

## Form ADV Part 2A Disclosure Brochure

### Item 1 – Cover Page

Allworth Financial, L.P.  
340 Palladio Parkway, Suite 501  
Folsom, CA 95630  
916-482-2196  
[www.allworthfinancial.com](http://www.allworthfinancial.com)

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This brochure provides information about the qualifications and investment advisory business practices of Allworth Financial, L.P. If you have any questions about the contents of this brochure, please contact us at (916) 482-2196 or [compliance@allworthfinancial.com](mailto:compliance@allworthfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Allworth Financial is an investment adviser registered with the SEC. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about our investment advisory business is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our information on this website by searching for "Allworth Financial". You can also search using the firm's CRD numbers. The CRD number for the firm is **111167**.

## Item 2 – Material Changes

This item provides information regarding specific material changes and a summary of such changes made to the Disclosure Brochure since the last annual update of the brochure. This Brochure dated March 2024 is our annual updating amendment. Material changes to the Brochure since our last annual updating amendment, dated March 31, 2023, include:

- *Item 4 - Advisory Business and Item 14 – Client Referrals and Other Compensation* have been updated to disclose our arrangement with StoneCastle Network, LLC for certain cash management services.
- *Item 14 – Client Referrals and Other Compensation* has been updated to disclose our participation in the Fidelity Wealth Advisor Solutions program.
- *Item 4 – Advisory Business* has been updated to disclose our new Participant Account Management services.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We will further provide other ongoing disclosure information about material changes as necessary, at any time, without charge.

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## Item 4 – Advisory Business

Allworth Financial, LP (also referred to as “Allworth” throughout this document) is owned and controlled, through intermediate subsidiaries, by the Ontario Teachers’ Pension Plan and Lightyear Capital. Allworth Financial has been an investment advisor registered with the United States Securities and Exchange Commission (“SEC”) since June 21, 1996.

Allworth is a fee based registered investment advisor providing financial planning and investment management services primarily to retail clients and qualified retirement plans. Allworth’s investment strategies are designed to deliver a customized mix of mutual funds, ETFs and other investment products to match both risk tolerance and performance goals of our clients.

On occasion, following the purchase of the business assets of another investment advisory firm, for a brief transition period, the acquired firm and its financial advisors will continue to operate under the firm’s former trade name and logo for marketing purposes. Although a different name is used in addition to Allworth, such financial advisors provide advisory services through Allworth and remain subject to Allworth’s supervision. This brochure also contains information pertaining to Allworth’s RAA division which focuses on serving clients in the airline industry.

### **Description of Types of Advisory Services Offered**

The following are brief descriptions of the types of advisory services offered by Allworth.

**Asset Management.** Allworth provides discretionary asset management services to our clients through our “wrap fee” program (the “Program”), in which the client pays a specified fee for portfolio management services and trade execution. Allworth provides continuous investment advice to a client and makes investments for the client based on the individual needs of the client. Through this service, Allworth offers a customized and individualized investment program for each client. A specific investment strategy and investment policy is crafted to focus on the specific client’s goals and objectives. Depending on the client’s individual needs, investment recommendations will be made in, but not necessarily limited to, no-load mutual funds and exchange traded funds, and individual equity and fixed income positions. Client assets are allocated to individual investments or through an investment model developed by the Allworth Investment Committee. In addition to providing discretionary investment advice, Allworth also provides asset management services to our clients on a non-discretionary basis. Under these arrangements, Allworth provides advice regarding client account assets based on restrictions directed by the client. For more information relating to Allworth’s wrap fee programs, please refer to Appendix 1 of this document, titled “Allworth Wrap Fee Program Brochure.”

**Variable Annuity Sub-Account Management.** Allworth provides ongoing investment management and advice to clients regarding the management of variable annuity products held in their accounts to ensure that the account is being managed in a manner consistent with the client’s financial goals, risk tolerance and time horizon. Allworth monitors market conditions and the performance of variable annuity sub-accounts and provides advice and recommendations regarding exchanging as necessary between sub-accounts available from the insurance company issuing the variable annuity or variable life contract(s).

**Financial Planning (Specialized Planning Services).** Allworth provides advisory services to clients in the form of comprehensive and issue-specific financial plans in areas including, but not limited to:

- Cash flow and management
- Protection planning (e.g., disability, health, life, long term care, etc.)
- Investment planning (e.g., investment portfolio review, stock options)
- Retirement planning

- Tax planning
- Estate planning

After completing a review and analysis of the information provided by the client, Allworth investment adviser representatives develop analyses and recommendations, which are presented to the client in the form of either a comprehensive or issue specific financial plan. These plans can be oral or written, as the client wishes.

A comprehensive plan focuses on a client's overall financial situation and specifically covers the areas of financial position (e.g., cash flow), protection (e.g., insurance), investment, retirement, tax and estate planning. Allworth develops comprehensive plans for its clients by identifying financial concerns and goals and preparing strategies designed to address identified concerns and goals. These services do not involve active management of client investment portfolios. Instead, comprehensive planning services examine a client's overall financial situation, specifically including (but not limited to) the areas of financial position (e.g., cash flow and net worth), protection plans (e.g., insurance), investment goals (e.g., education, home purchase), retirement, strategic tax planning and estate plan review.

Allworth offers different levels of comprehensive plans based upon the services to be provided, including:

- *Comprehensive Planning- Advanced* involves extensive coordination with other advisors (business, estate, legal, tax) in developing a comprehensive personal financial plan. Advanced planning issues include business succession as well as financial legacy planning to preserve and transfer wealth.
- *Comprehensive Planning - Financial Independence* focuses on the migration to and preservation of financial independence. The planning process examines and illustrates a myriad of financial independence scenarios. A matrix of variables (i.e., age, income need, investment return on both non-qualified and qualified portfolios, inflation, long-term care, etc.) are examined to determine a most realistic financial independence scenario. This planning service focuses intensely on financial independence. The variables are assessed to determine a plausible financial independence plan.

Allworth also offers issue-specific specialized planning services, which focus on specific areas of client concern identified by the client. An issue specific plan focuses only on one or more specific area(s) of client concern, and clients should be aware of this limitation when Allworth's representatives develop their analyses and recommendations.

In addition to comprehensive and issue-specific financial planning services, Allworth offers customized consulting services to clients seeking advice regarding non-securities matters as well as clients seeking advice regarding non-managed accounts (assets under advisement), such as 401(k), 403(b) or profit-sharing plans.

Clients have sole discretion regarding whether or not to implement the investment advice and specific recommendations provided as part of a financial plan.

**Qualified Plan Consulting Services.** Allworth provides advisory services for qualified retirement plans. While the primary clients for these services are nonqualified deferred compensation, pension, profit sharing, 401(k) and 403(b) plans, Allworth also offers these services, where appropriate, to individuals and trusts, estates and charitable organizations.

Qualified retirement plan consulting services include: the development and maintenance of investment policy statements, plan design consulting, investment due diligence review, model investment portfolios,

discretionary and on-discretionary recommendations regarding investment selection, and educational presentations to plan participants.

**Newsletters and Podcasts.** Allworth periodically provides a newsletter and podcasts to its clients. These newsletters and podcasts contain general, educational and informational articles. Non-clients can also subscribe to these newsletters and podcasts by contacting Allworth or subscribing at Allworth's website. These newsletters and podcasts are free of charge for clients and non-clients.

**Seminars.** Allworth and its associated persons provide financial seminars to the public on general, informational and educational topics.

**Specialization.** Allworth considers itself to specialize in retirement planning, investment and wealth management. Our advisors work with each client to focus on their individual retirement, planning and investment needs, as applicable. More details regarding our specific services are described in Item 5 of this brochure. In addition, you should refer to Item 8 for a description of some of the common risks associated with our advice and services.

