



# Regulation Best Interest Disclosure

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Alliant Securities, Inc. provides both brokerage and investment advisory services and is registered as a Broker-Dealer and investment adviser with the Securities and Exchange Commission (SEC). Alliant Securities, Inc. is also members of the Securities Investor Protection Corporation (SIPC) and Financial Industry Regulatory Authority (FINRA).

For information on our investment advisory services and how they differ from our brokerage services. Please review the Customer Relationship Summary (CRS) at <http://www.alliantsecurities.com/>. Our Form CRS contains important information about the types of services we offer, both brokerage and investment advisory, along with general information related to conflicts of interest, disciplinary action and other reportable legal information.

Please carefully review and consider the information in each section below.

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## Brokerage Services

When you establish a brokerage account with us, you can buy sell and hold investments within your account. The primary services we provide is our trading capability. We execute purchases and sales on your behalf and as directed by you. In a brokerage services relationship we can trade with you for our own account, for an affiliate or for another client and we can earn a profit on those trades. The capacity in which we act is disclosed on your trade confirmation. However, we are not required to communicate it in advance, obtain your consent or inform you of any profit earned on trades.

### Cash Brokerage Accounts

We provide brokerage services through a cash brokerage account. In a cash brokerage account, you must pay for your purchases in full at settlement date.

### Brokerage Account Types

We offer many different brokerage account types including individual and joint accounts, custodial accounts, Delivery vs Payment (DVP), estate and trust accounts, partnership accounts, individual retirement accounts and other types of retirement accounts as outlined in our account agreement(s) for more information concerning available account types speak with one of our financial advisers.

### Incidental Brokerage Services, Recommendations and Account Monitoring

Within your brokerage account we may also provide incidental services such as recommendations, to buy, sell, or hold assets.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

It is important for you to understand that when our financial advisers make a brokerage recommendation to you, we are obligated to ensure the recommendation is in your best interest, considering reasonably available alternatives and based on your stated investment objective, risk tolerance, liquidity needs, time horizon, tax status, and other financial information you provide us. You may accept or reject any recommendation. It is also your responsibility to monitor investments in your brokerage account, and we encourage you to do so regularly. We do not commit to provide ongoing monitoring of your brokerage account. If you prefer on-going monitoring of your account or investments, you should speak with a financial advisor about whether an advisory services relationship is more appropriate for you. Brokerage accounts do not have a minimum account size.

Please also consider that from time to time we may provide you with additional information and resources to assist you with managing your brokerage account. This may include but is not limited to educational resources, sales and marketing materials, performance reports, asset allocation guidance, and/or periodic brokerage account reviews. When we offer these services and information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings in your brokerage account, they do not contain specific investment recommendations about investment holdings, and you should not consider them a recommendation to trade or hold any particular securities in your brokerage account. Upon your request, we will review such information and reports with you and may provide you with investment recommendations, but we are not under a specific obligation to do so.

## Clearing Services

We have entered into an agreement with First Clearing (also referred to herein as "Clearing Agent") to carry your account and provide certain back office functions. We and First Clearing share responsibilities with respect to your account as set forth in the Designation of Responsibilities that was delivered to you upon opening of your account. Please refer to the Designation of Responsibilities for more information on how such responsibilities have been allocated between us.

## Understanding Risk

It is important for you to understand that all investment recommendations and activities involve risk, including the risk that you may lose your entire principal. Further, some investments involve more risk than other investments. Higher-Risk investments may have the potential for higher returns but also for greater losses. The higher your "risk tolerance," meaning the amount of risk or loss you are willing and able to accept in order to achieve your investment goals, the more you may decide to invest in higher-risk investments offering the potential for greater returns. We align risk tolerances with investment needs to offer you different investment objectives from which to choose (see below). You should select the investment objective and risk tolerance best aligned with your brokerage account goals and needs.

## Investment Objectives

Investment goals typically have different time horizons and different income and growth objectives. Generally, investment goals are on a spectrum, with "Income" investors typically holding the smallest percentage of higher-risk investments, followed by "Growth and Income" investors holding some higher-risk investments, and finally "Growth" investors holding a significant portion of their portfolio in higher-risk investments. Risk tolerance also varies, and we measure it on a continuum that increases from "Conservative" to "Moderate" to "Aggressive," and finally "Trading and Speculation." See below for details.

