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**FORM ADV – PART 2A**

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November 16 , 2020

This brochure provides information about the qualifications and business practices of Conceptual Financial Advisors, LLC (“**Conceptual**”). If you have any questions about the contents of this brochure, please contact us at (920) 731-9500. 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.

Additional information about Conceptual (CRD No. 167513), including a copy of its Form ADV Part 1, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

*Conceptual is a registered investment adviser. Registration of an investment adviser does not imply any certain level of skill or training.*

## ITEM 2. MATERIAL CHANGES

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The following information has been updated since the last annual updating amendment to this brochure filed February 7, 2020:

- **Item 12:** Conceptual has elected to participate in the TD Ameritrade Institutional program offered to registered investment advisors. Item 12 has been substantially revised to further describe this program as it relates to the services provided by Conceptual and benefits it receives from its participation in it.

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#### **ITEM 4. ADVISORY BUSINESS**

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Conceptual Financial Advisors, LLC (“**Conceptual**”) is a Wisconsin limited liability company offering investment consulting, financial planning and investment management services on a wrap fee basis. Services are available to a wide variety of clients. Conceptual became registered to provide advisory services in April, 2013. Conceptual is wholly owned by Chad L. Nehring. The advisory services of Conceptual are described in detail below.

Conceptual acts as portfolio manager for and sponsor of a wrap fee program, which is an investment program where the client pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. However, this brochure describes Conceptual’s non-wrap fee advisory services; clients utilizing Conceptual’s wrap fee portfolio management should see Conceptual’s separate Wrap Fee Program Brochure. Conceptual manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than it would manage non-wrap fee accounts. Conceptual receives the advisory fee set forth in Item 5 below as a management fee under the wrap fee program. Please also see Item 5 and Item 12 of this brochure.

As of December 31, 2019, Conceptual had \$73,501,204 of assets under discretionary management and it advised on additional \$9,531,523 of retirement plan assets.

##### ***Comprehensive Advisory Services***

For clients having a need for financial advice involving more than an analysis of a particular investment or financial situation, Conceptual provides Comprehensive Advisory Services. As the name of the service implies, Conceptual's Comprehensive Advisory Service usually includes, but is not limited to, an analysis of a client's existing assets, investment objectives, insurance, investments, cash flows, retirement funding, estate plans, accumulation of funds for special goals and tax situation. The scope of Conceptual's comprehensive plan is as broad and detailed as a client wishes it to be. Most often, Conceptual's comprehensive plans address most material aspects of a client's financial situation. For clients having a large or highly-diversified securities portfolio, as part of the service, Conceptual prepares written asset allocation recommendations which assist a client in arriving at an asset mix designed to achieve the client's investment objective. Conceptual may decide that a client's portfolio is too heavily weighted in stocks or that more long or short-term investments should be made. Conceptual also usually analyzes a client's education and retirement funding arrangements and insurance coverage to ensure that they will meet the client's needs. To the extent requested by a client, Conceptual will work with the client's accountant or attorney while completing a plan. Most comprehensive plans and follow-up meetings to discuss the plan are completed within five months after an agreement is signed.

##### ***Follow-up Services***

Clients who have already received Conceptual's Comprehensive Advisory Services may wish to retain Conceptual on an ongoing basis to receive advice during the year as the need for advice arises. Follow-up services include periodic consultations to update the client on the progress in implementing their financial plan and adjust the plan as necessary to attempt to meet the client's objectives. Meetings and reports occur during the year as mutually agreed upon between the client and Conceptual before services begin.

##### ***MyFirstFinancialPlanner.com Service***

This service is for clients interested in finding out more about the financial planning process and receiving their first financial plan. Using a secure website clients will be able to enter their financial information electronically. The information is then analyzed by a Conceptual Representative and a truncated financial plan is developed. The plan is either delivered by an in-person meeting or via web conference with clients. All reports under this service are delivered electronically unless otherwise requested. Clients are under no obligation to purchase recommended products through Conceptual Representatives. Implementation of the financial plan recommendations is left entirely to the client's discretion.

Conceptual also offers an annual update which includes one meeting and 30 minutes of additional staff time. And two levels of Financial Planning and Asset Management. Level 1 for assets up to \$50,000 includes one meeting, 2 hours of staff time and the choice of one of four model portfolios utilizing indexed funds, rebalanced annually; or Level 2 for assets of \$50,000 to \$100,000 involves the same service but on an alternate fee schedule as noted below.

### ***Project Advisory Services***

For clients wishing to receive advice about a specific financial situation Conceptual will provide such services in the scope requested by the client. Project Advisory Services are useful to clients wishing to expand the subjects covered by Comprehensive or Follow-Up Services provided by Conceptual. Project Advisory Services can address:

- Financial goal clarification and financial problem solving.
- Cash-flow planning.
- Investment planning, including written investment objectives, investment policies and asset allocation.
- Adequacy of insurance.
- Retirement planning.
- Education planning.
- Estate planning.

Clients specify the project advisory services desired in the advisory services agreement.

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

Conceptual also services retirement plan accounts. Conceptual can perform non-discretionary ERISA Section 3(21) investment advisory services at the plan level as described below.

- Conceptual will advise, if necessary, about the need for a written investment policy statement and assist with the preparation of a statement.
- Conceptual will advise of appropriate investment categories for a retirement plan consistent with the client's adopted policy statement.
- Conceptual will advise clients of appropriate assets/investment instruments which are consistent with the investment categories selected by the client.
- Conceptual will monitor performance of the investment choices of the client and provide periodic advice regarding possible changes to the investment selections.
- Clients have ultimate authority for selecting the investments for their retirement plan.
- Conceptual will meet with representatives of the client, at intervals mutually acceptable to the client and Conceptual, to discuss investment performance.
- Conceptual will provide clients instruction on how to access performance of investments using the internet.
- Conceptual will assist clients with selection of any plan services providers, if needed.
- Conceptual will provide education to client's retirement plan participants about general investment principals and investment alternatives available under the retirement plan. Conceptual's assistance in participant education will be consistent with the scope of the definition of investment education found in Department of Labor Interpretive Bulletin 96-1. Conceptual will not provide individual investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the retirement plan.

## **ITEM 5. FEES AND COMPENSATION**

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This brochure describes Conceptual's non-wrap fee advisory services. Fees paid to Conceptual are for Conceptual advisory services only. The fees do not include, for example, the fees charged by third parties, such as accountants and attorneys, assisting with providing the client with accounting and legal advice.

Commissions on transactions and other account fees will also be charged by brokerage firms in accordance with the account's brokerage firm's normal commission schedule.

Although Conceptual believes its services are competitively priced, clients may be able to obtain similar advisory and brokerage services at higher or lower prices if acquired elsewhere. Because Conceptual's fees are negotiable, clients may pay more or less than other clients receiving similar services.

Prospective clients should be aware in addition to Conceptual's fees, each mutual fund in which a client's assets are invested also pays its own advisory fees and other expenses which have already been deducted from the fund's reported performance and, depending on the fund, a client may be able to invest directly in a fund's shares without incurring any advisory fees.