### ***Third Party Investment Advisors***

After a review of a client's portfolio(s), risk tolerance and investment objectives, Allworth has the option to delegate some or all of its responsibilities for a portion or all of a client's portfolio to one or more third party investment advisers (each, a "TPA"). Each TPA will actively manage client portfolio(s) and will assume discretionary investment authority over that portion of the portfolio(s) allocated to the TPA. Discretionary investment authority will allow the TPA to place trades and make changes to the account or the portion of the account the TPA is authorized to manage without the client's prior approval. Allworth will periodically monitor each TPA's performance to ensure its investment program remains aligned with the client's goals and objectives. Allworth conducts due diligence of any recommended TPA and monitors the performance of TPAs with respect to the TPA's management of the designated assets of each account relative to appropriate peers and/or benchmarks. Allworth will retain discretionary authority to hire and terminate each TPA and/or to reallocate client portfolio assets to another TPA where deemed appropriate. The recommendation of TPAs is made either on a discretionary or non-discretionary basis with the specific terms outlined in the Allworth client agreement. When a client authorizes Allworth to have the ability to select TPAs on a discretionary basis, Allworth will have the authority to select and terminate TPAs without the client's specific approval. When TPA recommendations are made on a non-discretionary basis, the client will need to execute an agreement directly with the TPA.

Allworth is available and responsible to answer questions clients have regarding any portion of their account managed by a TPA and will act as the communication conduit between the client and the TPA. A complete description of the TPA's services, practices and fees will be disclosed in the TPA's Form ADV Part 2A: *Firm Brochure* that will be provided to the client.

There is a conflict of interest in that Allworth could prefer its internal strategies when selecting portfolio strategies rather than selecting strategies developed by TPAs. To control for and mitigate these conflicts of interest, Allworth seeks select TPAs based on suitability in accordance with the client's investment goals and objectives and evaluates TPA strategies based upon objective, performance-related and investment-selection criteria. Moreover, the fees Allworth charges participants in the Wrap Free Program does not go up or down based on whether or not a TPA is used or which TPA is selected.

### **Participant Account Management (Discretionary)**

Allworth provides an additional service for clients with certain 401(k) accounts, health savings accounts and other assets where Allworth has been given discretion to manage the assets, but the assets are not held with one of the qualified custodians with whom Allworth currently has a relationship. Clients with these types of accounts authorize Allworth to provide discretionary investment management of the assets in the account via Pontera, a specialty order management system. Allworth does not have custody of client accounts it manages through Pontera because Allworth is not provided direct access to client log-in credentials to effect transactions. Instead, Allworth obtains access to these client accounts via a secure link provided directly to the client from Pontera. Allworth is not affiliated with Pontera and receives no compensation from Pontera for using its services. Allworth clients do not incur any additional fees in order for Allworth to access their accounts through Pontera. Allworth regularly reviews the available investment options in these client accounts and will implement investment strategies in the same manner as for other client accounts.

### ***Types of Investments.***

Allworth is willing to offer advice on most types of investments owned by a client and, at the specific request of a client, will explore investment options not currently owned by a client. However, Allworth does not offer advice on warrants, options, commodities or privately offered funds such as hedge funds, private equity funds and other unregistered securities. The following are some of the general categories of securities Allworth will advise.

- Exchange-listed securities
- Securities traded over-the-counter
- Exchange Traded Funds (ETFs)
- Foreign issues
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares (open and closed ended)
- United States government securities
- REITs

When providing Asset Management Services, Allworth typically constructs each client's account holdings using low-fee mutual funds, no-load mutual funds and exchange traded funds to build diversified portfolios. It is not Allworth's typical investment strategy to attempt to time the market but cash holdings will be increased modestly as deemed appropriate, based on the client's risk tolerance and Allworth's expectations of market behavior.

### **Tailored Advisor Services to Individual Needs of Clients**

Allworth's services are always designed to be based on the individual needs of each client. Clients are given the ability to impose reasonable restrictions on their accounts including specific investment types and sectors.

### **Retirement Account Rollovers**

When providing investment advice to individuals concerning their retirement plan accounts or individual retirement accounts ("IRAs"), Allworth is acting as a fiduciary with respect to these retirement accounts. There is a conflict of interest when the firm makes a recommendation that a client roll over

assets from the client's existing retirement account to a different retirement account managed by Allworth, such as a new rollover IRA established through the firm. The conflict of interest exists because Allworth will receive compensation (e.g., management fees) if the money is rolled over, but it will not if the recommendation is not accepted. The firm addresses this conflict of interest in accordance with the fiduciary requirements under the Employee Retirement Income Security Act of 1974, as amended, and the Internal Revenue Code as applicable. These rules generally require the firm to acknowledge its fiduciary status, describe its services, disclose material conflicts of interest, and adopt policies and procedures designed to ensure compliance with the fiduciary standards that apply when investment advice is provided to retirement account clients. No client is under any obligation to roll over retirement account assets to an account managed by Allworth.

#### **Client Assets Managed by Allworth Financial**

As of December 31, 2023, Allworth had \$19,313,695,523 in assets under management ("AUM"), of which \$18,601,573,527 was managed on a discretionary basis and \$712,121,996 was managed on a non-discretionary basis.

### **Item 5 – Fees and Compensation**

#### **Wrap Fee Program**

Management fees for asset management client accounts in the wrap fee program (the "Wrap Fee Program") are calculated and billed quarterly in advance for each period based on the value of each client account on the last business day of the prior calendar quarter. Adjustments will be made in the case of any individual contributions or withdrawals which exceed \$10,000 made to the client account during the quarter. Management fees for client account(s) in the Wrap Fee Program are subject to a \$2,500 annual minimum fee and the maximum fee charged in the Wrap Fee Program is 1.85%. Allworth will provide the exact percentage-based fee to each client based on both the nature and total dollar asset value of the client's account(s). The fee will be stated in the fee schedule which must be signed by both Allworth and the client.

Fees are subject to negotiation and can vary from the standard fee schedule to reflect circumstances that apply to a specific client relationship. As a result, some clients will pay different fees for the same services. The client's fee schedule, and any applicable terms and conditions, are stated in the client's Investment Management Agreement. The Firm reserves the right to maintain alternate fee schedules for certain groups of clients, such as those grandfathered from prior fee schedules, or those clients that have come to the Firm as a result of mergers/acquisitions who were subject to the fee schedule of the acquired firm. Clients can receive discounted fees for "householding" accounts where accounts in the same household are aggregated for the purposes of meeting advisory fee breakpoints.

The Wrap Fee Program management fee covers Allworth's advisory services (including initial and ongoing reviews of financial circumstances) and most trade execution or asset-based fees charged by the custodians offered by Allworth. Specifically, the fee will cover commissions, prime broker fees, and any other transaction fees relating to the execution of securities transactions within client accounts, except for SEC and foreign tax fees, which are not custodian or Allworth fees. Additionally, clients will assume the costs of certain platform fees (e.g., unified managed accounts) and third-party manager fees (e.g., separately managed accounts). Clients are subject to a fee being charged by the receiving custodian should they transfer assets from Allworth, and the client is wholly responsible for these fees. Allworth does not receive any portion of these non-wrap fees.

### **Variable Sub-Account Management Services**

Allworth does not charge an advisory fee for the variable sub-account management service. When purchasing variable annuities and variable life contracts through AW Securities, AW Securities will earn commissions; however, the client's investment adviser representative in his or her separate capacity as a registered representative of AW Securities and an insurance agent will not directly receive a commission as part of this transaction. Instead, the client's investment adviser representative is compensated with a base salary and will earn additional compensation, up to 10 basis points, based on the total revenue generated by client assets under management. Allworth investment adviser representatives are not compensated on a per transaction basis. Due to the receipt of commissions by AW Securities, Allworth does not charge a separate investment advisory or investment management fee for managing variable annuity sub-accounts.

