

**FORM ADV PART 2A APPENDIX 1**

**N.E.W. Advisory Services, LLC  
2200 Dickinson Road Unit 17A  
De Pere, WI 54115  
(920) 712-7800**

**March 27, 2024**

**This wrap fee program brochure provides information about the qualifications and business practices of N.E.W. Advisory Services, LLC. If you have any questions about the contents of this Brochure, please contact us at (920) 712-7800 and/or [rhayes@northrightfinancial.com](mailto:rhayes@northrightfinancial.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about N.E.W. Advisory Services, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for N.E.W. Advisory Services, LLC is 290405.**

**Any references to N.E.W. Advisory Services, LLC as a registered investment adviser or its related persons as registered advisory representatives does not imply a certain level of skill or training.**

## **Item 2- Material Changes**

This brochure dated March 2024 is filed as the Firm's annual filing. It amends the brochure dated March 2023. The material changes to report from the Firm's last annual update are described below.

- N.E.W. Advisory Services has removed TD Ameritrade as a custodian due to its merger with Charles Schwab & Co., Inc. (Item 9)).

Our brochure may be requested free of charge by contacting Rob Hayes at 920-712-7800 or [rhayes@northrightfinancial.com](mailto:rhayes@northrightfinancial.com). Additional information about N.E.W. Advisory Services, LLC is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The website also provides information about any persons affiliated with N.E.W. Advisory Services, LLC who are registered, or are required to be registered, as investment adviser representatives of N.E.W. Advisory Services, LLC.

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#### **Item 4 - Services, Fees and Compensation**

N.E.W. Advisory Services, LLC was established in September of 2017 and filed for federal registration as an investment adviser October 2017. As of the date of this filing, the firm is federally registered with SEC. The following individuals have equal ownership of N.E.W. Advisory Services, LLC: Rob Hayes, Debra DeLeers, Michael Johnson, Susan Porath, Michael Whitehouse, and Andrew Hermesen.

As of December 31, 2022, N.E.W. Advisory Services, LLC has \$838,108,918 discretionary assets under management and no non-discretionary assets under management.

N.E.W. Advisory Services, LLC offers Orion Portfolio Solutions for model management, administration such as for reporting, fee calculation, and research, model portfolios management, and rebalancing strategy. N.E.W. Advisory Services, LLC will analyze your financial situation and recommend a model portfolio appropriate to your situation and implement the investment strategy. N.E.W. Advisory Services, LLC will determine the securities, allocation of the account, and execute transactions as deemed suitable. Asset Management accounts utilizing Orion Portfolio Solutions are a bundled or wrap fee program where the client will pay one fee for asset management, administration, and transaction charges. There is an incentive for Advisory Representatives to utilize funds with no transaction charges to reduce their costs. A wrap fee program could be more expensive if no transaction fee securities are used or there is minimal trading.

Wrap accounts may be more suitable for the client who wants the cost of management and trading in one single fee without being charged for each transaction. While a non-wrap account will be more suitable for a client who prefers to separate management fees and pay for each transaction. Actively managed accounts will generally be better suited for a wrap account. Managed accounts that are infrequently traded or trade in no-transaction fee securities will be better suited for a non-wrap fee structure. A wrap program may cost you more or less than if you purchased advisory and transactional services separately. N.E.W. Advisory Services, LLC offers a non-wrap or unbundled program where clients will pay N.E.W. Advisory Services, LLC an advisory fee and pay transaction charges assessed by the executing broker/dealer, if there are transaction charges. Additionally, in the non-wrap program the client will not be charged the Orion Portfolio Solutions fee as further described below. Refer to N.E.W. Advisory Services, LLC Form ADV Part 2A for additional information. Furthermore, there is a conflict of interest for N.E.W. Advisory Services, LLC to use no transaction fee securities in a wrap account to reduce its costs.

N.E.W. Advisory Services, LLC will provide continuous and ongoing management of your account. Unless otherwise expressly requested by you, N.E.W. Advisory Services, LLC will manage the account and will make changes to the allocation as deemed appropriate by N.E.W. Advisory Services, LLC. N.E.W. Advisory Services, LLC will determine the securities to be purchased and sold in the account and will alter the securities holdings from time to time, without prior consultation with you. N.E.W. Advisory Services, LLC may actively trade securities and hold such holdings for periods of 30 days or less or maintain positions for longer or shorter term periods. Discretionary authority will be granted by you to N.E.W. Advisory Services, LLC by execution of the Asset Management agreement.