### ***Comprehensive Advisory Service Fees***

Conceptual's fee for providing Comprehensive Advisory Services is negotiable and is estimated in advance. The fee is determined based upon the nature and scope of services requested at an hourly fee which ranges between \$200 to \$300 per hour for investment advisor representatives and paraprofessional time at \$75 per hour. A flat fee may also be negotiated. One half the estimated fee is due at the time the service agreement is signed, with the balance due promptly after the final invoice is sent to the client. Fees for Comprehensive Advisory Services usually range from \$2,500 to \$5,000 per client. Clients pay the fee directly rather than having their account debited.

In the event of contract termination, which can occur by thirty days advance written notice from one party to the other, unearned prepaid fees are returned to the client and the client is obligated to pay any earned fee not yet paid.

### ***Follow-Up Service Fees***

Fees for Follow-Up Services are negotiable and billed at \$200-\$300 per hour for advisor representatives and \$75 per hour for paraprofessional time, depending on the scope and complexity of the advisory services requested. Payments are due Conceptual promptly after the invoice is sent to a client.

In the event of contract termination, which can occur by 30 days advance written notice from one party to the other, clients are obligated to pay Conceptual all fees earned but not yet paid to Conceptual.

### ***MyFirstFinancialPlanner Service Fees***

Fees for MyFirstFinancialPlanner Services are charged at a flat rate of \$350. The fee is due at the time of contract signing. The client can also request an annual update for \$350 per year.

Level 1 planning is a flat rate of \$500, payable at the time of contract signing. Level 2 planning is an annual asset based fee of 1% of assets under review charged quarterly. Asset based Fees are calculated on the basis of the market value of the assets under review, including any cash balances held in a money market fund. The initial fee is charged from the first day of the quarter after assets have been received into the account. Thereafter, fees are payable quarterly and are based upon the market value of assets as of the last business day of the immediately preceding calendar quarter. Assets deposited to or withdrawn from the accounts under review exceeding \$10,000 during any billing period are charged a prorated fee based upon the number of days services were provided to those assets.

In the event of contract termination, which can occur by written notice from one party to the other, unearned prepaid fees are returned to the client and the client is obligated to pay any fee earned by Conceptual but not yet paid.

### ***Project Advisory Service Fees***

Conceptual's hourly fee for providing Project Advisory Services is negotiable and ranges from \$200-\$300 per hour. A flat fee may also be negotiated. The estimated fee is quoted in advance and is based on the scope and nature of advisory services requested. One half the estimate is due before services begin with the balance due promptly after delivery of Conceptual's final invoice.

In the event of contract termination, which can occur by 30 days advance written notice from one party to the other, unearned prepaid fees are returned to the client and a client is obligated to pay any earned fee not yet paid.

### ***Retirement Plan Consulting Service Fees***

Fees for Retirement Plan Consulting Services are charged as either a flat fee retainer or as an asset based fee as determined by the client in the Services Agreement.

Flat fees are negotiated based on the scope and complexity of the plan. Flat fees may range from \$1,000 to \$10,000. Fees are payable quarterly in advance based on the annual flat fee as determined in the Services Agreement.

Asset based fees are charged based on the plan assets under consultation at a maximum annual fee of 1.6%, payable quarterly in advance. The initial fee is charged from the first day of the month after assets have been received into the account. Thereafter, fees are payable quarterly based upon the market value of the assets in the account as of the last business day of the immediately preceding calendar quarter.

Clients authorize the client's account custodian(s) to deduct any and all fees when due from assets held in the account. Clients also authorize Conceptual to liquidate, without obtaining prior permission from client, money market funds and other securities in the Account in amounts sufficient to cover Conceptual's fees.

The fee excludes all transaction costs including brokerage commissions and other account-servicing costs. Such brokerage costs, if any, and the costs or charges not included in the fee are separately charged to the account. Commission rates charged by the custodian may be higher or lower than available elsewhere. Conceptual retains the right to amend or modify the schedule of fees upon ninety (90) days advance written notice to a client.

If for any reason, a client decides to terminate the Retirement Plan Consulting Services agreement with Conceptual, client may do so by written notice at least thirty (30) days prior to the date on which termination is to be effective to Conceptual. Conceptual can also terminate the agreement by written notice at least thirty (30) days prior to the date on which termination is effective to the client. Upon termination, Conceptual is responsible for returning to client the unearned fees prorated to the date of termination.

### ***Other Compensation***

Conceptual does not receive any compensation for securities or insurance products sales, but Representatives of Conceptual may also be licensed to sell securities and insurance products and will receive commissions for the sale of such products. Representatives may recommend both load and no-load mutual funds. Thus, when recommending securities and insurance products, Representatives have a financial incentive to do so and this creates a conflict of interest. Fees are not discounted by the amount of commissions earned, such products may be available from other sources at lower or higher prices.

## **ITEM 6. PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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Conceptual does not charge any performance-based fees. All fees are disclosed above.

## **ITEM 7. TYPES OF CLIENTS/MINIMUM ACCOUNT SIZE**

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Conceptual makes its advisory services available to a wide variety of clients including, but not limited to, individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

Conceptual generally does not have any minimum account size requirements, but for Conceptual's Comprehensive Advisory Services there is a minimum fee of \$500.

## ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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Conceptual's security analysis methods include, but are not limited to, fundamental analysis (evaluating securities based upon its historical and projected financial performance); and cyclical analysis (determining the desirability of an issue based upon the status of an issue within the price cycle the security or similar securities have followed historically).

Conceptual's main sources of information include, but are not limited to, financial newspapers and magazines, research materials prepared by others, corporate rating services, and reports prepared by other professionals such as the client's accountant or attorney and other investment advisers.

Conceptual does not guarantee the results of the advice given. Losses can occur by investing in any security or by following any strategy, including those recommended or applied by Conceptual.

Material Risks of Investment Instruments - we may effect transactions in the following types of securities:

- **Equity Securities** - Investing in individual companies involves risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.
- **Mutual Funds** - Investing in mutual funds carries inherent risk. The major risks of investing in mutual funds include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of the individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.
- **Exchange-Traded Funds** - Exchange-traded funds (ETFs) are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro-rata portion of the other investment company's advisory fee and other expenses, in addition to their own expenses. Investment in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral, and the liquidity of the supporting collateral.
- **Fixed Income Securities** - Fixed income securities carry additional risks other than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S. or foreign), and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity, the less volatile the price swings. Foreign bonds have liquidity and currency risk.
- **Corporate Debt Securities, Commercial Paper and Certificate of Deposit** - Corporate debt securities, commercial paper, and certificates of deposit carry additional risks other than those of equity securities described above. The risks include the company's ability to retire its debt at maturity,



the current interest rates environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S. or foreign), and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity, the less volatile the price swings. Foreign bonds have liquidity and currency risk. Commercial paper and certificates of deposit are generally considered safe investments, although they are subject to the level of general interest rates, the credit quality of the issuing bank, and the length of maturity. With respect to certificates of deposit, depending on the length of maturity, there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

- **Municipal Securities** - Municipal securities carry additional risks that those of corporate and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax-free at the federal level but may be taxable in individual states other than the state in which both the investor and municipal issuer is domiciled.
- **Variable Annuities** – Variable Annuities are long-term financial products designed for retirement purposes. In essence, annuities are contractual agreements in which payment(s) are made to an insurance company that agrees to pay out an income or a lump sum amount at a later date. There are contract limitations, fees, and charges associated with annuities, administrative fees, and optional benefits. They also may carry early withdrawal penalties and surrender charges and carry additional risks such as the insurance carrier's ability to pay claims. Moreover, variable annuities carry investment risk similar to mutual funds. Investors should carefully review the terms of the variable annuity contract before investing.