The insurance companies issuing variable annuity contracts will charge management expenses to the client and, if applicable, exchange fees and surrender charges. Clients should refer to the prospectus of their variable annuity and/or variable life contract for more details about the insurance company's management expenses and any exchange or surrender fees.

### **Financial Planning (Specialized Planning Services)**

Financial planning services are billed on a fixed fee basis with fees generally ranging between \$1,500 and \$30,000. Allworth's investment adviser representatives provide a quoted fixed fee to clients before any services are provided.

Fees are negotiable depending on the complexity of the client's financial situation, the actual services requested and the Allworth investment adviser representative providing the services. One-half of the quoted fee is due at the time the client agreement is signed with the remainder of the fee due upon completion of the services and receipt of Allworth's billing statement.

Clients contracting for a financial plan who also contract for asset management services, as well as clients who contract only for asset management services, will receive on-going financial planning services. These ongoing financial planning services will continue as long as there is an asset management contract in place between Allworth and the client. Clients can contact or visit with the Allworth's investment adviser representatives as needed to discuss anything included in the original financial plan and can have their financial plan reviewed and updated any time at no cost.

Services are ongoing and billed on an annual basis. Either party can terminate services at any time by providing written notice to the other party. Termination is effective upon receiving that notice. If services are terminated within five business days of executing the client agreement, services are terminated without penalty. If terminated after five business days but before presentation of the plan, fees are prorated, and clients are responsible for the time and effort expended by Allworth prior to receipt of the termination notice. For ongoing services charged as a fixed fee, this is calculated by the number of days that services were provided in the quarter. Allworth provides the client with a billing statement detailing the services provided, fees earned and the prorated refund due to or fees due from client. If the financial plan has been presented to client there is no refund of fees.

In addition to providing advisory services, some of Allworth's investment adviser representatives are also registered representatives of AW Securities, a broker-dealer. Some of Allworth's investment adviser representatives are also independently licensed insurance agents. Therefore, Allworth and AW Securities can earn both fees when providing advisory services and commissions when selling variable

annuities. Each Allworth investment adviser representative is compensated with a base salary and will earn additional compensation, up to 10 basis points, based on the total revenue generated by client assets under management. Allworth investment adviser representatives are not compensated on a per transaction basis.

Clients can select any broker/dealer or insurance agent they wish to implement commission-based transactions. If clients elect to have Allworth's investment adviser representative implement a variable annuity transaction as part of a Specialized Planning Services Agreement, the representative can waive or reduce the amount of the Specialized Planning Services fee charged by the amount of any commissions AW Securities earns on these variable annuity transactions. Any reduction will not exceed 100% of the commission received and will be disclosed to clients prior to any services being provided.

Clients can also elect to implement the advice of the Allworth investment adviser representative through the Wrap Fee Program. In this case, advisor representatives can waive or reduce the amount of the financial planning fee as a result of additional Wrap Fee Program fees being earned. Any reduction will be disclosed to clients prior to any services being provided.

#### **Qualified Retirement Plan Consulting Services**

Fees for qualified retirement plan ("Plan") consulting services are calculated and billed in advance or in arrears each quarter, as disclosed in the client agreement. Fees are based on the total market value of the Plan at the close of the quarter. The maximum fee for Plan consulting services shall not exceed 2.50% of assets under advisement. Fees are negotiable based on factors such as, but not limited to, the size of the Plan and the number of participants.

The minimum annual fee for Plan services is \$3,500. If the minimum is not met as a result of the asset based fee listed above, the balance will be billed directly to the Plan sponsor.

The actual fee charged to a client will be noted in the Qualified Retirement Plan Consulting Agreement. Fees are generally deducted from the Plan by the custodian and paid to Allworth based upon the custodian's receipt of written authorization to have the fees deducted from the client's account and paid to Allworth. If agreed to in advance and at the discretion of Allworth, Allworth can bill the client directly rather than have fees automatically deducted from the Plan. For any Clients that Allworth bills directly, fees for Allworth's Plan consulting services are due within 30 days after client's receipt of the billing notice.

Certain expenses incurred by Allworth in order to perform the agreed upon Plan services will be considered outside of the standard fee for services described above and will be billed directly to client in addition to the agreed upon service fee indicated. Any outside expenses that clients will be responsible for will be described in the Qualified Retirement Plan Consulting Agreement.

In addition to Allworth's compensation, the client will also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses) and charges imposed by the Plan custodian and Third-Party Administrator (if applicable). Brokerage commissions and/or transaction ticket fees charged by the custodian will be billed directly to client by the custodian. Allworth will not receive any portion of such brokerage commissions or transaction fees from the custodian or client. Service fees charged by Allworth are separate and distinct from the fees and expenses charged by investment company securities that are recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.

The Plan custodian will send statements to the Plan, at least quarterly, showing all disbursements from the Plan, including the amount of the advisory fee paid and when such fee is deducted directly from the Plan. Upon request, Allworth will send the Plan a fee billing notice showing the amount of the fee that will be deducted, the manner in which the fee was calculated, any adjustments to the fee and an explanation of such adjustments.

Either client's authorized representative or Allworth can terminate the Qualified Retirement Plan Consulting Agreement with 30 days written notice to the other party. A refund of any unearned fees will be made based on the time expended by Allworth before termination. A full refund of any fees paid will be made if the agreement is terminated within five business days. The Qualified Retirement Plan Consulting Agreement terminates upon failure of the client to pay Service Fees pursuant to the terms stated in that Agreement.

### **Third Party Investment Advisors**

For client accounts managed by an external, third-party investment adviser ("TPA"), the account(s) will be billed management fees by the TPA directly, according to the TPA's fee schedule. The annual management fee(s) charged by TPAs range from between 0.05% and 1.00% of the account assets under management by the TPA. Fees billed by TPAs Envestnet, Blackrock and Aperio are billed quarterly in advance. Fees billed by TPA 55ip are billed monthly in arrears. TPA fees are in addition to any advisory fees charged by Allworth and Allworth does not share in the management fee paid by clients to a TPA. Fees for services provided by the TPAs will be deducted by the TPA directly from the client account at the custodian in accordance with the TPA's fee schedule.

### **ADDITIONAL FEES**

Allworth client accounts are subject to additional fees charged by the account custodian, including account maintenance fees, transfer fees, electronic fund and wire fees, margin interest, exchange fees, taxes, spreads, mark-ups/mark-downs, custody fees for alternative investments, etc. Mutual fund redemption fees incurred in accounts Allworth manages are handled according to the reason for the transaction. Redemption fees as a result of trades ordered by Allworth, such as rebalancing across multiple accounts, are not charged to the client accounts. Redemption fees as a result of a client's change in investment strategy will be charged to the client's account. Clients pay any mutual fund early redemption fees if the client initiates the trade.

For Wrap Fee Program client accounts, Clients pay a single fee to Allworth that includes custody, trading, investment advisory fees and other expenses associated with management of the account. Allworth pays the account custodian a flat rate per account each year to cover transaction fees, commissions and other brokerage expenses generally charged by the custodian. Wrap Fee Program could be more or less than the client would have paid if the services (account management and brokerage transactions) were not bundled together and purchased separately. Allworth offers an unbundled fee option for Schwab PCRA accounts which are assessed these brokerage fees directly. Clients should be aware that similar or comparable services to those provided by Allworth could be available elsewhere at a lower total cost than is available through Allworth's Wrap Fee Program.

All fees paid to Allworth for investment advisory services are separate and distinct from the fees and expenses charged by mutual or money market funds to their shareholders. The fees and expenses charged by the mutual fund are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible redemption fee. A client could invest in mutual funds directly without the services of Allworth, and without incurring transaction fees to purchase or sell shares of the fund. In that case, the client would not receive the services provided by Allworth which are designed, among other things, to assist the client in determining which mutual fund and/or individual securities are

most appropriate to his/her financial condition and objectives. Accordingly, the client should review both the fees charged by the mutual funds and the fees charged by Allworth to fully understand the total amount of fees that will be paid by the client and thus evaluate the benefit of the advisory services being provided.