## N.E.W. Advisory Services, LLC

If you elect to have your accounts managed on a nondiscretionary basis, no changes will be made to the allocation of your account without prior consultation with you and your expressed agreement.

N.E.W. Advisory Services, LLC primarily uses open-ended mutual funds that are no-load and load waived or mutual funds purchased at net asset value (NAV) and exchange traded funds (ETFs). However, managed accounts are not exclusively limited to mutual funds and ETFs and may include stocks and bonds which are typically transferred or requested by you.

Transactions in the account, account reallocations and rebalancing may trigger a taxable event, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

### *Wrap Fees*

- A. Fees are negotiable and are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds.

You may make additions to the Account or withdrawals from the Account. No fee adjustments will be made for Account appreciation or depreciation.

N.E.W. Advisory Services, LLC aggregates or households all of your managed accounts together to determine your monthly fee. For example, if you have four managed accounts with a value of: \$101,569.40, \$55,498.46, \$675,879.50, and \$74,301.12 with a total value of \$907,248.48, you will not pay a fee on the managed accounts greater than 1.20% on all accounts.

N.E.W. Advisory Services, LLC may change the above fee schedule upon 30-days prior written notice to you.

\*Clients will pay an annual fee which is comprised of: 1) the Orion account maintenance fee; 2) the Orion administration fee, and the 3) N.E.W. Advisory Services, LLC's advisory fee. The below fee schedule shows the maximum fee that could be charged by N.E.W. Advisory Services, LLC. N.E.W. Advisory Services, LLC's advisory fee is negotiable.

Wrap accounts not using Orion Portfolio Solutions will pay a fee based on the fee schedule below less the Orion Administration fee.

<b>Account Value</b>	<b>Orion Administration Fee*</b>	<b>N.E.W. Advisory Services Fee</b>	<b>Total Maximum Fee</b>
\$0 - \$50,000	0.45%	1.05%	1.50%
\$50,000.01 - \$100,000	0.35%	1.05%	1.40%
\$100,000.01 - \$250,000	0.20%	1.10%	1.30%
\$250,000.01 - \$500,000	0.175%	1.075%	1.25%
\$500,000 - \$1,000,000	0.15%	1.05%	1.20%
\$1,000,000.01 - \$2,000,000	0.12%	1.03%	1.15%
\$2,000,000 and above	0.10%	1.03%	1.13%

## N.E.W. Advisory Services, LLC

\*Orion account maintenance fees are a flat fee charged by Orion and are disclosed on the Orion application.

The above fee schedule can be applied in one of two ways:

- Flat fee based on the value of the account  
For example: Account value at the end of the quarter is \$1,385,750, the client would pay N.E.W. Advisory Services, LLC one-quarter of 1.15%.
- Tiered or blended fee based on the value of the account  
For example: Account value at the end of the quarter is \$1,385,750, the client would pay N.E.W. Advisory Services, LLC one-quarter of the annual fee calculated as follows,  

First \$50,000 x 1.50% =	\$750
Next \$50,000 x 1.40% =	\$700
Next \$150,000 x 1.30% =	\$1,950
Next \$250,000 x 1.25% =	\$3,125
Next \$500,000 x 1.20% =	\$6,000
<u>Remaining \$385,750 x 1.15% =</u>	<u>\$4,436.13</u>
Annual Fee calculation for the quarter	\$16,961.13

In addition to the advisory fees above, you will pay fees for custodial services, account maintenance fees to the account custodian and any third party platform and other fees associated with maintaining the Account. Such fees are not charged by N.E.W. Advisory Services, LLC and are charged by the product, broker/dealer or account custodian. N.E.W. Advisory Services, LLC does not share in any portion of such fees. Additionally, you will pay your proportionate share of the fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any mutual fund they purchase. Such advisory fees are not shared with N.E.W. Advisory Services, LLC and are compensation to the fund-manager.