## **ITEM 9. DISCIPLINARY INFORMATION**

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Neither Conceptual nor any of its representatives have been subject to any disciplinary proceedings material to a client or potential client's evaluation of the firm.

## **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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Certain representatives of Conceptual also act as registered representatives of Fortune Financial Services, Inc. ("FFS"), a broker-dealer and FINRA/SIPC member. The products recommended by Conceptual, in financial plans or otherwise, may be available through FFS. If clients engage their representative at Conceptual to purchase securities products through FFS in the representative's capacity as a registered representative of FFS, their Conceptual representative will earn sales commissions in connection with those purchases which are separate from and in addition to advisory fees paid to Conceptual. Because of this, a conflict of interest exists in the advice provided by these representatives. To mitigate this conflict, Conceptual has enacted policies and procedures to place clients' interests ahead of those of the firm and its representatives. Further, clients are under no obligation to engage their Conceptual representative to execute their financial plans.

Certain representatives of Conceptual also act as licensed insurance agents. This activity creates a conflict of interest since there is an incentive to recommend insurance products based on commissions or other benefits received from the insurance company, rather than on the client's needs. Additionally, the offer and sale of insurance products by supervised persons of Conceptual are not made in their capacity as a fiduciary, and products are limited to only those offered by certain insurance providers. Conceptual addresses this conflict of interest by requiring its supervised persons to act in the best interest of the client at all times, including when acting as an insurance agent. Conceptual periodically reviews recommendations by its supervised persons to assess whether they are based on an objective evaluation of each client's risk profile and investment objectives rather than on the receipt of any commissions or other benefits. Conceptual will disclose in advance how it or its supervised persons are compensated and will disclose conflicts of interest involving any advice or service provided.

At no time will there be tying between business practices and/or services (a condition where a client or prospective client would be required to accept one product or service conditioned upon the selection of a second, distinctive tied product or service). No client is ever under any obligation to purchase any insurance product. Insurance products recommended by Conceptual's supervised persons may also be available from other providers on more favorable terms, and clients can purchase insurance products recommended through other unaffiliated insurance agencies.

#### **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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Representatives of Conceptual who provide advice to clients may also be registered as securities representatives of FFS and insurance salespersons. In this capacity, representatives may recommend a client purchase products available through FFS and insurance agencies and companies they represent. Thus, a conflict of interest exists when advice is provided that includes a recommendation investments be purchased through a firm the representative acts as a commissioned salesperson for. Clients are free to select any broker-dealer they wish.

Representatives and employees of the firm may buy or sell securities which they may also recommend to clients. To the extent transactions are contemplated for client's accounts, those transactions will be effected ahead of those anticipated for the firm or any of its representatives or employees.

Conceptual has supervisory procedures in place which are applicable to all Conceptual personnel who have access to confidential client records or to recommendations being made or contemplated for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm's staff, the procedures require that all employees and Representatives report all securities trades as they occur, and all positions in which they have a beneficial interest quarterly and annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities in clients' accounts.

#### **ITEM 12. BROKERAGE PRACTICES**

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Conceptual generally recommends that clients utilizing its investment management services establish brokerage accounts through TD Ameritrade, Inc. ("**TD Ameritrade**"), a registered broker-dealer and FINRA/SIPC member, but also recommends others, such as SEI Private Trust Company and Assetmark Brokerage, LLC, as appropriate (collectively referred to as "**Service Providers**"). Through its relationship with TD Ameritrade, Conceptual participates in the TD Ameritrade Institutional program which offers independent investment advisors certain services, including custody of securities, trade execution, clearance, and settlement of transactions.

There is no direct link between Conceptual's participation in the TD Ameritrade Institutional program and the investment advice Conceptual provides to its Clients, although Conceptual does receive certain economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include: receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to individual client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network to enter transactions and access client account information; access to mutual funds with no transaction fees and certain institutional money managers; as well as compliance, marketing, research, technology, and practice management products or services. Each of these benefits are provided by TD Ameritrade or third-party vendors and are available to Conceptual without cost or at a discount. In certain cases, TD Ameritrade may pay a third-party to provide Conceptual and its representatives business consulting or other professional services.

Some of the products and services made available by TD Ameritrade through the program may benefit Conceptual while not directly benefiting individual client accounts. These products or services may assist Conceptual in managing and administering its clients' accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Conceptual manage and further develop its business enterprise.

The benefits TD Ameritrade makes available to Conceptual and its representatives do not depend on the amount of brokerage transactions Conceptual clients execute through TD Ameritrade.

The receipt of economic benefits by Conceptual or its related persons creates a potential conflict of interest between Conceptual and its clients and may (directly or indirectly) influence its decision to recommend (or continue recommending) TD Ameritrade for custody and brokerage services. As part of its fiduciary duties to clients, Conceptual endeavors at all times to put the interests of its clients first.

Conceptual is not affiliated with any of the Service Providers and the Service Providers do not supervise Conceptual, its agents, or activities. Service Providers provide Conceptual with a range of services and other benefits to help it conduct its business. For instance, Service Providers may pay for or provide Conceptual with technology to service client accounts and streamline its operations. Also, Service Providers software may be used by Conceptual for order entry and client reporting purposes. These may include Service Providers' proprietary integrated analysis, trading and reporting system that allows Conceptual to communicate electronically with Service Provider. Service Providers also may offer investment research to help Conceptual make well-informed investment decisions for its accounts. Trained Service Providers representatives are available to provide administrative support to Conceptual. Service Providers may also assist Conceptual in its marketing activities, including providing marketing toolkits and other forms of marketing materials Conceptual may use or adopt for its purposes, co-sponsor events sponsored by Conceptual, or engage in joint marketing initiatives with Conceptual. Service Providers may assist Conceptual in joining its services platform and in completing documentation to enroll clients to receive its services, and this may include providing or paying for clerical staff to assist and, in some cases, paying account transfer fees or other charges Conceptual clients may have to pay when changing custodians or service providers.

In limited circumstances, Service Providers may also make direct payments to Conceptual. For example, it may reimburse Conceptual for reasonable travel expenses incurred when reviewing Service Providers' business and practices. Service Providers also may pay Conceptual for performing certain back-office, administrative, custodial support and clerical services for it in connection with client accounts for which

Service Providers act as custodian. These payments may create an incentive for Conceptual to favor certain types of investments over others.

