardless of the type of investment bought or sold.

Your financial professional earns non-cash incentives, such as paid attendance to educational conferences and meetings, recognition trips or direct compensation such as higher payouts if they reach certain revenue production levels.

ADVISORY ACCOUNT SERVICES

For advisory accounts, we share a portion of the advisory fee we receive with your financial professional. Advisory fees are a primary source of compensation for us and for some financial professionals.

For financial planning services, your negotiated fee is based on the complexity of your financial situation and whether you wish to have ongoing meetings and updates to the financial plan or a more limited engagement. Your financial planning agreement lists the fee you pay and the scope of the engagement. We share financial planning fees with your financial professional.

Your financial professional earns additional fees or commissions if you buy the products and services recommended in the financial plan.

Your financial professional earns non-cash incentives, such as paid attendance to educational conferences and meetings, recognition trips or direct compensation such as higher payouts if they reach certain revenue production levels.

Do you or your financial professionals have legal or disciplinary history?

Yes. Visit Investor.gov/CRS for free and simple search tool to research us and our financial professionals. You can also visit BrokerCheck.FINRA.org.

Conversation Starters. Ask your financial professional.

- As a financial professional, do you have any disciplinary history? For what type of conduct?

For additional information about our services, please see our Regulation Best Interest Disclosures, the applicable Form ADV Part 2A Disclosure Brochure (Items 4 and 7 of Part 2A or Items 4.A. and 5 of Part 2A Appendix 1) and other applicable disclosures. If you would like additional, up-to-date information or a copy of this disclosure, please call 888-438-3781, option 2.

Conversation Starters. Ask your financial professional.

- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?