Managed accounts participating in our wrap program will not be responsible for transaction fees for each securities transaction conducted in your account. Instead, transaction fees and charges will be charged to N.E.W. Advisory Services, LLC. The custodian recommended by N.E.W. Advisory Services, LLC offers a number of mutual fund and exchange traded funds with no transaction fees. However, as a condition for no transaction fees there is a holding period which can range up to 90 days or longer. There is an incentive for N.E.W. Advisory Services, LLC to use no transaction fee securities over other securities in order to reduce its costs. This is a conflict of interest. To mitigate this conflict of interest we are advising you of the conflict.

- B. Advisory fees will generally be collected directly from your account, provided you have given N.E.W. Advisory Services, LLC written authorization. You will be provided with an account statement reflecting the deduction of the advisory fee direct from the account custodian. If the Account does not contain sufficient funds to pay advisory fees, N.E.W. Advisory Services, LLC has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. You may reimburse the account for advisory fees paid to N.E.W. Advisory Services, LLC, except for ERISA and IRA accounts.
- C. Advisory fees will be charged in arrears of each calendar month. The monthly advisory fee will be based on the average daily value of the account for each day in the month. Fees for partial

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periods will be prorated. The initial monthly fee will be a pro-rated portion of the fee based on the number of days remaining in the calendar month.

- D. Advisory Representatives of N.E.W. Advisory Services, LLC are dually registered representatives of Geneos Wealth Management, LLC, a registered broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and SIPC.

If you elect to implement investment advice through N.E.W. Advisory Services, LLC's Advisory Representatives, such advice can be implemented on a or commission basis through Geneos Wealth Management, LLC. The Advisory Representatives in their capacity as registered representatives of Geneos Wealth Management, LLC will receive a portion of the commission. This practice presents a conflict of interest and gives the Advisory Representatives an incentive to recommend investment products based on the compensation received rather than on a client's needs.

Advisory Representatives could recommend mutual funds that pay 12b-1 fees and no-load funds. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from your assets. Advisory Representatives do not share in a portion of the 12b-1 fees for accounts managed by N.E.W. Advisory Services, LLC.

These practices present a conflict of interest and give N.E.W. Advisory Services, LLC an incentive to recommend investment products based on the compensation received, rather than on a client's needs. N.E.W. Advisory Services, LLC will attempt to mitigate conflicts of interest by:

- Informing you of conflict of interest in this Disclosure Brochure.
- Maintaining and abiding by our Code of Ethics which requires us to place your interest first and foremost.
- Routine review of transactions
- Advising you of the right to decline to implement our recommendations and the right to choose other financial professionals for implementation.
- Recognizing and advising you N.E.W. Advisory Services, LLC is a fiduciary and has an obligation to conduct its business in the best interest of its clients and not in N.E.W. Advisory Services, LLC's interest.

You may purchase the securities recommended by N.E.W. Advisory Services, LLC directly or through other brokers or agents not affiliated with N.E.W. Advisory Services, LLC.

More than 50% of the revenue received by certain Advisory Representatives is derived from commissions and other compensation for the sale of investment products recommended by them. Such revenue includes asset based distribution fees from the sale of mutual funds. Commissionable revenue is the primary source of revenue for Advisory Representatives.

### Termination Provisions

You may terminate investment advisory services obtained from N.E.W. Advisory Services, LLC, without penalty, upon written notice within five (5) business days after entering into the advisory

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agreement with N.E.W. Advisory Services, LLC. You will be responsible for any fees and charges incurred from third parties as a result of maintaining the Account such as transaction fees for any securities transactions executed and Account maintenance or custodial fees. Thereafter, you may terminate investment advisory services upon delivery of written notice to N.E.W. Advisory Services, LLC. Should you terminate investment advisory services during a calendar month, you will be charged or invoiced a pro-rated portion of the advisory fee for the month up to the date of termination and calculated based on the average daily value. If assets have transferred out of the account, you will be invoiced for the fee and fees are due upon receipt of the invoice.

N.E.W. Advisory Services, LLC's Advisory Representatives who manage accounts consist of a combination of employees of N.E.W. Advisory Services, LLC and independent contractors. Advisory Representatives, who are independent contractors, have a direct interest in the advisory fee charged to you since the Advisory Representative will receive a portion of the advisory fee you pay to N.E.W. Advisory Services, LLC.