These and other services Service Providers furnish provide benefits to Conceptual and may be made available at no fee or at a discounted fee and the terms may vary among advisors depending on the business they and their clients conduct and other factors. Service Providers' provision of these services and other benefits to Conceptual may be based on clients of Conceptual placing a certain amount of assets in accounts with Service Providers within a certain period of time. Conceptual may be influenced by this in recommending or requiring that clients establish accounts with Service Providers. Service Providers and Conceptual may agree to pricing (including commissions and transaction account and services fees) for Conceptual's client accounts at Service Providers based on the nature and scope of business Conceptual does with Service Providers, including the current and future expected amount of Conceptual's client assets in custody, the types of securities managed by Conceptual, and expected frequency of Conceptual's trading in client accounts. Service Providers may change this pricing and the services and other benefits it provides if the nature or scope of business of Conceptual's business with Service Providers changes or does not reach certain levels, in which case pricing for Conceptual's client accounts may increase to an amount Service Providers decide but not to exceed Service Providers' standard pricing for advisors that custody client

accounts with Service Providers.

For these reasons, Conceptual may have a conflict of interest when recommending Service Providers because use of any other firm could result in higher operating costs.

For further information about the programs and incentives available to Conceptual in managing accounts through Service Providers, clients may contact Conceptual directly.

Conceptual does not trade client's accounts or recommend broker/custodians, and therefore does not direct brokerage.

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### **ITEM 13. REVIEW OF ACCOUNTS AND REPORTS**

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For clients receiving Comprehensive or Project Advisory services, the initial review of the client's circumstances is usually performed by Mr. Nehring or another qualified representative of the firm, and the plan and follow-up meetings completed with the same persons approximately 2-5 months after the initial consultation. Follow-up Advisory Service account reviews are provided by the firm at intervals selected by a client. The number of accounts assigned to counselors vary with the size, investment objectives and activity of the accounts assigned and the experience of the counselor. Accounts receiving Investment Management services are monitored regularly by the client's account representative.

One written financial plan or project report is prepared in connection with Comprehensive or Project Advisory services. The scope of each report is decided between the client and Conceptual before services begin. The number and type of written reports prepared in connection with Follow-Up Advisory services are decided between the client and the firm as services are provided. Client accounts being managed by a third party manager are monitored at least quarterly. Investment holdings reports detailing security positions, and recommendations are discussed with a client at their request. Client reports for accounts being managed by third party managers are generated by the manager for the client at least quarterly. Each set of reports contains a portfolio appraisal detailing value of the account and other information. The reports are produced by the client's manager.

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### **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

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Please see item 12 for a discussion on additional benefits received from custodial and broker-dealer platforms.

Conceptual does not currently have any client referral relationships. Thus, it does not pay any fee to a third party for making client referrals to it.

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### **ITEM 15. CUSTODY**

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Conceptual does not take custody of client funds or securities. These safekeeping services are typically provided to managed accounts only by the brokerage firm processing the securities transactions ordered by Conceptual (i.e. the Service Providers described in Item 12).

When it deducts fees directly from client accounts at a selected custodian, Conceptual will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

To the extent a client receives any account or other investment ownership statements from Conceptual, Conceptual recommends the client carefully compare the report to the custodian's statements.

## **ITEM 16. INVESTMENT DISCRETION**

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Conceptual is only granted discretion with certain Investment Management Service accounts. Upon receiving written authorization from a client, Conceptual may manage a client's account on a discretionary basis. This means Conceptual's representatives will select the securities to buy and sell, the amount to buy and sell, and when to buy and sell them. Use of discretion does not give Conceptual authority to withdraw assets from the client's account other than for advisory fees it is due. Discretionary authority will be limited to purchases and sales of no load mutual funds, load funds at net asset value exchange traded funds, exchange traded notes, individual bonds, tradeable Master Limited Partnership shares and exchanges in variable annuity sub-accounts. Conceptual also has discretion to hire and terminate third party money managers.

Management program clients establish securities brokerage accounts with Service Providers. Service Providers executes the securities transactions and serves as custodian of the client's assets. In executing client transactions through Service Providers, clients may pay securities clearance and settlement fees in the form of a ticket charge on their transactions. Conceptual reserves the right to permit a client to direct securities brokerage transactions to other broker/dealers and/or utilize other custodial arrangements. In such situations, Conceptual may be unable to negotiate commissions or other fees and charges, and would not be able to conduct batched trades by combining the client's transactions with those of other Conceptual clients purchasing or selling the same securities. Conceptual may also be unable to provide timely monitoring of transaction activity and/or quarterly performance reporting.

Conceptual may recommend securities broker-dealers and other firms Conceptual believes can provide clients with products and services needed to implement Conceptual's recommendations in a timely and efficient manner. The firm may recommend securities transactions be effected by FFS with whom Representatives of Conceptual are also registered as securities representatives, and recommend insurance products offered by firms with whom representatives are licensed as insurance brokers. FFS has a wide range of securities products available and its representatives are required to adhere to these products. To the extent a client elects to use FFS or insurance firm's sponsoring Conceptual's Representatives, investment prices and commissions may be higher or lower than those obtainable from other brokers and executions may not be as efficient as obtainable from other brokers.

## **ITEM 17. VOTING PROXIES ON CLIENT SECURITIES**

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Conceptual and its Representatives do not vote proxies on behalf of clients who will receive such notices from their account's custodian. However, Conceptual will assist clients by answering questions they may have regarding the nature of a proxy and voting procedures.

Conceptual also does not take any action on legal notices it or a client may receive from issuers of securities held in a client's managed account. However, it is available to answer questions regarding such notices.

## **ITEM 18. FINANCIAL INFORMATION**

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Conceptual does not receive fees of more than \$500 six months or more in advance, thus no financial statement for Conceptual is attached. Conceptual does not have any financial condition that is reasonably likely to impair its ability to meet its contracted commitment to any client.

## **ITEM 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

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**Background Information.** See the attached Schedule(s) 2B for background information about management personnel -- those giving advice on behalf of Conceptual.

**Other Business.** Conceptual and its supervised persons are not engaged in any business not described in this brochure, and have no relationship with any issuer of securities.

**Legal Events.** Neither Conceptual nor any of its management persons has been involved with (1) any arbitration claim of any kind; (2) any self-regulatory organization or administrative proceeding of any kind not already disclosed in Item 9.

**Relationships.** Neither Conceptual nor any of its management persons have any relationship or arrangement with an issuer of securities.