Allworth considers the different expenses when selecting specific investment products for clients. Because of the number of trades Allworth makes to the client's account, including regular rebalancing, Allworth evaluates the expense ratio of different fund types to keep overall costs down.

#### **TERMINATION**

Each client has the option to terminate its investment management agreement with Allworth at any time without penalty. Allworth has the option to terminate its relationship with a client at any time upon delivery of a written notice. Regardless of the terminating party, Allworth will provide a refund of fees paid in advance upon termination of the investment management agreement. Refunds are calculated from the time Allworth receives or sends written notice of termination, or from the time the custodian receives notice of transfer, whichever occurs first.

Item 12 further describes the factors that Allworth considers in selecting or recommending custodians and/or broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., transaction fees and commissions).

Neither Allworth nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because Allworth does not charge or accept performance-based fees.

#### **Item 7 – Types of Clients**

Allworth offers advisory services to:

- Individuals and high net worth individuals
- Pension and profit-sharing plans
- Trusts, estates, or charitable organizations
- Corporations

#### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

##### **Method of Analysis in Formulating Investment Advice**

Allworth uses both quantitative and qualitative analysis in evaluating investments, strategies, and asset classes. This involves analyzing macroeconomic, fundamental, statistical, and technical data. The result of this analysis will provide feedback for the asset allocation of each portfolio and the selection of various investment strategies.

##### **Investment Strategies when Managing Client Assets and/or Providing Investment Advice**

The investment strategies that Allworth has designed are broadly classified as follows:

- Core-Satellite: This strategy uses low-cost ETFs for the Core, which tracks a strategic benchmark. The satellite portion employs actively-managed funds or active management of passive vehicles. These strategies only invests in publicly traded stocks and bonds.
- Core-Satellite Plus: This strategy has a dedicated sleeve for liquid (i.e. publicly traded) alternative securities. Otherwise, the allocations are similar to the Core-Satellite Standard models.
- Dividend Stock: This strategy invests in approximately 40 high-dividend yielding, large-cap equities. Stock selection and weightings are based on market capitalization, momentum, and valuation.
- Dynamic: This strategy is a blend of mutual funds and ETFs where a portion can be tactically allocated to asset classes Allworth views as attractive based on our capital market outlook. A version of the strategy that invests only in U.S. securities is available.
- Dynamic Income: This strategy is a blend of mutual funds and ETFs designed to generate income; it can make tactical moves to asset classes Allworth views as attractive based on our capital market outlook.
- ESG: This strategy invests in low-cost ETFs and mutual funds, with an emphasis on investments made using environmental, social, and governance factors,
- Factors: This strategy invests in ETFs and mutual funds that emphasize exposure to dimensions that explain returns (equity: quality, size, and value; fixed income: duration and credit).
- Income: These strategies have a primary focus on generating income with different secondary emphases, varying from capital preservation to growth. These strategies invest in mutual funds and ETFs with exposure stocks, bonds, and liquid alternatives
- Pure Index: This strategy invests primarily in low-cost, market cap-weighted ETFs. The strategy seeks low turnover and to closely track benchmark indices. A version of the strategy that invests only in U.S securities is available.
- Large-Cap Stock: This strategy invests in approximately 40 large-cap equities. Stock selection and weightings are based on market capitalization, momentum and valuation.
- Buffered Equity ETF: This strategy invests in defined-outcome ETFs and targets a 15% buffer on the downside, aiming to shield the portfolio from the first 15% of losses in the underlying reference assets over a 12-month period. Concurrently, it seeks to capture up to 80% of the upside potential.

All of the asset allocation strategies except for the Buffered Equity ETF, Dividend Stock and Large-Cap Stock strategies have the following neutral equity and fixed income target weightings: 0/100, 10/90, 20/80, 30/70, 40/60, 50/50, 60/40, 70/30, 80/20, 90/10, and 100/0. However, the strategies can deviate from the neutral allocations based upon market conditions. The above strategies (except for ESG) have tax-efficient options, meaning that there could be increased usage of ETFs relative to mutual funds and a portion of the fixed income allocation dedicated to municipal bonds.

In some cases, where minimizing realized capital gains is of greatest importance to the client or where the client has a mandate that is different from the above-mentioned models, Allworth will manage customized models that can be unique to the client. The underlying investments in such customized models are evaluated by the financial advisor and/or the investment management team.

### **Risk of Loss**

Past performance is not indicative of future results. Current and prospective clients should never assume that the future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves the risk of loss. Investing involves market risk, including the possible loss of a client's entire investment. The value of client account

investments may fluctuate because of changes in the markets in which the client account invests, which may cause client accounts to underperform other accounts with similar objectives. At various times in the past, volatile market conditions have had a dramatic effect on the value of securities. In addition, terrorist attacks, other acts of violence or war, health epidemics or pandemics, earthquakes, hurricanes and other natural or human disasters, may have broad adverse social, political, and economic effects on the global economy, which could negatively impact the value of client account investments. Client accounts, at any point in time may be worth less than at the time of original investment, even after taking into account the reinvestment of dividends. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. Further, depending on the different types of investments, there are varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss, including loss of original principal.

Because of the inherent risk of loss associated with investing, Allworth is unable to represent, guarantee, or even imply that its services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through this investment management program.

- ETF Risks – Buying or selling an ETF during market hours can result in higher or lower values than the index it seeks to track. Contributing factors to this variance are the time of the purchase or sale, the bid-ask spread of the ETF or the amount of daily volume that is traded for the ETF. While generally low, The risk of owning an ETF generally reflects the risks of owning the underlying securities the ETF holds. There are certain de minimis regulatory fees, which Allworth does not impose or receive, associated with ETF trades.
- Mutual Fund Risks – Mutual fund trades only occur at the end of the trading day, regardless of when purchase or sell orders are placed. Depending on intraday market movements, this can result in a price for the trade that is more or less favorable than trading at other times. Along with expenses that are absorbed by clients, there can be additional expenses incurred based on early redemptions made by clients. Clients in non-qualified accounts are subject to potential taxable capital gain and dividend income distributions. The risk of owning a mutual fund generally reflects the risks of owning the underlying securities the mutual fund holds.
- Market Risk – Equity markets as a whole can go down, resulting in a decrease in the value of Client investments that are invested in broad equity exposures.
- Stock-Specific Risk – When investing in stocks, there is always a certain level of company or industry-specific risk that is inherent in each investment. Diversification is used in an attempt to mitigate this unsystematic risk. There is the risk that a company and its stock price will perform poorly or have its value reduced based on factors specific to the company or its industry.
- Credit Risk – When investing in fixed income investments, there is the risk that the issuer will default on the security and be unable to make payments or that an issue will be downgraded. Fixed income instruments with a higher credit risk typically pay a higher yield than those of a higher credit quality to compensate investors for the risk of potential default or downgrade.