## Generally Associated Risk Tolerance

### Income Investment Objective

**Typical Investment Objective Description** - Income portfolios emphasize current income with minimal consideration for capital appreciation and usually have less exposure to more volatile growth assets.

- **Conservative** Conservative Income investors generally assume lower risk, but may still experience losses or have lower expected income returns.
- **Moderate** Moderate Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest income returns.
- **Aggressive** Aggressive Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.

### Growth and Income Investment Objective

**Typical Investment Objective Description** - Growth and Income portfolios emphasize a blend of current income and capital appreciation and usually have some exposure to more volatile growth assets.

- **Conservative** Conservative Growth and Income investors generally assume a lower amount of risk, but may still experience losses or have lower expected returns.
- **Moderate** Moderate Growth and Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest returns.
- **Aggressive** Aggressive Growth and Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.

### Growth Investment Objective

**Typical Investment Objective Description** - Growth portfolios emphasize capital appreciation with minimal consideration for current income and usually have significant exposure to more volatile growth assets.

- **Conservative** Conservative Growth and Income investors generally assume a lower amount of risk, but may still experience increased losses or have lower expected growth returns.
- **Moderate** Moderate Growth investors are willing to accept a modest level of risk that may result in significant losses in exchange for the potential to receive higher returns.
- **Aggressive** Aggressive Growth investors seek a higher level of returns and are willing to accept a high level of risk that may result in more significant losses.
- **Trading and Speculation** Trading and Speculation investors seek out a maximum return through a broad range of investment strategies which generally involve a high level of risk, including the potential for unlimited loss of investment capital.

Our recommendations are based in part on your risk tolerance and investment objective as outlined above. We encourage you to carefully consider your investment objective and risk tolerance before investing.

## Cash Sweep Program Feature

Our brokerage services include a Cash Sweep Program feature. This program permits you to earn a return on uninvested cash balances in your brokerage account by allowing cash balances to be automatically "swept" into a "Cash Sweep Vehicle," until such balances are otherwise required to satisfy obligations arising in your account. These Cash Sweep Vehicles include interest-bearing deposit accounts, and if permissible, money market mutual funds or such other sweep arrangements made available to you. You will receive additional information concerning the Cash Sweep Program in your account agreement(s). More information about the Cash Sweep Program can be found in the Cash Sweep Program Disclosure Statement available at <http://www.alliantsecurities.com/>. Please review that Disclosure Statement carefully.

## Account Minimums and Activity Requirements

There is no minimum initial account balance required to open a brokerage account with us. However, if you either fail to fund your account or do not return account opening documents as required, your account will be closed. In addition, some types of brokerage accounts have minimum account activity requirements and/or minimum on-going balance requirements that must be maintained, or your brokerage account will be closed. These requirements are detailed in the account agreement(s) you receive when you open your brokerage account.

You should also understand that our financial advisors may establish their own minimum account balance requirements for the brokerage accounts they service. For example, a dedicated financial advisor may choose to service only those brokerage account clients who satisfy account-specific or total household asset conditions. Minimum asset requirements are disclosed to you orally by your financial advisor.

## Brokerage Service Models and Products

Alliant securities offers full service and self-directed brokerage models. The same investment options are offered in each model.

## Brokerage Fees and Our Compensation

It is important to consider that while a brokerage relationship can be a cost-effective way of investing your assets, it is not for everyone given the fees and costs involved.

### Transaction-Based Fees

You will pay transaction-based fees for trades you decide to enter into, such as buying and selling stocks, bonds, Exchange Traded Products (ETPs), mutual funds and other investment purchases and sale. These transaction-based fees are generally referred to as a "commission," "mark up," "sales load," or a "sales charge." Transaction-Based fees are based on a host of factors, including, but not limited to:

- Underlying product selection
- Your brokerage service model and account type
- Size of your transaction and/or overall value of your account
- Frequency of your trade activity
- Available discounts and/or fee waivers

### Account and Service Fees

You will pay fees for various operational services provided to you through your brokerage account. These fees are set at least annually and communicated to you through information included in your account statement and other notifications. These fees do not apply to all account types and may be waived under certain conditions.

You should understand that based on the brokerage service model you choose, the same or similar products, accounts and services may vary in the fees and costs charged to you. For more information concerning our administrative and service fees, our Reg BI disclosure document is available at <http://www.alliantsecurities.com/>.