## Appendix A. PRIVACY POLICY

FACTS	WHAT DOES CONCEPTUAL FINANCIAL ADVISORS LLC (“Conceptual”) DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number and employment information</li> <li>• Income, net worth and investment experience</li> <li>• Risk tolerance and retirement assets</li> </ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>	
How?	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Conceptual chooses to share; and whether you can limit this sharing.	
	Reasons we can share your personal information	Does Conceptual share?
	<b>For our everyday business purposes</b> —such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes
	<b>For our marketing purposes</b> —to offer our products and services to you	Yes
	<b>For joint marketing with other financial companies</b>	No
	<b>For our affiliates’ everyday business purposes</b> —information about your transactions and experiences	Yes
	<b>For our affiliates’ everyday business purposes</b> —information about your creditworthiness	No
	<b>For our affiliates to market to you</b>	Yes
	<b>For non-affiliates to market to you</b>	No
	*If your representative terminates his or her relationship with us and moves to another investment advisory firm, we or your independent representative may disclose your personal information to the new firm, unless you instruct us not to by returning the completed Privacy Choices Notice form attached to this notice.	
Questions?	Call 920-731-9500	

Who we are	
<b>Who is providing this notice?</b>	Conceptual Financial Advisors LLC (Conceptual)
What we do	
<b>How does Conceptual protect my personal information?</b>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We restrict access to your personal information to those employees who need it to perform their job responsibilities.</p>
<b>How does Conceptual collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• enter into investment advisory contract</li> <li>• apply for insurance</li> <li>• seek financial advice</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies.
<b>Non-affiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. Non-affiliates we share with can include companies such as vendors, and other service providers.
<b>Joint marketing</b>	<p>A formal agreement between non-affiliated financial companies that together market financial products or services to you.</p> <p>Our joint marketing partners include categories of companies such as insurance companies.</p>
Other important information	
Conceptual Financial Advisors LLC is a registered investment advisor.	



## If you want to limit our sharing

### Contact us

If you prefer that we not share your nonpublic personal information (except in those circumstances described previously that are permitted or required by law), please contact the Privacy Coordinator:

**By telephone:** 920-731-9500

**By mail:** Mark your choices below, fill in, and send the form to:

Conceptual Financial Advisors LLC  
Privacy Coordinator  
2561 E. Calumet St.  
Appleton, WI 54915

**Unless we hear from you, we can begin sharing your information 30 days from the date of this letter. However, you can contact us at any time to limit our sharing.**

## Check your choices

### Your choices will apply to everyone on your account

#### Check any/all you want to limit:

- Do not share information about my creditworthiness with your affiliates for their everyday business purposes.
- Do not allow your affiliates to use my personal information to market to me. (*I will receive a renewal notice for this use for marketing in 5 years.*)
- Do not share my personal information with non-affiliates to market their products and services to me.

Your name

Mail to:

Your address

  
  

Conceptual Financial  
Advisors LLC  
Privacy Coordinator  
2561 E. Calumet St.  
Appleton, WI 54915

Account number

**CONCEPTUAL FINANCIAL ADVISORS, LLC**

2561 E. Calumet St.

Appleton, WI 54915

Phone (920) 731-9500 Fax (920) 731-9504

[www.ontrackadvisor.com](http://www.ontrackadvisor.com)

[www.myfirstfinancialplanner.com](http://www.myfirstfinancialplanner.com)

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**FORM ADV – PART 2: APPENDIX 1**

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November 6, 2020

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Conceptual Financial Advisors, LLC (“**Conceptual**”). If you have any questions about the contents of this Brochure, please contact us at (920) 731-9500. 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.

Additional information about Conceptual (CRD No. 167513), including a copy of its Form ADV Part 1, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Conceptual is a registered investment adviser. Registration of an investment adviser does not imply any certain level of skill or training.

## **ITEM 2. MATERIAL CHANGES**

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There are no material changes in this brochure from the last annual updating amendment on February 7, 2020 of Conceptual Financial Advisors, LLC. Material changes relate to Conceptual Financial Advisors, LLC's policies, practices or conflicts of interests.

**ITEM 3. TABLE OF CONTENTS**

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#### **ITEM 4. SERVICE, FEES AND COMPENSATION**

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Conceptual Financial Advisors, LLC (“**Conceptual**”) is Wisconsin limited liability company offering investment consulting, financial planning and investment management services on a wrap fee basis available to a wide variety of clients. Conceptual became registered to provide advisory services in April 2013. Conceptual is wholly owned by Chad Nehring. The “wrap fee” management services of Conceptual are described in detail below. Another brochure, Form ADV Part 2A, available upon request, describes consulting, financial planning services.

As of December 31, 2019, Conceptual had \$73,501,204 of assets under discretionary management and it advised on additional \$9,531,523 of retirement plan assets.

##### ***Investment Management Services***

Conceptual provides clients with wrap fee portfolio management and reporting services by means of its Investment Management Services program. Conceptual provides continuous investment management services to clients wishing to have their assets managed on a discretionary or non-discretionary basis. Investment Management Services begin by Conceptual assisting each new client determine the client’s investment objectives. Conceptual then assists clients in establishing a securities account (“**Account**”) at a brokerage firm or annuity issuer designated by the client. Conceptual Representatives usually recommend that clients establish a brokerage account with TD Ameritrade, Inc. (“**TD Ameritrade**”), a registered broker-dealer and FINRA/SIPC member, and most clients do so. TD Ameritrade specializes in providing both securities custody and transaction execution services at competitive rates. Conceptual may also use the management and custodial services of SEI Private Trust Company, Assetmark, and Capital Bank & Trust Co. (collectively, “**Service Providers**”). Conceptual is not affiliated with any of the Service Providers and the Service Providers do not supervise Conceptual, its agents, or activities. Conceptual then manages the client’s investments in the account in a manner consistent with the client’s objectives and restrictions. While managing the account, Conceptual representatives that have discretion will make purchases and sales of investments in the amounts and at the times it deems appropriate, as well as hire and terminate third party managers. Besides managing various types of securities for a client, such as mutual funds, annuity sub-accounts, exchange-traded funds, equity-indexed annuities, common stocks, bonds, a portion of the securities in a client’s account may be held in cash or cash equivalents, including money market mutual funds. Clients are free to contact their account Representative at any time.

Conceptual’s managers will implement various short and long term investment strategies and give advice and take action in the performance of their duties to a client which may differ from advice given, or the timing and nature of action taken, with respect to other client accounts. Conceptual will make a reasonable effort to follow all investment restrictions and instructions expressed to the firm by a client.

When Conceptual places securities transaction orders that are subject of one of its portfolio manager’s investment recommendations, it typically does so through Service Providers. The custodian then furnishes the client with a confirmation of each transaction ordered for the client’s account and monthly securities account statements are also provided.

Conceptual does not guarantee the results of its recommendations and losses can occur from receiving Investment Management Services, including using conservative investment strategies.

As indicated above, when providing Investment Management Services, Conceptual will exercise discretion when granted authority by clients. This allows Conceptual to select the securities to buy and sell, the amount to buy and sell, when to buy and sell, and the commission rate paid, without obtaining specific consent from the client for each trade. Clients should be aware that Conceptual may make different recommendations and effect different trades with respect to the same securities and insurance to different advisory clients. Commissions and executions of certain securities transactions not covered by the wrap service fee, and transaction executions within the wrap program, implemented through the

Custodian may not be better than the commissions or executions available if the client used another brokerage firm. However, Conceptual believes that the overall level of services and support provided to the client by custodians and broker-dealers for any trades not covered by the wrap fee outweighs the potentially lower costs that may be available from other brokerage service providers.