### IRA Rollover Considerations

As an investment adviser, we are a fiduciary to our advisory clients. As fiduciaries, we are expected act and provide advice in the best interests of clients; have a duty to be loyal to our clients; make full and fair disclosure of all material conflicts of interest; seek best execution for client transactions; ensure that investment advice is suitable for clients' objectives, needs and circumstances; have a duty to have a reasonable, independent basis for investment advice; and refrain from effecting personal securities transactions that are inconsistent with client interests. If your account is a retirement account and subject to the Employee Retirement Income Security Act of 1974, we are also a fiduciary within Section 3(21) under the Employee Retirement Income Security Act of 1974 (ERISA), as amended. As ERISA fiduciaries, we are expected to provide advice that is in your best interest; only charge fees that are reasonable; and not make any materially misleading statements about recommended transactions, fees and compensation, conflicts of interest, or any other matters relevant to your investment decisions.

As part of our consulting and advisory services, we may provide you recommendations and advice concerning your employer retirement plan or other qualified retirement account. Our recommendations may include you consider withdrawing the assets from your employer's retirement plan or other qualified retirement account and roll the assets over to an individual retirement account ("IRA"). Further, we offer our management services be applied to those funds and securities rolled into an IRA or other account for which we will receive compensation. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as described above under Item 5. This practice presents a conflict of interest because persons providing investment advice on your behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Furthermore, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by us.

It is important for you to understand many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover



to an IRA, and to the extent the following options are available, you should consider the costs and benefits of each.

An employee will typically have four options:

1. Leave the funds in your employer's (former employer's) plan.
2. Move the funds to a new employer's retirement plan.
3. Cash out and taking a taxable distribution from the plan.
4. Roll the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage it is important you understand the following:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
  - c. It is likely you will not be charged a management fee and will not receive ongoing asset management services unless you elect to have such services. In the event your plan offers asset management or model management, there may be a fee associated with the services that is more or less than our asset management fee.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may offer financial advice, guidance, and/or model management or portfolio options at no additional cost.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5 (70 ½).
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.

10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

#### **Item 5 - Account Requirements and Types of Clients**

N.E.W. Advisory Services, LLC's services are geared toward individuals both high net worth (i.e. clients with a net worth of \$2,000,000, exclusive of primary residence or has \$1,000,000 under management with N.E.W. Advisory Services, LLC) and other than high net worth, trusts, estates, foundations, and company retirement plans.

#### **Item 6 - Portfolio Manager Selection and Evaluation**

You have the independence to select your Advisory Representative or portfolio manager. Should you want to change your portfolio manager you may contact the Compliance Department of N.E.W. Advisory Services, LLC at (920) 712-7800. N.E.W. Advisory Services, LLC will provide you a list of Advisory Representatives that you may contact. The list provided to you will be based on your expressed preferences, location, and ability for the Advisory Representative to accept a new client.

Your Advisory Representative is solely responsible for the management of your account.

#### **Other Advisory Services Offered**

In addition to the N.E.W. Advisory Services, LLC wrap program described under Item 4 above, N.E.W. Advisory Services, LLC offers a non-wrap managed program and financial planning services.

##### Non-Wrap Program

There is no significant difference between how N.E.W. Advisory Services, LLC manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage N.E.W. Advisory Services, LLC on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage N.E.W. Advisory Services, LLC on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody). Please Note: When managing a client's account on a wrap fee basis, N.E.W. Advisory Services, LLC shall receive as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. Wrap programs are more suitable for clients who will have active management in their account and transactions will not generally involve transactions where transaction fees are not charged. Asset management services that involve the use of no transaction fee funds and/or a more static management strategy, therefore, infrequent trading, will be more suitable for a non-wrap or unbundled program.

##### Financial Planning Services

N.E.W. Advisory Services, LLC offers broad-based and modular financial planning services. Financial planning services will typically involve providing a variety of services, principally advisory in nature, to clients regarding the management of their financial resources based upon an analysis of the client's individual needs. N.E.W. Advisory Services, LLC may use financial planning software to assist in determining the client's current financial position and define and quantify long term goals and objectives. The financial planning software will run hypothetical scenarios based on variables to assist a client to determine a course of action. In no way can any program or software predict future results. It is a tool to enable analysis based on historical information to review possibilities that could occur if historical events repeat.