### How We Are Compensated

We receive direct and indirect compensation in connection with your accounts. Direct compensation is taken directly from the affected account. Indirect compensation is compensation paid in ways other than directly from the account and may impact the value of the associated investments in your account. The sections below describe the compensation that we receive in connection with various investments that may be available to you. In many cases, the descriptions that follow refer to a prospectus or offering documents.

### Financial Advisor Schedules

Commission Schedule for Stocks, Rights, Warrants, Secondary Market Closed End Funds (CEFs) and Exchange Traded Products (ETPs)

This schedule below details the commission charged to you and received by us and your financial advisor for trades of stocks, rights, and warrants.

## Equity Commission Schedule

Per Equity Trade	Transaction
0 to \$5,000	up to 3%
\$5001 to \$10,000	up to 2.75%
\$10,001 to \$20,000	up to 2.5%
\$20,001 to \$35,000	up to 2.25%
\$35,001 to \$50,000	up to 2%
\$50,001 to \$65,000	up to 1.5%
\$65,001 to \$99,999	up to 1.25%
\$100,000 and up	up to 1%

An additional \$12.50 transaction fee may be charged for each Equity Transaction.

Depending on the circumstances of the transaction, the broker may charge commissions that are less than those outline above.

## Debt Securities

The following guideline is to be used on all municipal, corporate and agency bonds effective immediately:

Principal \$ Amount of Transaction	Time to Maturity	
	0-5 years	5 Years or More
\$0 - \$9,000	2.50%	3.5% less \$35.00
\$9,001 - \$49,000	2.00%	3.00% less \$35.00
\$49,001 - \$99,999	1.75%	2.75% less \$35.00
\$100,000 or greater	1.5% or less	2.50% or lower less \$35.00

An additional \$12.50 transaction fee may be charged for each Bond Transaction.

### Notes:

- When Alliant Securities buys bonds from a client and the funds are either remitted to the client or held in their money market account for payout the markdown shall be subject to the above grid.
- A printed copy of the most recent bond activity (from a source such as EMMA or Bloomberg's MSRB) must be attached to all bond tickets.
- The general markup/markdown maximum guideline referenced above may not apply to select bond transactions given extra ordinary conditions and principal approval.
- If a customer is selling a bond and reinvesting the proceeds into one or more bonds, the RR must take into account the combined mark-up/mark-down in determining fair pricing to the customer. Generally the combined mark-up/mark-down should not exceed 3.5%.
- If a customer is selling a bond and reinvesting the proceeds into equities (*i.e.*, *Closed-End/Exchange Traded Funds, Common Stock, Preferred Stock etc.*) the RR must take into account the combined mark-down for the bond liquidation and commission for the equity purchase in determining fair pricing to the customer. In this case, the combined mark-down and commission should not exceed 3.5%.
- If a customer is selling a bond and reinvesting the proceeds into Investment Company Securities (*i.e.*, *Open End Mutual Funds*), and the customer qualifies for a BREAKPOINT (discount) where the brokers' concession is less than 3.5% or the customer is eligible to purchase the shares at a rate where the brokers' concession is less than 3.5%, the RR must take into account the combined mark-down for the bond liquidation and the broker concession for the mutual fund purchase in determining fair pricing to the customer. If the customer qualifies for a mutual fund purchase as described above, the combined mark-down and broker concession should not exceed 3.5%.

## Mutual Funds

We currently offer thousands of mutual funds varying in share class structure and investment style. If you invest in mutual funds, we may receive direct and indirect compensation in connection with such mutual fund investments, as described below.

## 12b-1/Shareholder Service Fees

Annual 12b-1 fees, also known as trails, are paid by the fund and paid to us out of fund assets under a distribution and servicing arrangement to cover distribution expenses and sometimes shareholder service expenses that we may provide on the fund's behalf. Shareholder servicing fees are paid to respond to investor inquiries and provide investors with information about their investments. These fees are asset-based fees charged by the fund family. These fees range from 0.00% to 1.00%, but the majority of these fees are below 0.85%. These fees may be passed on to us and may in turn be passed on to your Financial advisor as a commission.