- **Interest Rate Risk** – When investing in high quality corporate bonds, U.S. Treasury securities, or other government-related bonds, these issues generally have very little if any credit risk, but such investments can be very sensitive to changes in interest rates. Fixed income investments with longer maturities generally have the highest degree of interest rate risk. As interest rates increase, the value of fixed income securities could decrease.
- **Liquidity Risk** – To the degree that a stock, bond, mutual fund, ETF, or other investment cannot be sold easily, investors will not be able to get out of an investment in a timely manner. This also holds true for interval mutual funds, where investors can only liquidate their funds at specified times, often at the end of a calendar quarter. Liquidity risk can be an issue if one needs to convert their assets to cash immediately, and this risk generally becomes more prevalent when asset prices are precipitously declining.
- **Alternative Asset Fund Risk** – Alternative asset funds often have liquidity risk, where investors can only liquidate their funds at specified times, often after a lock-up period elapses. Liquidity risk can be an issue if one needs to convert their assets to cash immediately, and this risk generally becomes more prevalent when asset prices are precipitously declining. Further, investors may be unable to liquidate their entire position at one time, or the fund might prohibit redemptions indefinitely. Alternative asset funds have expenses that clients absorb. Alternative assets can also be subject to infrequent pricing, indicating the stated value is not equal to the value an investor would receive if the asset were liquidated. The risk of owning an alternative asset fund generally reflects the risks of owning the fund's underlying securities.
- **Buffered Equity ETF Strategy Risk** - There can be no guarantee that the strategy will be successful in providing downside protection against underlying ETF losses. The Buffered Equity ETF Strategy does not provide principal protection or non-principal protection, and, despite the approximate buffer, an investor may experience significant losses on their investment, including the loss of their entire investment. In periods of extreme market volatility, the Strategy's return may be subject to downside protection significantly lower than the approximate buffer.

### **Item 9 – Disciplinary Information**

Allworth and its personnel seek to maintain the highest level of business professionalism, integrity and ethics. Allworth has no reportable disciplinary events to disclose.

### **Item 10 – Other Financial Industry Activities and Affiliations**

**Hanson McClain Retirement Network, LP (doing business as AW Securities)**

Allworth is under common ownership with Hanson McClain Retirement Network, LP, doing business as AW Securities, a broker-dealer member of FINRA/SIPC. AW Securities is also registered with the SEC as an investment adviser.

AW Securities offers a limited selection of variable annuity products and mutual funds to its clients and does not engage in any other types of securities transactions. In addition, AW Securities provides marketing, consulting, and client acquisition services to other investment adviser firms, broker/dealers and their representatives through the Hanson McClain Retirement Network.

Some investment adviser representatives of Allworth are also registered securities agents with AW Securities. A conflict of interest exists as potential sales of variable annuity products which provide commissions could create an incentive for an Allworth investment adviser representative to recommend products based on the commission they earn. When placing variable annuity transactions through AW Securities in their capacity as registered securities agents, Allworth investment adviser representatives are allowed to earn sales commissions; however, such representatives do not directly earn commissions. Allworth investment adviser representatives are compensated with a base salary and have the ability to earn additional compensation based on the total revenue generated by the representative's client assets under management. Allworth investment adviser representatives are not compensated on a per transaction basis.

Allworth's investment adviser representatives will only recommend variable annuity products to a Client if it is determined that such products are suitable for the client and appropriate for fulfilling the client's asset allocation strategy and objectives. In doing so, Allworth, AW Securities, its associated persons and employees are prohibited from trading on material non-public information.

AW Securities is also a licensed insurance agency and some of the associated persons of AW Securities and Allworth are also independently licensed to sell variable annuity products through various insurance companies. When acting in these capacities, commissions are paid to AW Securities for selling these products.

The compensation received from Allworth Financial creates a conflict of interest whenever an associated person recommends an insurance product through AW Securities.

### **Allworth Tax Solutions**

Allworth Financial is under common ownership with an accounting and tax preparation firm, Allworth Tax Solutions. Clients seeking assistance with tax preparation and/or accounting services are referred to Allworth Tax Solutions to work with a licensed Certified Public Accountant (CPA), but are not obligated to use our affiliated accounting firm's services. If a client chooses to engage Allworth Tax Solutions for tax preparation and/or accounting services, the client will pay a separate fee in addition to the fees paid to Allworth for investment advisory services. A conflict of interest when clients choose to use Allworth Tax Solutions because of the additional revenue Allworth earns when clients use the services of Allworth Tax Solutions. All fees for services provided by Allworth Tax Solutions are disclosed to clients and clients are under no obligation to use the services of Allworth Tax Solutions. Allworth receives no compensation or referral fees for recommending clients to Allworth Tax Solutions. Certain clients of Allworth Financial receive discounted tax preparation and/or accounting services.

As previously described in *Item 4 – Advisory Business* of this brochure, Allworth has the ability to delegate some or all of its responsibilities for a portion or all of a client's portfolio to one or more third party investment advisers (each, a "TPA"). TPA fees are in addition to any advisory fees paid to Allworth and Allworth does not share in the advisory fee paid by clients to a TPA. Allworth is not affiliated with any TPA and does not receive solicitor or referral fees from any TPA recommended to clients.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

As a fiduciary, Allworth has a duty of utmost good faith to act solely in the best interest of each of its clients. Allworth places the interests of its clients ahead of the interests of the firm and its personnel. In order to ensure that Allworth's personnel conduct themselves in an honest, ethical and fair manner, Allworth has established a Code of Ethics, which all supervised persons must read and then execute an acknowledgement agreeing that they understand and agree to comply with Allworth's Code of Ethics. The Code of Ethics contains policies and procedures designed to prevent personnel from placing their own interests ahead of clients and imposes limits on certain activities, including personal trading, giving or receiving gifts for business purposes, political contributions and outside business activities. Allworth will provide a complete copy of the Code of Ethics to any client or prospective client upon request.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Allworth's supervised persons have the ability to buy or sell securities or have an interest or position in a security for their personal account that they also recommend to clients. This presents a potential conflict of interest as it provides Allworth supervised personnel with the ability to take investment opportunities from clients for their own benefit, favor personal trades over client transactions when allocating trades, or use the information about transactions planned for client accounts to their personal benefit by trading ahead of clients. Allworth's policy of Allworth is that no supervised person shall prefer his or her own interest to that of a client. Allworth supervised persons are not permitted to purchase or sell any security prior to a transaction or transactions being implemented for the client account. Further, Allworth supervised persons are not allowed buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry. Allworth maintains a list of all securities holdings for itself and all supervised persons, which is reviewed on a regular basis by a principal of the firm.

## **Item 12 – Brokerage Practices**

At the inception of the client relationship, Allworth will recommend that clients establish brokerage account(s) with Fidelity Institutional Wealth Adviser LLC, a division of Fidelity Brokerage Services, LLC ("Fidelity") or Schwab Advisor Services, a division of Charles Schwab & Co., Inc. ("Schwab").

### **Arrangement with Fidelity**

Allworth participates in the Fidelity Institutional Wealth Adviser program for independent investment advisers. This program includes custody of securities, trade execution, clearance and settlement of transactions. Allworth clients have the option to establish account(s) with Fidelity, which will serve as the client's qualified custodian and maintain physical custody of all client funds and securities, and to designate Allworth as the investment advisor on the account(s). Allworth will be granted limited power-of-attorney on the account(s) to implement trades within the account(s) and (when agreed to by the client) deduct Allworth advisory fees from the account and assist in effecting distributions at the client's request.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables Allworth to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates.

However, the commissions and transaction fees charged by Fidelity could be higher or lower than those charged by other custodians and broker-dealers.

As a result of receiving such services for no additional cost, Allworth has an incentive to continue to use or expand the use of Fidelity's services. Allworth examined this conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interests of Allworth's clients and satisfies its client obligations, including its duty to seek best execution. A client could pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Allworth determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Allworth will seek competitive rates, to the benefit of all clients, it will not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services obtained by Allworth will generally be used to service all of Allworth's clients, a brokerage commission paid by a specific client will be used to pay for research that is not used in managing that specific client's account. Allworth and Fidelity are not affiliates, and no broker-dealer affiliated with Allworth is involved in the relationship between Allworth and Fidelity.

#### **Arrangement with Schwab**

Allworth participates in the Schwab Advisor Services program for independent investment advisers. This program includes custody of securities, trade execution, clearance and settlement of transactions. Allworth clients have the option to establish account(s) with Schwab, which will serve as the client's qualified custodian and maintain physical custody of all client funds and securities, and to designate Allworth as the investment advisor on the account(s). Allworth will be granted limited power-of-attorney on the account(s) to implement trades within the account(s) and (when agreed to by the client) deduct Allworth advisory fees from the account and assist in effecting distributions at the client's request.