When exercising discretion, Conceptual may combine orders for more than one client's account to form a "block" order for the purpose of seeking a better price and or execution. When a block order is executed, the broker/dealer executing the order typically allocates an average execution price to all shares in the block order, which Conceptual then allocates to each customer's account position on a pro rata basis. Should a block order only be partially filled, available shares are distributed in a manner fair to all accounts.

If a client directs Conceptual to effect transactions through a particular broker/dealer, Conceptual will do so. However, such an instruction may have implications to the client which may include incurring transaction costs that may be higher or lower than if the instruction had not been given. Also, restricting Conceptual to particular broker/dealers may limit Conceptual's ability to include a client account order within block orders to obtain the best price or execution. For these reasons, TD Ameritrade is the firm customarily required to be used for Conceptual's Investment Management Service wrap program.

In these instances where an order error occurs by Conceptual, it is Conceptual's policy to make the client's account whole.

Conceptual does not process transactions through Service Providers in return for Service Providers referring new clients to Conceptual.

#### ***Investment Management Services Wrap Fees***

Fees charged by Conceptual for its Investment Management Services can be a percentage of assets under management of a flat retainer fee. Fees based on assets under management may be calculated quarterly or monthly as a percentage of the value of assets being managed. The maximum annual fee is 1.6% of assets under management. Fees are determined in advance and are payable before services are provided. Fees are negotiable and are often set by Conceptual's Representative, thus vary from client to client.

Asset based Fees are calculated on the basis of the market value of the assets maintained in the account, including any cash balances in the account held in a money market fund. The initial fee is charged from the first day of the month after assets have been received into the account. Thereafter, fees are payable either quarterly or monthly as determined in the management agreement and are based upon the market value of assets as of the last business day of the immediately preceding calendar quarter or month. Conceptual may, in its discretion, aggregate accounts related to the account for fee calculation purposes. Assets deposited to the account exceeding \$10,000 during any billing period are charged a prorated fee based upon the number of days services were provided to those assets. No adjustment is made to the fees for changes in the market value of securities held in the account during such billing period or due to withdrawal of funds or investments.

Flat retainer fees can range annually from \$350 - \$1,000, also payable quarterly in advance. Flat fees are negotiable and are based upon the scope and complexity of the client's account. Flat fees are offered to all clients and are not contingent upon any factor. Each Representative may negotiate the fee based on the nature of the work, and not by the type of client. Accredited investors will not be charged a higher or lower fee than others.

Depending on the complexity and structure of the account, a one-time, non-refundable set-up fee of not more than 1% of the value of the account may be charged. The combined set-up fee and the first year's management fee may not exceed 2.6% of assets under management in any year.

Clients authorize the client's account custodian(s) to deduct any and all fees when due from assets held in the account. Clients also authorize Conceptual to liquidate, without obtaining prior permission from

client, money market funds and other securities in the Account in amounts sufficient to cover Conceptual's fees.

If for any reason, a client decides to terminate the Investment Management Services agreement with Conceptual, client may do so by written notice at least thirty (30) days prior to the date on which termination is to be effective to Conceptual. Conceptual can also terminate the agreement by written notice at least thirty (30) days prior to the date on which termination is effective to the client. Upon termination, Conceptual is responsible for returning to client the unearned fees prorated to the date of termination minus any transaction costs incurred by Conceptual for any transactions requested by client prior to funds transferring to the new custodian. The custodian may also have termination fees that typically range between \$75 and \$150.

Clients are provided with an invoice and can chose how they prefer to pay their advisory fees, clients typically pay advisory fees for Investment Management Services by directing Conceptual to withdraw the amount of prepaid advisory fee due from their account.

### ***Costs***

Conceptual's "wrap" fees shown above may be more or less than that charged by Conceptual to another client for similar services, and by other advisers for similar services. Also, Conceptual's "wrap" fee, i.e., the fee covering both advisory services and certain transaction commissions, may be more or less than two fees charged separately for management and transaction brokerage services. The factors that bear upon the cost of services are the size of the account, number of transactions, strategies employed, type of securities within an account, and whether trades are placed through a brokerage firm other than the custodian resulting in per trade commissions being charged to the account.

Conceptual does not charge any performance-based fee.

### ***Internal Fees of Funds and Other Excluded Costs***

In the event that exchange-traded funds or mutual funds are part of a client's portfolio, the mutual funds charge additional and separate internal management fees as described in the fund's prospectus. Thus, when these funds are in a client's account, two advisory fees are imposed: one internally by the fund, the other by Conceptual.

Not all transaction-related expenses are covered by the "wrap" fee schedule shown above. Mark-ups and mark-downs, spreads by market-makers, certain account charges by the Custodian, commissions and costs for transactions not placed through Conceptual's recommended Custodian, commissions on transactions occurring after termination of Conceptual's services agreement, and client-ordered transaction commissions are not covered. See the "Fees" section above.

### ***Wrap Fee Incentives***

Because Conceptual absorbs transaction costs, its Representatives giving advice have a recommended financial incentive not to place transaction orders frequently since doing so increases the transaction costs to Conceptual and thereby reducing its revenue which the Conceptual Representative shares. Thus, an incentive exists in a wrap services program to place trades less frequently. Also, because fees are asset-based, there is an incentive for the Conceptual Representative to recommend that a client not reduce positions since doing so will reduce the fee to the Conceptual Representative. Also, Conceptual Representatives may receive more compensation in this program over others which require separate payment for advice, brokerage and other services, thus this financial incentive may also create a conflict of interest.

## **ITEM 5. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

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Although Conceptual does not generally have any conditions for providing its services, Conceptual Representatives may negotiate a base fee for the wrap services described in this Appendix 1 of Form ADV Part 2 brochure. Conceptual makes its services available to a wide variety of clients including, but not limited to, individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities

Conceptual makes its advisory services available to a wide variety of clients including, but not limited to, individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

## **ITEM 6. PORTFOLIO MANAGER SELECTION**

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### ***Third-Party Managers***

When securing the services of third party portfolio managers, Conceptual will generally recommend and use the services of managers it has researched and is familiar with. Third party portfolio manager performance, like that of investment performance, is reviewed periodically by Conceptual and discussed with the client. In most cases, recommendations to replace a third party portfolio manager are not made based upon short-term performance. When a third party portfolio manager is replaced, Conceptual will attempt to notify the client orally or in writing to obtain the client's consent for the change. However, Conceptual is granted authority to change managers even if a client's consent is not obtained. When a third party portfolio manager is selected, clients will receive that firm's Form ADV, Part 2A brochure for review. Clients are encouraged to carefully review the information in the brochure upon receipt.

