

**Allstate Financial Advisors, LLC**

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Lincoln, NE 68506**

**This brochure provides information about the qualifications and business practices of Allstate Financial Advisors, LLC (“AFA”), a Registered Investment Adviser. Registration does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 877-525-5727. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“U.S. SEC”) or by any state securities authority.**

**Additional information about Allstate Financial Advisors, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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## **Advisory Business**

Allstate Financial Advisors, LLC, ("AFA" or "the Firm") offers investment advisory services to individuals, trusts, estates, charitable organizations, corporations, and other business entities. The Firm is a limited liability company formed under the laws of the State of Delaware and was founded in 1999. This brochure provides clients with information regarding the Firm and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of the Firm. AFA is a wholly-owned subsidiary of Allstate Insurance Company, which is a wholly-owned subsidiary of Allstate Insurance Holdings, LLC, which is a wholly-owned subsidiary of The Allstate Corporation, a publicly held company. As of December 31, 2019, AFA managed approximately \$36,540,366 on a non-discretionary basis. Currently, AFA offers non-discretionary investment advisory services provided under the Envestnet Managed Account Solutions program, but may offer additional investment advisory services in the future. If interested in other investment advisory services AFA may offer, please contact the Firm at (877) 525-5727.

## **Envestnet Managed Account Solutions Program**

AFA refers clients in need of asset management services to Envestnet Asset Management, Inc. ("Envestnet"), a third-party investment adviser registered with the Securities and Exchange Commission. AFA, through its Investment Advisor Representatives ("IARs"), ascertain the client's financial position and assess the client's investment needs and objectives, investment limitations, and risk tolerance by preparing a profile questionnaire. Once this information has been obtained from the client, AFA submits the profile questionnaire electronically to Envestnet for analysis and investment management services through Envestnet's Managed Accounts Solutions Program. Envestnet uses this information to provide a portfolio of mutual funds or exchange traded funds ("ETFs") for the client. Envestnet actively manages the client's portfolio on a fully discretionary basis, including exercising trading authority over the managed account. AFA does not provide day-to-day management of a client's account once the client has entered into an advisory agreement with Envestnet but provides continuing oversight over the management of the client's account by Envestnet.

## **Fees and Compensation**

AFA receives compensation pursuant to its agreement with Envestnet for referrals to Envestnet. This compensation, which is disclosed to the client in a separate disclosure document provided at the time of solicitation, is based on a percentage of the client's managed assets. Fees paid by the client to Envestnet are established and payable in accordance with Envestnet's Form ADV Part 2A or other equivalent disclosure document.

## **Performance Based Fees**

AFA does not charge performance-based fees to any clients.

## **Types of Clients**

With regard to the Envestnet Managed Account Solutions program, AFA provides these services to individuals, trusts, estates, charitable organizations, and corporations and other business entities.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

Investment Advisor Representatives (“IARs”) of AFA monitor the portfolios managed by Envestnet against the criteria established by the client in the profile questionnaire. The advisory services offered by AFA are limited to recommending the Envestnet Managed Account Solutions program and the portfolio of mutual funds or ETFs actively managed by Envestnet.

Specific sources of information, research and analysis methods, and investment strategies employed by Envestnet’s asset managers are disclosed in Envestnet’s Form ADV Part II or other equivalent disclosure document.

The investment performance of securities, including mutual funds and ETFs, is not guaranteed, and past performance of securities does not guarantee or predict future performance. Investing in securities involves a risk of loss that clients should be prepared to bear.

AFA relies on information provided by Envestnet and AFA may have limited access to information about Envestnet’s strategies and operations. In addition, failure by Envestnet (or another service provider) to perform their contractual obligations in a timely manner or at a satisfactory quality level may result in AFA being unable to adequately provide investment advice consistent with disclosures to clients.

AFA depends upon digital and network technology to conduct its day to day business operations and to fulfill its ongoing obligations. The use of this technology presents a potential risk to AFA from cyberattacks. Breaches in AFA’s systems resulting from cyberattacks may result in incidents including, but not limited to disclosure of clients’ personally identifiable information, misappropriation or destruction of data, and operational disruption.