Schwab charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Schwab enables Allworth to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Schwab's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Schwab could be higher or lower than those charged by other custodians and broker-dealers.

As a result of receiving such services for no additional cost, Allworth has an incentive to continue to use or expand the use of Schwab's services. Allworth examined this conflict of interest when it chose to enter into the relationship with Schwab and has determined that the relationship is in the best interests of Allworth's clients and satisfies its client obligations, including its duty to seek best execution. A client could pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Allworth determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Allworth will seek competitive rates, to the benefit of all clients, it will not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research

products and services obtained by Allworth will generally be used to service all of Allworth's clients, a brokerage commission paid by a specific client will be used to pay for research that is not used in managing that specific client's account. Allworth and Schwab are not affiliated and no broker-dealer affiliated with Allworth is involved in the relationship between Allworth and Schwab.

Scott Hanson, Co-CEO, of Allworth Financial serves on the Schwab Advisor Services Advisory Board (the "Advisory Board"). As described above, Allworth Financial recommends that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab") to maintain custody of the clients' assets and effect trades for their accounts. The Advisory Board consists of representatives of independent investment advisory firms who have been invited by Schwab management to participate in meetings and discussions of Schwab Advisor Services' services for independent investment advisory firms and their clients. Advisory Board members enter into nondisclosure agreements with Schwab under which they agree not to disclose confidential information shared with them. This information generally does not include material nonpublic information about the Charles Schwab Corporation, whose common stock is listed for trading on the New York Stock Exchange (symbol SCHW). The Advisory Board meets in person or virtually approximately twice per year and has periodic conference calls scheduled as needed. Advisory Board members are not compensated by Schwab for their service, but Schwab does pay for or reimburse Advisory Board members' travel, lodging, meals and other incidental expenses incurred in attending Advisory Board meetings.

#### **Arrangement with NATC**

Allworth utilizes National Advisors Trust Corporation ("NATC") to provide custodial services to certain clients. This program includes custody of securities, trade execution, clearance and settlement of transactions. Clients have the option to establish account(s) with NATC, which will serve as the client's qualified custodian and maintain physical custody of all client funds and securities, and to designate Allworth as the investment advisor on the account(s). Allworth will be granted limited power-of-attorney on the account(s) to implement trades within the account(s) and (when agreed to by the client) deduct Allworth advisory fees from the account and assist in effecting distributions at the client's request.

NATC charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). NATC enables Allworth to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. However, the commissions and transaction fees charged by NATC can be higher or lower than those charged by other custodians and broker-dealers.

As a result of receiving such services for no additional cost, Allworth has an incentive to continue to use or expand the use of NATC's services. Allworth examined this conflict of interest when it chose to enter into the relationship with NATC and has determined that the relationship is in the best interests of Allworth's clients and satisfies its client obligations, including its duty to seek best execution. A client can pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Allworth determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Allworth will seek competitive rates, to the benefit of all clients, it will not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that can be obtained by Allworth will generally be used to service all of Allworth's

clients, a brokerage commission paid by a specific client can be used to pay for research that is not used in managing that specific client's account.

Joseph Kopczynski and Kirk Hudson have minority ownership interests in a savings and loan holding company, National Advisors Holdings, Inc. ("NAH") that has formed a federally chartered trust company, National Advisors Trust Company ("NATC"). The Office of Thrift Supervision regulates NAH and NATC. The trust company intends to provide a low-cost alternative to traditional trust service providers, and Allworth can refer clients to NATC for trust services and or custody services. Collectively, Joseph Kopczynski and Kirk Hudson own a de minimus amount of the outstanding shares NAH. The practice of referring clients to NATC for trust and/or custody services presents a conflict of interest because, as shareholders of NATC's parent company, NAH, Messrs. Kopczynski and Hudson have an incentive to recommend the use of NATC's services in order to benefit as NAH shareholders. Allworth seeks to mitigate this risk by maintaining policies and procedures to ensure that referrals are based solely on the best interests of the client.

### **Trade Error Policy**

Allworth has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of Allworth to correct trade errors in a manner that is in the best interest of the client. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by Allworth if the error was caused by Allworth.

For Fidelity accounts, Fidelity, as applicable, will retain gains retained in the account and donate the net proceeds to charity. For Schwab accounts, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, Allworth will be charged for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they will be netted.

### **Aggregation of Client Orders**

Transactions implemented by Allworth for client accounts are generally effected independently unless Allworth decides to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by Allworth when deemed appropriate.

However, even if more advantageous to clients, Allworth does not typically aggregate orders. If Allworth chooses to aggregate client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. When managing day-to-day account-level cash needs, Allworth does not typically aggregate orders. However, we aggregate by custodian most firmwide trades, including broad model changes across multiple accounts. When we aggregate orders, we take the average transaction price for trades placed at a specific custodian and allocate the securities to Allworth clients using that custodian in proportion to the orders placed. When Allworth determines to aggregate client orders for the purchase or sale of securities, Allworth will do so in accordance with applicable regulatory guidance. It should be noted, Allworth does not receive any additional compensation or remuneration as a result of aggregation.

### **Trade Rotation Policy**

In circumstances where orders are placed in the same securities at the same time, Allworth uses trade rotation procedures which are designed to ensure that trades are not placed on behalf of any clients in a manner that unintentionally favors certain client accounts over others. When Allworth uses block trades to aggregate orders for client accounts who use the same Custodian, Allworth utilizes a rotation schedule, which lists the trade rotation order used when placing trades among different Custodians. The rotation schedule is designed to seek fair and equitable treatment of all client accounts over time to the extent it is practicable. Allworth's investment department places Custodians on a rotation schedule for model portfolio trades. The Investment Department can send multiple model portfolio trades in one batch. For large batch trades, execution may occur over multiple days, resulting in different pricing. As such, the rotation schedule applies to each batch regardless of how many days it takes to execute all the trades. The first Custodian to begin trading a particular batch day moves to the bottom of the order for the next batch, and so on. The potential impact on execution prices would be movement in the underlying security (of which the impact could be positive or negative to client accounts held at any particular Custodian in the trade rotation on that trading day). As such, where a client account falls in the rotation could favorably or adversely affect client order execution relative to other client accounts. As a consequence of the trade rotation policy, client account trades are subject to price movements, particularly with larger orders or where securities are thinly traded, that will potentially result in certain client accounts receiving prices that are less favorable than the prices obtained for other client accounts.

## **Item 13 – Review of Accounts**

### **Asset Management and Wrap Program Accounts**

Each asset management and Wrap Fee Program account receives at minimum an annual review by an Allworth investment adviser representative. For Clients participating in the Wrap Fee Program, the Client will be contacted at least annually for the purpose of reviewing their account and to determine if there have been changes in their financial situation or investment objectives. The calendar is the main triggering factor, although more frequent reviews are also being triggered by changes in the Client's circumstances, Client request, or changes within the financial markets.

The underlying investments held in client accounts and the recommended holdings in Allworth model portfolios are reviewed on a more frequent basis by the Allworth Investment Committee, which is chaired by Allworth's Chief Investment Officer. Client accounts and transactions are reviewed for adherence to Client objectives and guidelines. These reviews are performed by compliance and Allworth investment personnel using a variety of methods, including data processing exception reports. Model portfolios are usually reviewed as frequently as monthly, but no less than quarterly. The Allworth Investment Committee is responsible for reviewing the model portfolios and their holdings. Triggering factors for changes to underlying portfolios include the relative valuation changes between asset classes, deviation from management style by fund, and fund closures. Allworth's Investment Committee and financial advisors are responsible for ongoing rebalancing, reallocation and ongoing trading services for client accounts. The Allworth Investment Committee is also responsible for conducting initial due diligence and ongoing monitoring and evaluation of third-party investment advisors.