### ***Related Managers***

Conceptual Representatives act as portfolio managers. Because of their portfolio manager role, the incentives described in "Wrap Fee Incentives" above apply. Also, Conceptual Representatives providing management services may not have extensive experience in portfolio management, thus may not have a history of performance to match against other individuals and management firms. Thus, the Representatives providing advice are not subject to the same selection and review process that would occur if third-party managers were being evaluated. However, only seasoned Representatives having sufficient securities knowledge, and customer advisory experience are allowed to provide management services in the Investment Management Services program.

### ***Business Information***

See Item 4.A for a description of Conceptual's advisory business.

### ***Performance Based Fees and Side-by-Side Management***

Conceptual does not charge any performance-based fees. All fees are disclosed above.

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

Conceptual's main sources of information include, but are not limited to, financial newspapers and magazines, research materials prepared by others, corporate rating services, and reports prepared by other professionals such as the client's accountant or attorney and other investment advisers. Conceptual's security analysis methods include, but are not limited to, fundamental analysis (evaluating securities based upon its historical and projected financial performance); and cyclical analysis (determining the desirability of an issue based upon the status of an issue within the price cycle the security or similar securities have followed historically).

All securities analysis methods and strategies, including those used by Conceptual may involve a high degree of risk and losses can occur.

Neither Conceptual, nor the third party managers it may secure, guarantee the results of the advice given.



Thus, significant losses can occur by investing in any security, or by following any strategy, including those

recommended or applied by Conceptual.

Material Risks of Investment Instruments - we may effect transaction in the following types of securities:

- **Equity Securities** - Investing in individual companies involves risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.
- **Mutual Fund Securities** - Investing in mutual funds carries inherent risk. The major risks of investing in mutual funds include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of the individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.
- **Exchange-Traded Funds** - Exchange-traded funds (ETFs) are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro-rata portion of the other investment company's advisory fee and other expenses, in addition to their own expenses. Investment in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral, and the liquidity of the supporting collateral.
- **Fixed Income Securities** - Fixed income securities carry additional risks other than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S. or foreign), and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity, the less volatile the price swings. Foreign bonds have liquidity and currency risk.
- **Corporate Debt Securities, Commercial Paper and Certificate of Deposit** - Corporate debt securities, commercial paper, and certificates of deposit carry additional risks other than those of equity securities described above. The risks include the company's ability to retire its debt at maturity, the current interest rates environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S. or foreign), and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity, the less volatile the price swings. Foreign bonds have liquidity and currency risk. Commercial paper and certificates of deposit are generally considered safe investments, although they are subject to the level of general interest rates, the credit quality of the issuing bank, and the length of maturity. With respect to certificates of deposit, depending on the length of maturity, there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

- **Municipal Securities** - Municipal securities carry additional risks that those of corporate and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax-free at the federal level but may be taxable in individual states other than the state in which both the investor and municipal issuer is domiciled.
- **Variable Annuities** – Variable Annuities are long-term financial products designed for retirement purposes. In essence, annuities are contractual agreements in which payment(s) are made to an insurance company that agrees to pay out an income or a lump sum amount at a later date. There are contract limitations, fees, and charges associated with annuities, administrative fees, and optional benefits. They also may carry early withdrawal penalties and surrender charges and carry additional risks such as the insurance carrier's ability to pay claims. Moreover, variable annuities carry investment risk similar to mutual funds. Investors should carefully review the terms of the variable annuity contract before investing.

#### ***Voting Proxies on Client Securities***

Conceptual and its Representatives do not vote proxies on behalf of clients who will receive such notices from their account's custodian.

Conceptual also does not take any action on legal notices it or a client may receive from issuers of securities held in a client's managed account. However, it is available to answer questions regarding such notices.

#### **ITEM 7. CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

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Prior to account opening all new clients are asked for background information and are asked for complete an investment policy statement.

#### **ITEM 8. CLIENT CONTACT WITH PORTFOLIO MANAGERS**

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Clients are free to contact their Conceptual or third party portfolio manager at any time.

#### **ITEM 9. ADDITIONAL INFORMATION**

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##### ***Disciplinary Information***

Neither Conceptual nor any of its representatives have been subject to any disciplinary proceedings material to a client or potential client's evaluation of the firm.

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

Certain representatives of Conceptual also act as registered representatives of Fortune Financial Services, Inc. ("FFS"), a broker-dealer and FINRA/SIPC member. The products recommended by Conceptual, in financial plans or otherwise, may be available through FFS. If clients engage their representative at Conceptual to purchase securities products through FFS in the representative's capacity as a registered representative of FFS, their Conceptual representative will earn sales commissions in connection with those purchases which are separate from and in addition to advisory fees paid to Conceptual. Because of this, a conflict of interest exists in the advice provided by these representatives. To mitigate this conflict, Conceptual has enacted policies and procedures to place clients' interests ahead of those of the firm and its representatives. Further, clients are under no obligation to engage their Conceptual representative to execute their financial plans.

Certain representatives of Conceptual also act as licensed insurance agents. This activity creates a conflict of interest since there is an incentive to recommend insurance products based on commissions or other benefits received from the insurance company, rather than on the client's needs. Additionally, the offer and sale of insurance products by supervised persons of Conceptual are not made in their capacity as a fiduciary, and products are limited to only those offered by certain insurance providers. Conceptual addresses this conflict of interest by requiring its supervised persons to act in the best interest of the client at all times, including when acting as an insurance agent. Conceptual periodically reviews recommendations by its supervised persons to assess whether they are based on an objective evaluation of each client's risk profile and investment objectives rather than on the receipt of any commissions or other benefits. Conceptual will disclose in advance how it or its supervised persons are compensated and will disclose conflicts of interest involving any advice or service provided.

At no time will there be tying between business practices and/or services (a condition where a client or prospective client would be required to accept one product or service conditioned upon the selection of a second, distinctive tied product or service). No client is ever under any obligation to purchase any insurance product. Insurance products recommended by Conceptual's supervised persons may also be available from other providers on more favorable terms, and clients can purchase insurance products recommended through other unaffiliated insurance agencies.

Conceptual does not have any additional relationships or arrangements material to its advisory business that are not already disclosed in this brochure.

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

Representatives and employees of the firm may buy or sell securities which they may also recommend to clients. To the extent transactions are contemplated for client's accounts, those transactions will be effected ahead of those anticipated for the firm or any of its representatives or employees.

Conceptual has supervisory procedures in place which are applicable to all Conceptual personnel who have access to confidential client records or to recommendations being made or contemplated for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm's staff, the procedures require that all employees and Representatives report all securities trades as they occur, and all positions in which they have a beneficial interest quarterly and annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities in clients' accounts.

#### ***Review of Accounts and Reports***

Accounts receiving Investment Management services are monitored regularly by the client's account representative. Client accounts being managed by a third party manager are monitored at least quarterly. Investment holdings reports detailing security positions, and recommendations are discussed with a client at their request. Client reports for accounts being managed by third party managers are generated by the manager for the client at least quarterly. Each set of reports contains a portfolio appraisal detailing value of the account and other information. The reports are produced by the client's manager.

#### ***Client Referrals and Other Compensation***

Conceptual does not currently have any client referral relationships. Thus, it does not pay any fee to a third party for making client referrals to it. Also, as indicated above, the firm does not direct brokerage transactions to any third party in return for client referrals.