### **Disciplinary Information**

There are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of AFA’s advisory business or the integrity of AFA’s management.

### **Other Financial Industry Activities and Affiliations**

Allstate Financial Services, LLC (“AFS”), and AFA, are all affiliates and indirect wholly owned subsidiaries of The Allstate Corporation. AFS is a FINRA registered broker-dealer. A number of officers of AFA are also officers of AFS. Additionally, IARs of AFA are also licensed to sell securities through AFS and are licensed as insurance agents with third party insurance companies. These individuals spend the majority of their professional time offering securities and insurance products through such affiliations. As a result of such sales activity, such individuals receive normal and customary compensation in the form of commissions and/or other compensation.

### **Code of Ethics. Participation or Interest in Client Transactions and Personal Trading**

Allstate Financial Advisors, LLC has adopted a Code of Ethics which is distributed to all associated persons of AFA. The Code of Ethics generally prohibits any associated persons from acting in a manner that places their own interests or the interests of AFA ahead of a Client. This includes restrictions against associated persons using information about AFA's practices or recommendations for Client accounts for their own benefit; or taking advantage of investment opportunities that would otherwise be available for the Firm's clients. Also, as a matter of business policy, the Firm wants to avoid even the appearance that the Firm, its employees or others receive any improper benefit from information about client trading or accounts or from our relationships with our clients or with the brokerage community. AFA will provide a copy of its Code of Ethics to any client or prospective client upon request.

The Firm's business is limited to recommending investments in mutual funds and ETFs, which AFA believes present little opportunity for improper trading. Therefore, although the Firm believes that any conflict of interest that may be present would be very limited, AFA has implemented a personal trading policy that requires all associated persons to disclose any personal securities transactions in Reportable Securities to the firm, at least quarterly. In addition, all associated persons must report all personal trading accounts of the associated person or his/her immediate family members living in the same household that hold, or can hold, Securities, and holdings in all Reportable Securities, initially within 10 days of becoming an associated person and by February 14 of each year, as of a date no more than 45 days prior to such reporting.

### **Brokerage Practices**

AFA does not select or recommend broker-dealers for client transactions. AFA's investment advice is limited to recommending that its clients enter into contractual advisory relationships with Envestnet to participate in the Envestnet Managed Accounts Solutions Program. Upon the client's approval, AFA ensures such advisory contracts are prepared and executed by all involved parties. Envestnet executes all transactions in client portfolios participating in the Envestnet Managed Accounts Solutions Program.

### **Review of Accounts**

Investment Advisor Representatives of AFA are responsible for reviewing the activity in the AFA client accounts and evaluating the account performance to ensure that the holdings are appropriate for the client. IARs are available for consultation as needed and will contact the client at least annually to update the client's financial profile. AFA will contact each client, in writing, with a request to notify the firm if their financial profile or investment objectives have changed. Additionally, AFA compliance personnel conduct surveillance monitoring through the quarterly review of account activity and holdings to review fees charged and trading activity.

Clients will receive a quarterly brokerage statement from National Financial Services, LLC and a quarterly report from Envestnet. The methods of review of accounts by Envestnet are disclosed in Envestnet's Appendix 1 of Form ADV or other equivalent disclosure document.

**Client Referrals and Other Compensation**

No client referral fees are paid or received related to AFA's advisory clients.

**Custody**

AFA does not have custody of any client funds or securities.

**Investment Discretion**

AFA does not accept discretionary authority to manage its advisory client accounts.

**Voting Client Securities**

Neither AFA nor Envestnet accepts any proxy voting authority and will not take any action or give you any advice about the voting of proxies solicited by the mutual funds or ETFs in your account. You or your named fiduciary expressly retain the right and obligation to vote these proxies to the extent consistent with applicable law.

You are solely responsible for responding to any class action lawsuits, mergers, acquisitions, tender offers, bankruptcy proceedings or other events for the mutual funds or ETFs in your account.

**Financial Information**

AFA does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and, therefore, is not required to provide a balance sheet for its most recent fiscal year. AFA is not aware of any financial condition that would impair its ability to continue to provide advisory services to its clients.