### **Financial Planning (Specialized Planning Services)**

Because financial planning services, pursuant to an executed Specialized Planning Services Agreement, terminate upon presentation of the financial plan or asset allocation strategy or upon completion of the consultations, no reviews are conducted for these accounts. However, clients contracting for asset

allocation strategy services can arrange for their Allworth investment adviser representative to monitor their portfolio on an annual or semi-annual basis for adherence to the recommended allocation strategy. This monitoring activity is not a complete account review. Allworth recommends that all clients have their financial situation reviewed at least annually.

### **Statements and Reports**

Clients will receive confirmations and/or statements from the investment company, broker/dealer and/or clearing firm where client accounts are maintained. Upon specific client request, Allworth will prepare reports showing the client's current portfolio holdings.

Clients participating in the Wrap Fee Program will receive statements and confirmations from their qualified custodian on at least a quarterly basis unless they choose to opt-out of receiving such information. Clients can receive quarterly, monthly, or on-demand reports showing the investment performance of their accounts from Allworth. **Clients are urged to compare the reports provided by Allworth against the account statements they receive directly from the account custodian for potential discrepancies.**

## **Item 14 – Client Referrals and Other Compensation**

### **Client Referrals**

Some Allworth associated persons receive a bonus, through either an internal referral program or on a per case basis, when attracting new clients that contract for Allworth services. Such bonuses are not available to all supervised persons and will only be provided if the supervised person is licensed as an Allworth investment adviser representative. When a bonus is paid, it will not result in higher advisory fees charged to the client. Bonuses generally do not exceed 1% of the total amount of the client's investable assets managed by Allworth or transferred to AW Securities.

In addition, Allworth has entered into written agreements with third parties who provide client referral services to Allworth in exchange for cash compensation ("Promoters"). The Promoter is required to provide prospective clients with a Disclosure Agreement which describes the relationship between the Promoter and Allworth and the referral fees that will be paid to the Promoter. The fees paid by advisory clients referred to Allworth are not affected by payments made to Promoters.

### **Custodian Referrals**

Allworth receives compensation for past client referrals from Schwab, formerly TD Ameritrade, through its participation in TD Ameritrade's AdvisorDirect referral program. Allworth no longer participates in the AdvisorDirect referral program, which is no longer offered by Schwab, but does continue to service and receive compensation for accounts opened while participating fully in AdvisorDirect. Schwab is a qualified custodian used by Allworth, is not affiliated with Allworth and there is no employee or agency relationship between them. Schwab does not supervise Allworth and has no responsibility for Allworth's management of client portfolios or Allworth's other advice or services. Allworth pays Schwab an on-going fee for each successful Client referral previously received. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to Allworth ("Solicitation Fee"). Allworth will also pay Schwab the Solicitation Fee on any advisory fees received by Allworth from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired Allworth on the recommendation of such referred client. Allworth will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to Schwab to its clients.

Allworth's participation in AdvisorDirect raises conflicts of interest. In order to continue receiving referral fees from Schwab, the Allworth client must maintain its account with Schwab. Therefore, Allworth has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from Schwab or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Allworth's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

***Participation in Fidelity Wealth Advisor Solutions®.*** Allworth participates in the Fidelity Wealth Advisor Solutions® Program (the "WAS Program"), through which Allworth receives referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and Fidelity Investments company. Allworth is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control Allworth, and FPWA has no responsibility or oversight for Allworth's provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for Allworth, and Allworth pays referral fees to FPWA for each referral received based on Allworth's assets under management attributable to each client referred by FPWA or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to Allworth does not constitute a recommendation by FPWA of Allworth's particular investment management services or strategies. More specifically, Allworth pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, Allworth has agreed to pay FPWA an annual program fee of \$50,000 to participate in the WAS Program. These referral fees are paid by and not the client.

To receive referrals from the WAS Program, Allworth must meet certain minimum participation criteria, but Advisor has been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, Allworth has a conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and Advisor could have an incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to Allworth as part of the WAS Program. Under an agreement with FPWA, Allworth has agreed that Advisor will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, Allworth has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when Allworth's fiduciary duties would so require, and Advisor has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA's affiliates to another custodian; therefore, Allworth has an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit Allworth's duty to select brokers on the basis of best execution.

### **Marketing Referral Sources**

Allworth Financial has entered into agreements with SmartAdvisor, WiserAdvisor, Scoutvisor and CJ Affiliate (each, a "Referral Source") to receive referrals generated from online marketing efforts. These are paid arrangements whereby Allworth has agreed to pay a Referral Source a fee for each individual potential client referred to the firm through the Referral Source's online marketing efforts. Individuals that contact a Referral Source, either directly or via an online inquiry, will be connected with a potential

financial advisor, including Allworth. Allworth's payment to referral sources is based on the number and asset level of referrals provided and not based on the number of new clients attained.

Referral Sources do not proactively call or speak to individuals about Allworth, but if an individual contacts a Referral Source for a recommended financial provider, the individual can be connected to Allworth. At that time, the Referral source will provide the individual a Solicitor Disclosure Statement (detailing among other things, the fee Allworth pays to the Referral Source). Such procedures will be revised upon the effective date of new regulations regarding client solicitations. Individuals referred to Allworth by a Referral Source are not required or obligated in any way to become a client of Allworth.

### **Third Party Solicitor Arrangements**

Allworth has entered into an arrangement with The Pacific Financial Group ("TPFG") pursuant to which clients with a self-directed brokerage option under their employer's retirement plan are provided the ability to utilize a managed account program advised by Allworth. TPGF advisors refer potential clients to Allworth under this arrangement. Allworth provides investment advice in the form of model investment portfolios all account management is performed by TPGF. Pursuant to the arrangement, Allworth is required to invest a portion of the assets in Pacific Financial Mutual Funds, a family of mutual funds managed by Pacific Financial Group, LLC, an affiliate of TPGF ("PFG Funds"). Neither TPGF, PFG nor Allworth receives any portion of the 12b-1 fees from the PFG Funds. TPGF pays Allworth an ongoing fee equal to 75 basis points of the client's account balance invested in PFG Funds, which is paid monthly from TPGF's own resources. TPGF's receipt of fees from the PFG Funds creates a conflict of interest for TPGF as the models are designed to maintain 70% of the PFG funds which pays fees to its affiliate. To mitigate this conflict, Clients that participate in the program are not charged any additional advisory fees by TPGF and any fees received from the PFG funds are used to off-set any other fees the client would otherwise pay to TPGF for administering the model and servicing the client's account. For a complete explanation of the funds' costs, fees and risks, please refer to the PFG Funds' prospectus and separate fee disclosure provided by TPGF. Directing client assets into the PFG Funds is a conflict of interest for Allworth since Allworth earns a fee from participating client assets in the PFG Funds.

### **StoneCastle FICA for Advisors**

Allworth makes available to certain eligible clients the FICA for Advisors cash management program ("FICA Program") offered by StoneCastle Network, LLC ("StoneCastle"), an affiliate of StoneCastle Cash Management, LLC. The FICA Program allows its customers the ability to protect their money by placing it in deposit accounts at banks, savings institutions and credit unions (collectively, "Insured Depositories") in a manner that maintains full insurance of the funds by the Federal Deposit Insurance Corporation ("FDIC") or National Credit Union Administration ("NCUA"), whichever is applicable. Funds will be deposited within StoneCastle's network of Insured Depositories ("Deposit Network"). StoneCastle requires no minimum deposit to open a FICA Program account. Allworth will earn 0.15% on participating client assets in this program. Directing client assets into the FICA Program is a conflict of interest for Allworth since Allworth earns a fee from participating client assets in the program.