Clients should be aware that there is no direct link between Service Providers and Conceptual in connection with the advice Conceptual gives to clients. Conceptual receives economic benefits through the custody and operating relationships it has with Service Providers that are not typically available to retail investors. These benefits include the following products and services, provided to Conceptual without cost or at a

discount: duplicate client statements and confirmations, research related products and tools, consulting services, access to a trading desk serving Representatives, access to block trading (which provides the

ability to aggregate securities transactions for execution and then allocate the appropriate shares directly to or from client accounts), the ability to have advisory fees deducted directly from client accounts, access to an electronic communications network for client order entry and account information, access to mutual funds with no transaction fees, and discounts or no fees on compliance, marketing, research, technology, and practice management products and services provided by third-party vendors. Service Providers may also pay for business consulting, professional services, and research received by Conceptual affiliated persons and may also pay or reimburse expenses (travel, lodging, meals, and entertainment expenses) for Conceptual personnel to attend conferences or meetings relating to their service platforms or to their advisor custody and brokerage services generally. Some of these products and services made available by Service Providers, may benefit Conceptual, but may not benefit its clients. Such other services made available by Service Providers are intended to help Conceptual manage and further develop its business enterprise, and such services may or may not depend on the amount of brokerage transactions directed to them.

Clients should be aware that the receipt of economic benefits by Conceptual from Service Providers described above, in and of itself, creates a potential conflict of interest and may directly or indirectly influence Conceptual's recommendation of those service providers for custody and brokerage service.

Thus, the receipt of these services creates an incentive and conflict of interest for Conceptual when it recommends Service Providers.

Other than the services described above, Conceptual and its Representatives do not direct transactions and the commissions they generate (soft dollars) to brokerage firms or other parties to receive research or other benefits.

Conceptual and its Representatives are also licensed to offer securities and insurance products and will receive customary commissions for the sale of such products should a client decide to make purchases or sales through Conceptual and the Representatives which are not covered by the wrap fee. When selling these products, a conflict of interest exists. Both load and no-load funds may be recommended.

### ***Financial Information***

Conceptual does not receive fees of more than \$500 six months or more in advance, thus no financial statement for Conceptual is attached. Conceptual does not have any financial condition that is reasonably likely to impair its ability to meet its contracted commitment to any client.

## **ITEM 10. REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

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Neither Conceptual nor any of its management persons do have a relationship or arrangement with any issuer of securities.

**CONCEPTUAL FINANCIAL ADVISORS, LLC**

2561 E. Calumet St.

Appleton, WI 54915

Phone (920) 731-9500 Fax (920) 731-9504

[www.ontrackadvisor.com](http://www.ontrackadvisor.com)

[www.myfirstfinancialplanner.com](http://www.myfirstfinancialplanner.com)

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**FORM ADV – PART 2B: BROCHURE SUPPLEMENT**

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**CHAD L. NEHRING, CFP®**

**Originally Dated: October 9, 2018**

**Reviewed and Incorporated February 7, 2020**

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This brochure supplement provides information about Chad Nehring that supplements the Conceptual Financial Advisors, LLC (“CFA”) brochure. You should have received a copy of that brochure. Please contact us at (920)731-9500 if you did not receive CFA's brochure or if you have any questions about the contents of this supplement.

Additional information about Chad L. Nehring (CRD No. 4417406) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

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Mr. Nehring was born in 1972. He attended Fox Valley Technical College where he received an Associate's Degree in Criminal Justice. He attended Kaplan College where he received a Certificate in Financial Planning. He obtained his Certified Financial Planner (CFP®) designation in 2007. He is licensed as an insurance intermediary for life, health and property and casualty insurance. He also complies with the standards of the Certified Financial Planner Board of Standards.

Mr. Nehring has spent the majority of his working career in the financial services area. From July 2001 to March 2002, he was an Investment Adviser Representative for Winch Advisory Services, Inc. in Appleton, Wisconsin. From August 1995 to January 2005, he was the owner of CN Consultants, a firm that specialized in technology and organizational consulting for financial services branch offices. From August 2005 to December 2015, he was an Investment Adviser Representative for Conceptual Investment Advisors, Inc., in Appleton, WI. From June 2001 to February 2007, he was a Registered Representative for Securities America, Inc. Mr. Nehring was also a registered representative of WRP Investments, Inc. from March of 2007 until September 2014. He then joined Sterne Agee Financial Services, Inc. as a registered representative until August 2016, when he joined Fortune Financial Services, Inc. as a registered representative. Mr. Nehring is owner of Financial Boot Camp, LLC, a firm specializing in continuing education for the insurance industry and financial education for both the financial services industry and general public. Financial Boot Camp has reduced to approximately 1% of his time. Mr. Nehring is the sole shareholder of Conceptual Financial Planning, Inc. He is also the sole owner and investment adviser representative of Conceptual Financial Advisors, LLC, a registered investment adviser. As of January 1, 2018, Mr. Nehring is minority owner and business manager of the Green Room Theatre, LLC, an improvisational comedy, arts, theatre and entertainment venue in DePere, WI, which occupies approximately 10% of his time.

The CFP® certification is granted by Certified Financial Planners Board of Standards, Inc. The certification is voluntary; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- **Education** - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- **Examination** - Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- **Experience** - Complete at least three years of full-time financial planning-related experience (or equivalent, measured as 2,000 hours per year); and

- **Ethics** - Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individual who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- **Continuing Education** - Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- **Ethics** - Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interest of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### **ITEM 3 - DISCIPLINARY INFORMATION**

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Mr. Nehring does not have any disciplinary information to disclose. He has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

### **ITEM 4 - OTHER BUSINESS ACTIVITIES**

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Along with being licensed to sell insurance and securities products as well as advisory services, Mr. Nehring is an agent and shareholder with Conceptual Financial Planning, Inc. an agency offering financial services where he spends approximately 10% of his time and owner of Financial Boot Camp, LLC a financial education and teaching service where he spends approximately 1% of his time. As of January 1, 2018, Mr. Nehring is minority owner and business manager of the Green Room Theatre, LLC, an improvisational comedy, arts, theatre and entertainment venue in DePere, WI, which occupies approximately 10% of his time.

### **ITEM 5 - ADDITIONAL COMPENSATION**

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Mr. Nehring receives compensation in the form of commissions for his securities and insurance activities. He also receives compensation for his roles with the companies noted above in *Item 4*.

He does not receive any additional economic benefit from third parties for providing advisory services.

### **ITEM 6 - SUPERVISION**

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Mr. Nehring is CFA's sole owner, manager, and designated supervisor, and therefore, he is responsible for his own supervision. His contact information is available on the cover page of this brochure supplement.

### **ITEM 7 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

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Mr. Nehring has not been involved in: (a) any arbitration claim alleging damages in excess of \$2,500 resulting in an award or being found liable; (b) any civil, self-regulatory organization, or administrative proceeding resulting in an award or being found liable; or (c) a bankruptcy petition.