## Front-End Sales Charge Fees or Contingent Deferred Sales Charges (CDSC)

Front-End sales charge fees may be charged and paid to us, including your Financial advisor, when you purchase a fund. The front-end sales charge is deducted from the initial investment on certain share classes. This charge normally ranges from 0.00% to 5.75%. Some purchases may qualify for a reduced front-end sales charge due to breakpoint discounts based on the amount of transaction and rights of accumulation. In addition, some purchases may qualify for a sales charge waiver based on the type of account, and/or certain qualifications within the account. You should contact your Financial advisor if you believe you are eligible for sales charge waivers.

## Annuities

Our annuities consist of variable annuities. Under arrangements with insurance companies, we, including your Financial advisor, receive commissions from the insurance companies for the sale of annuities, as well as trail commissions, and they are considered indirect compensation. Commissions and trails paid to us vary by product type and may vary by insurance carrier.

## Unit Investment Trusts (UITs)

Our UITs consist of Equity and Fixed-Income UITs. We, along with your financial advisors, are compensated in ways that vary depending on the type and terms of the UIT portfolio selected. The types of fees received by us are described below and are disclosed via the prospectus issued by the UIT provider. Your financial advisor can provide you a copy of the most recent prospectus. The UIT provider deducts fees as compensation from the proceeds available for investments for marketing and distribution expenses, which may include compensating us as described in each UIT prospectus.

## Cash Sweep Program/Bank Deposit Sweep/Other Float Compensation

We receive fees and other financial benefits under the different sweep vehicles. Your financial professional is compensated on assets in your account including assets in the Cash Sweep Program. Because of the fees and benefits, Alliant and the Clearing Agent have a financial incentive to offer the particular sweep vehicles included in our Cash Sweep Program. Please refer to Your Account Documents Brochure, Cash Sweep Program Disclosure Statement that was delivered to you upon account opening.

## Operational Fees

In certain cases, we receive partial compensation for various operational services provided to you through a brokerage account. Some of such services that charge a fee might include the following:

- Annual Inactivity Fee
- Account Transfer Fee (ACATS to another Broker-Dealer)
- Postage and Handling

For more information regarding account fees for brokerage services, please contact us at 1-800-345-9734.

## Trade Corrections

In unusual circumstances a trade error may occur in your account. In such event Alliant securities, Inc. may correct the error by putting the account, including plan accounts, into the same or similar position that the account would have been in had the error not occurred. If the trade error results in a loss in your account, Alliant Securities, Inc. will retain such loss. If a trade error results in a gain in your account, Alliant Securities, Inc. will retain such gain, resulting in a financial benefit to Alliant Securities, Inc.

## Compensation for Termination of Services

Other than any contingent deferred sales charge for a fund (as described under the Mutual Funds section above, if applicable), IRA termination fees (when applicable), and account transfer fees, the firm would not receive any additional compensation in

connection with the termination of its services. If you have questions or need additional copies, contact your financial advisor.

## Brokerage – Excluded Advisory Assets

As described above, our brokerage services differ from our advisory services. However, in some instances we may allow an advisory client to trade what are referred to as “excluded assets” within their advisory services account. Excluded assets are not subject to our advisory program fees. Instead of our advisory fees, these excluded assets are subject to our standard brokerage charges when traded.

## Conflicts of Interest

Conflicts of interest exist when we provide brokerage services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially adverse to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you.

Our conflicts of interest are typically the result of compensation structures and other financial arrangements between us, our financial advisors, our clients and third parties. We offer a broad range of investment services and products and we receive various forms of compensation from our clients, affiliated and non-affiliated product providers and money managers, and other third parties as described above. Securities rules allow for us, our financial advisors, and our affiliates to earn compensation when we provide brokerage services to you. However, the compensation that we and our financial advisors receive from you varies based upon the product or service you purchase, which creates a financial incentive to recommend investment products and services that generate greater compensation to us.

We are committed to taking appropriate steps to identify, mitigate and avoid conflicts of interest to ensure we act in your best interest when providing brokerage recommendations to you. Below you will find additional information related to our conflicts of interest. This information is not intended to be an all-inclusive list of our conflicts, but generally describes those conflicts that are material to your brokerage relationship. In addition to this disclosure, conflicts of interest are disclosed to you in your account agreement(s) and disclosure documents, our product guides and other information we make available to you.