Allworth has entered into an agreement with eHealthInsurance Services, Inc. ("eHealth") to refer clients of Allworth to eHealth for health insurance services. eHealth specializes in offering insurance solutions for clients and their families. Product availability and coverage can vary by state. To the extent an Allworth client or prospective client applies for insurance through eHealth, Allworth will receive a referral fee ranging between \$10-\$150, based on the type of insurance applied for. Referrals of clients to eHealth is a conflict of interest for Allworth since Allworth earns a fee from client purchases through the program.

### **Other Compensation**

Please refer to Item 12 for a description of the economic benefits received from our custodial relationships.

Some of Allworth's advisor representatives also sell insurance products in their separate capacities as independently licensed insurance agents. When doing so, they can offer variable annuity products to clients when deemed suitable. Complete information concerning variable annuity account charges and expenses, including surrender fees as applicable, will be disclosed in the variable annuity prospectus which will be provided to clients. Any guarantees a specific variable annuity offered are dependent on the claims-paying ability of the particular company that issued the policy. An investment in a variable annuity is subject to fluctuations in market value and possible loss of principal. All commissions received for insurance products are paid to AW Securities, in its capacity as an insurance agency, rather than the advisor representative.

As previously disclosed in this document, Allworth engages in and is compensated for providing consultation services to certain financial and retirement planners. These consultation services, provided through the Hanson McClain Retirement Network, consist of providing various marketing strategies to financial and retirement planners in order to increase the planners' customer base.

### **Hanson McClain Retirement Network (No Longer Offered to New Partners)**

In addition to the fee arrangements described above, some individuals have joined the Hanson McClain Retirement Network (referred to as the "Network") which is a client acquisition program for independent financial advisors designed and provided through our affiliate Hanson McClain Retirement Network, LP doing business as AW Securities. The Network provides marketing support and training to members (referred to as "Partners"). Partners are not considered supervised persons or affiliates of AW Securities and must be licensed as securities agents with a registered broker/dealer, licensed as investment advisor representatives with an investment advisor firm or dually licensed as both a securities agent and investment advisor representative.

Hanson McClain Retirement Network, LP trains Partners to help employees of companies such as those in the tele-communications and utility industries with retirement planning. Services provided by Hanson McClain Retirement Network, LP do not include investment advice directly to Partners or their clients. AW Securities does not meet with individual clients. Hanson McClain Retirement Network, LP's marketing services focus on identification of key market areas and segments; marketing strategies to increase the Partner's client base; and developing and promoting workshops. Workshops suggested by Hanson McClain Retirement Network, LP are general education in nature and focused on 401(k) and pension plans offered by the workshop attendees' company. Workshop materials provided by Hanson McClain Retirement Network, LP to Partners do not include product sales or personalized investment advice. Partners specialize in both salaried and non-salaried employees' retirement programs.

As consideration for the services provided by Hanson McClain Retirement Network, LP to its Partners, Partners must assign, as compensation, a percentage of all revenues earned from Partner's clients attained as a result of the marketing training and services provided by Hanson McClain Retirement Network, LP. Revenue includes the Partner's receipt of commissions earned from brokerage services and/or advisory fees earned from advisory services. Hanson McClain Retirement Network, LP will receive up to 30% of all revenue earned by the Partner. The compensation allocation continues throughout the term of the Joint Marketing Agreement, including renewal period(s), between Hanson McClain Retirement Network, LP and the Partner. The exact arrangements, including term and

compensation, are detailed in the Joint Marketing Agreement between Hanson McClain Retirement Network, LP and the Partner.

### **Item 15 – Custody**

Allworth does not directly hold client funds or securities. All Client assets are held by unaffiliated qualified custodians in accounts that are registered in the name of the client. Under certain circumstances, Allworth could be deemed to have custody of client funds in accordance with applicable regulations if it has the ability to deduct advisory fees from the client's account or where clients have provided Allworth the limited power to transmit funds to one or more third parties as specifically designated by the client through a standing letter of authorization (SLOA). Allworth's use of client's user identification and password information is strictly limited to accessing client's account information for conducting discretionary asset management and for review purposes.

Each Client receives a statement, at least quarterly, from the broker/dealer, bank or other qualified custodian that holds and maintains the Client's investment assets. Allworth urges Clients to carefully review any reports received directly or available online. When Clients have questions about their account statements, they should contact Allworth or the qualified custodian preparing the statement.

### **Item 16 – Investment Discretion**

Clients who enroll in the Wrap Fee Program grant Allworth discretionary authority to manage their account by signing a written client agreement which provides such authority. When discretionary authority is granted, Allworth will have the authority to determine the type of securities and the amount of securities that can be bought or sold for the client's portfolio without obtaining the client's consent for each transaction.

Upon client request, Allworth will agree to reasonable restrictions on the management of their Wrap Fee Program account, such as limitations on specific securities or types of securities that may be purchased or sold in the account. All such restrictions will be documented in the investment management agreement. Allworth reserves the right, in its sole discretion, to refuse to manage a client account if overly restrictive restrictions are requested or restrictions requested are incompatible with the client's objectives.

Clients who decide to grant trading authorization on a non-discretionary basis will be contacted by Allworth prior to each trade and will be required to accept or reject Allworth's investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, Allworth will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. The inability of Allworth to receive confirmation from the client prior to trading will adversely impact the timing of trade implementations and will limit Allworth's ability to achieve the same execution price as accounts managed on a discretionary basis.

## **Item 17 – Voting Client Securities**

In limited instances, Allworth will vote proxies on a client's behalf. Clients that retain proxy-voting responsibilities will receive all issuer communications directly from their custodian.

When charged with the responsibility to vote proxies on behalf of its clients, Allworth will vote such proxies through an independent, unaffiliated third-party voting service ("Broadridge") in accordance with policies and recommendations determined by Broadridge. Broadridge endeavors to make vote recommendations in a manner that is reasonably designed to eliminate any potential conflicts of interest. Broadridge is required to establish and maintain adequate internal controls and policies in connection with the provision of proxy voting services to Allworth, including methods to reasonably ensure that its analysis and recommendations are not influenced by a conflict of interest. The policies include voting guidelines for matters relating to, among other things, the election of directors, approval of independent auditors, executive compensation, corporate structure and anti-takeover defenses. Broadridge has the ability to abstain from voting from time to time where it determines that the costs associated with voting a proxy outweigh the benefits derived from exercising the right to vote.

In situations where a conflict of interest arises between Allworth and a Client with respect to a particular security or a specific issue on the proxy ballot, the conflict of interest will be disclosed to the Client and Allworth will take direction from the Client on how to cast their vote.

A report summarizing each corporate issue and corresponding proxy vote is available to clients upon request by contacting Allworth's Compliance Department.

### **Class Actions**

A securities "class action" lawsuit is a civil suit brought by one or more individuals on behalf of themselves and others who have been similarly harmed by the issuer of a certain security. Clients retain the right under the applicable securities laws to initiate individually a lawsuit or join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for a client. Allworth will not initiate such a legal proceeding on behalf of any of its clients and does not provide legal advice to clients regarding potential causes of action against such a security issuer and whether its clients should join a class-action lawsuit. Allworth recommends clients seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit. Allworth's services do not include monitoring or informing its clients of any potential or actual class-action lawsuits against the issuers of the securities that were held, purchased or sold by or for any of its clients. However, upon a client's specific instruction, Allworth will provide factual information related to the individual client's investment history in the security underlying the individual or class-action lawsuit and provide assistance with the completion of a portion of certain class-action paperwork. At no time should such assistance by Allworth be deemed as a substitute for consulting with legal counsel.

## **Item 18 – Financial Information**

Registered investment advisers are required to provide clients with certain information or disclosures about the firm's financial condition. Allworth has no financial commitment that impairs its ability to meet contractual or fiduciary commitments to its clients and has never been the subject of a bankruptcy proceeding.