

1st Global Settlement Distribution Statement to Affected Investors

INTRODUCTION

You are entitled to receive a payment from the *1st Global Settlement Distribution* arising out of *In the Matter of 1st Global Advisors, Inc., now known as Avantax Advisory Services, Inc.* (“1st Global” or “Respondent”), United States Securities and Exchange Commission (“SEC”) Administrative Proceeding File No. 3-20685. In resolution of this matter, 1st Global agreed to undertake a distribution to investors (“Affected Investors”) in connection with its mutual fund share class selection practices with regard to its receipt of compensation pursuant to Rule 12b-1 under the Investment Company Act of 1940 (“12b-1 fees”) and its receipt of cash sweep and no-transaction fees revenue sharing (collectively, “Revenue Sharing”), as well as its duty to seek best execution.

Payments to Affected Investors have been calculated based on information contained in the records of Respondent and third-party intermediaries. As described in the SEC’s Order Instituting Proceedings (“Order”), a copy of which has been provided to you, your payment represents: (a) the 12b-1 fees and Revenue Sharing payments attributable to you during the relevant periods set forth in the OIP; and (b) reasonable interest paid on such fees. Consequently, your payment is comprised of a “Fee” component and an “Interest” component, further described below. The payments are being made pursuant to a disbursement calculation that was submitted to, reviewed and approved by the staff of the SEC.

This Statement to Affected Investors (“SAI”) provides information to help you and your tax advisor determine the U.S. federal, state, local, non-US or other tax consequences of the distribution payment if you are a citizen or resident of the U.S. for U.S. federal income tax purposes.

The 1st Global Settlement Distribution is a Qualified Settlement Fund (“QSF”) under the Internal Revenue Code. The Respondent retained Miller Kaplan Arase LLP (“MKA”) to serve as the Tax Administrator for the QSF.

MKA and the Respondent have participated in the preparation of this Statement to Affected Investors (“SAI”) but are not providing tax services or tax advice to you or any other Affected Investor receiving a distribution payment.

Some Affected Investors may be subject to special tax rules, such as, without limitation, non-U.S. investors, investors who hold or held shares in a tax-qualified retirement plan (“QRP”) or an individual retirement account (“IRA”), or investors that are tax-qualified retirement plans.

This Statement contains a discussion of 4 separate issues. It addresses the fee and interest components; and then provides information on issues to consider if you held your investment through an IRA or a tax-qualified plan.

COMPONENTS OF THE DISTRIBUTION PAYMENT

CAUTION: YOU SHOULD NOT RELY ON THIS STATEMENT AS TAX ADVICE RELATED TO YOUR PERSONAL CIRCUMSTANCES.

CONSULT WITH YOUR TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES OF THE DISTRIBUTION PAYMENT, INCLUDING THE EFFECTS OF U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX RULES AND THE EFFECT OF POSSIBLE CHANGES IN LAWS.

Each distribution payment is composed of a “fee” component and an “interest” component. Each of these components will be separately stated on the documentation that is provided to you when the payment is made.

A. Fee Component

The fee component represents a share of the higher fees charged on your account – the 12b-1 fees and Revenue Sharing – paid to 1st Global with respect to the mutual fund investment(s) and cash sweep products that you held, as applicable, during the relevant period.

The fee component *may* constitute ordinary income to you depending on several factors, including whether the mutual fund made a dividend payment taxable as ordinary income in a year during the relevant period for which fees are being returned. The 1st Global Settlement Distribution will not issue a Form 1099 or other tax reporting form to you for the fee component of the payment. This is not dispositive of the tax consequences to you, which may be impacted by whether (i) you continue to hold an investment in one of the mutual funds, (ii) you received a dividend payment taxable as ordinary income from the mutual fund(s) during the relevant period; and/or (iii) you no longer hold an investment in the mutual fund(s). You may wish to consult your tax advisor regarding the fee component.

B. Interest Component

The interest component constitutes taxable interest income to you; however, you will only receive a Form 1099-INT if your distribution contains \$600 or more of such interest. If you are, or are presumed to be, a non-resident alien of the U.S., or a payee subject to withholding under the Foreign Account Tax Compliance Act (“FATCA”), you may receive a form 1042-S. You will not receive a 1099-INT if your investment was held in an IRA or a Qualified Plan. You may wish to consult your tax advisor regarding the interest component.