## Compensation We Receive From Clients

### Transaction-Based Conflicts

In your brokerage account you pay certain fees (commissions and sales charges) in connection with the buying and selling of each investment product, including mutual funds, variable annuities, alternative investments, exchange traded funds, equity securities, and bonds. Where these fees apply, the more transactions you enter into, the more compensation that we and your financial advisor receive. This compensation creates an incentive for us to recommend that you buy and sell, rather than hold, these investments. We also have an incentive to recommend that you purchase investment products that carry higher fees, instead of products that carry lower fees or no fees at all.

### Markups and Markdowns for Principal Transactions

When you buy or sell securities in a brokerage account, and in accordance with industry regulations, we may impose a markup (increase) or markdown (decrease) in the price of transactions we execute on a principal basis. We are compensated based upon the difference (markup) between the price you pay for securities purchased from us and the price we sell such securities to you over the prevailing market price, or the difference (markdown) between the price you sell securities to us and the price we purchase such securities from you over the prevailing market price. We maintain policies and procedures reasonably designed to help ensure compliance with the markup and markdown industry rules.

### Account Maintenance and Other Administrative Fees

For the services we provide or make available to you with respect to your brokerage account, we charge certain account maintenance and other administrative fees, including transfer, wire, or other miscellaneous fees, as described in the fee schedule provided to you on an annual basis. The higher the fees we charge, the more we are compensated.

## Compensation We Receive from Third Parties

Third-Party payments we receive may be based on new sales of investment products, creating an incentive for us to recommend you buy and sell, rather than hold, investments. In other cases, these payments are made on an ongoing basis as a percentage of invested assets, creating an incentive for us to recommend that you buy and hold investments (or continue to

invest through a third-party manager or adviser).

The total amount of payments we receive varies from product to product, and varies with respect to the third-party investment management products we recommend. It also varies from the compensation we receive in connection with other products and services we may make available to you, including advisory services. We have an incentive to recommend investment products and services that generate greater payments to us. This compensation generally represents an expense embedded in the investment products and services that is borne by investors, even where it is not paid by the Product Sponsor and not directly from the investment product or other fees you pay. The types of third-party compensation we receive include:

- **Revenue Sharing.** None.
- **Trail Compensation.** Ongoing compensation from Product Sponsors may be received by us and shared with our financial advisors. This compensation (commonly known as trails, service fees or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets. The amount of this compensation varies from product to product. We have an incentive to recommend that you purchase and hold interests in products that pay us higher trails.

#### Additional Compensation from Product Sponsors and Other Third Parties

- Not applicable to Alliant Securities, Inc. business practices and procedures.

#### Product Share Classes

Some Product Sponsors offer multiple structures of the same product (*i.e.*, *mutual fund share classes*) with each option having a unique expense structure, and some having lower costs to you as compared to others. We are incentivized to make available those share classes or other product structures that will generate the highest compensation to us.

#### Compensation Related to Proprietary Products

Financial advisors have an incentive to recommend you rollover assets from a Qualified Retirement Plan (QRP) to a brokerage Individual Retirement Account (IRA) because of the compensation they will receive. We maintain policies and procedures designed to ensure that rollover recommendations are in your best interest.

Brokerage accounts, unlike advisory accounts, do not feature an on-going fee based on assets under management. Financial advisors are incentivized to recommend you transition your brokerage services account to an advisory account to generate on-going revenue where your brokerage account has minimal activity. Further, financial advisors are incentivized to recommend you transition your brokerage account to an advisory account after you have already placed purchases resulting in commissions and/or other transaction-based brokerage fees. We have controls established to identify and mitigate this risk. Financial advisors also have an incentive to provide higher levels of service to those clients who generate the most fees.

#### Other Financial Advisor Activities

Financial advisors may be motivated to place trades ahead of clients in order to receive more favorable prices than their clients.

Financial advisors who are transitioning through a succession plan may be incentivized to make brokerage recommendations designed to increase the value of their "book of business" through asset accumulation or brokerage trades that are not in your best interest. Financial advisors who receive clients from a retiring financial advisor are incentivized to meet growth goals and may make recommendations not in your best interest.

Internal campaigns and recognition efforts incentivize financial advisors to engage in activities to reach incentive goals.

## Additional Resources

Form CRS

<http://www.alliantsecurities.com/>

Legal Disclosures

<http://www.alliantsecurities.com/>

Cash Sweep Program

<https://www.wellsfargoclearingservicesllc.com/bw/fccs/forms/568205.pdf>