Avantax®

UPDATED DISCLOSURE AS OF FEBRUARY 7, 2022

Avantax Advisory Services, Inc. ("Avantax" or the "firm") is providing this notification for clients who previously held an investment advisory account at 1st Global Advisors, Inc. ("1st Global"). The firm entered into a settlement with the Securities and Exchange Commission ("SEC") pursuant to which the SEC entered an Order instituting administrative proceedings and imposing sanctions against Avantax as the successor entity to 1st Global, as described below.

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 12b-1 fees,* certain no-transaction fee ("NTF") mutual funds and money market cash sweep products. Under the settlement, outlined in the Order, Avantax agreed to (a) cease and desist from committing or causing violations and any future violations of Sections 206(2) of the Investment Advisers Act of 1940; (b) a censure; (c) pay a total of $16,873,153.11 in disgorgement, prejudgment interest, and a penalty for the conduct by 1st Global.

Avantax will distribute to the affected clients of 1st Global the attributable 12b-1 fees and revenue from the NTF and money market funds, along with interest, once the SEC approves the final payment calculations. We anticipate that the payments will be made within 180 days after the SEC approval of the calculations. Clients impacted by 1st Global's conduct as outlined in the Order are not required to take any action to receive payments. Additional information regarding the settlement is available in the most recent update to Avantax's Form ADV and online at www.avantax.com. Information and updates concerning the distribution process, timing and amounts will posted online at www.1stglobalsettlementdistribution.com.

*Rule 12b-1 fees are marketing and distribution fees from mutual funds, considered part of a mutual fund's operational expenses.