SPECIAL ISSUES FOR INVESTMENTS HELD IN AN IRA OR QUALIFIED PLANS

C. IRAs

Caution: Consult with your tax advisor because the rules related to IRA transfers and rollovers are complicated and technical. Failure to comply with those rules could subject the payment to income tax and a 10% additional tax. It could also impact your ability to rollover other IRA funds.

Some Affected Investors may have held their investment in an IRA. If you held some or all your mutual fund shares in an IRA, in most cases the distribution check will have been made payable to your IRA trustee/custodian but mailed directly to you or deposited directly into your IRA account. If you received a check, you may choose to forward the check to your custodian with a letter of instruction. You should deposit the check in your IRA account, not a personal account. If you are uncertain, please check your records to determine if you purchased your investment through an IRA to appropriately handle the payment.

If you held your investment in an IRA, and you require assistance with any of the issues listed below, please contact the QSF Administrator, SS&C Asset Manager Solutions, Inc., by calling 833-280-9523 before cashing or otherwise negotiating a check that has been mailed to you:

- Where you held your investment in an IRA and the distribution check was made *payable to you* (as opposed to the custodian of your IRA), please contact the QSF Administrator to receive instructions to get a replacement distribution check made payable to the custodian of your IRA.
- If your IRA custodian has changed, you may be able to transfer the payment to the new custodian or roll the payment over to another IRA or affected account.
- If you no longer hold your IRA or you need a check payable to a new payee, please contact the QSF Administrator to review your options.

If you held your investment in an IRA and you cashed your check or deposited it into an account other your IRA, it is considered a distribution from your IRA. You may be able to rollover such distribution into your IRA within 60 days of receipt of your check. You are only permitted one IRA rollover in any 12-month period regardless of the number of IRAs you own. Consequently, this option may not be available to you if you have performed a rollover within the previous 12 months. If you are eligible to – and do – rollover this distribution, you will not be able to perform another rollover within 12 months for any IRA you own.

Additional information is available in IRS Publication 590-B and IRS Tax Topic 451, which may be found at the IRS' website: www.irs.gov.

Note: Please consult your tax advisor if you held your investment in an IRA.

D. Qualified Plans

Caution: Consult with your tax advisor because the rules related to Qualified Plan transfers and rollovers are complicated and technical.

Some Affected Investors may have held their investment in a Qualified Plan (e.g., a 401(k) or similar plan). Please check your records to determine if you purchased such investments through a Qualified Plan as you may need to deposit any check received into that Qualified Plan.

If you determine that you held your investment through a Qualified Plan, please contact the QSF Administrator, SS&C Asset Manager Solutions, Inc., by calling 833-280-9523 before cashing or otherwise negotiating a check that has been mailed to you. Your check should be deposited into your Qualified Plan account. The QSF Administrator can assist you with this process and, if necessary, reissue your check so that the trustee or custodian of your Qualified Plan can accept it. Plan fiduciaries are responsible for allocating these funds. Please contact your plan fiduciary if you have questions.

Where you held your investment in a Qualified Plan and the distribution check was made *payable to you* (as opposed to the trustee/administrator of your Qualified Plan), please contact the QSF Administrator to receive instructions to get a replacement distribution check made payable to the trustee or administrator of your Qualified Plan.

Where you held your investment in a Qualified Plan and you received a distribution check (and the distribution was not directly deposited into your Qualified Plan account) that was made *payable to the trustee/administrator of your Qualified Plan*, contact the trustee/administrator of your plan to coordinate the deposit of the check into your retirement plan account. If you are no longer a participant in the Qualified Plan, please contact the trustee/administrator of your former Qualified Plan to determine the appropriate course of action. If you have difficulty making contact with your former Qualified Plan trustee/administrator, please contact the QSF Administrator for assistance.

Additional information on this topic is available on the IRS Web Site www.irs.gov, Tax Topic 558.

Note: Please consult your tax advisor if you held your investment in a Qualified Plan.