A financial plan can analyze the following areas:

- **Personal:** family records, budgeting, personal liability, estate information and financial goals
- **Tax and Cash Flow:** Income tax and spending analysis and planning for past, current, and future years. N.E.W. Advisory Services, LLC will illustrate the impact of various investments on your current income tax and future liability.
- **Death and Disability:** Cash needs at death, income needs of the surviving dependents, estate planning and disability income analysis
- **Retirement:** Analysis of current strategies and investment plans to help you work toward retirement goals
- **Investments:** Analysis of investment alternatives and their potential effect on a client's portfolio.
- **Estate Planning:** Advice with respect to property ownership, distribution strategies, disposition of business interest, estate tax reduction, and tax payment techniques as well as discussion of gifts, trusts, etc. Further, a review of death and disability issues will be examined. Tax consequences and their implications are identified and evaluated.

N.E.W. Advisory Services, LLC will schedule a meeting with you and present the analysis of your situation and recommendations for steps to be taken to assist you to work toward financial goals.

Plans are based on your financial situation at the time and are based on financial information disclosed by you to N.E.W. Advisory Services, LLC. You are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. N.E.W. Advisory Services, LLC cannot offer any guarantees or promises that your financial goals and objectives will be met. Further, you must continue to review the plan and update the plan based upon changes in your financial situation, goals, or objectives or changes in the economy. Should your financial situation or investment goals or objectives change, you must notify N.E.W. Advisory Services, LLC promptly of the changes. The advice offered by N.E.W. Advisory Services, LLC may be limited and is not meant to be comprehensive. Therefore, you may need to seek the services of other professionals such as an insurance adviser, attorney and/or accountant.

You are not obligated to implement advice through N.E.W. Advisory Services, LLC or Advisory Representatives. Should you implement the plan with N.E.W. Advisory Services, LLC's Advisory

## N.E.W. Advisory Services, LLC

Representatives commissions or other compensation may be received in addition to the advisory fee paid to N.E.W. Advisory Services, LLC.

### Performance-Based Fees and Side-By-Side Management

N.E.W. Advisory Services, LLC does not charge performance-based fees.

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

N.E.W. Advisory Services, LLC conducts economic analysis and attempts to analyze and determine the trends. Additionally, N.E.W. Advisory Services, LLC conducts fundamental analysis. Fundamental analysis generally involves looking at economic and financial factors. Additionally, we are assessing a company's or security's value based on factors such as sales, assets, markets, management, products and services, earnings, and financial structure.

N.E.W. Advisory Services, LLC will conduct technical market analysis and technical trend following. Technical analysis generally involves studying trends and movements in a security's price, trading volume, and other market-related factors in an attempt to discern patterns.

N.E.W. Advisory Services, LLC investment management philosophy is long term (i.e. purchases of securities held at least a year). However, N.E.W. Advisory Services, LLC will monitor portfolio holdings and if there are concern factors, N.E.W. Advisory Services, LLC may determine to not continue to maintain the position in your portfolio. Factors that may result in a change include but are not limited to, economic factors, management changes with the security, tax law changes, objective change, and news or press releases.

N.E.W. Advisory Services, LLC emphasizes that investment returns, particularly over shorter time periods, can be highly volatile and are dependent on a wide variety of factors. Thus, our investment management services are generally suitable only for long-term investment objectives or strategies, rather than for short-term trading purposes. Neither diversification nor asset allocation assure a profit or protect you against a loss, and there is no guarantee that your investment objectives will be achieved.

Investing in securities involves risk of loss, including the potential loss of principal. Therefore, your participation in any of the management programs offered by N.E.W. Advisory Services, LLC will require you to be prepared to bear the risk of loss and fluctuating performance.

N.E.W. Advisory Services, LLC does not represent, warrant or imply that the services or methods of analysis used by N.E.W. Advisory Services, LLC can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by N.E.W. Advisory Services, LLC will provide a better return than other investment strategies.

N.E.W. Advisory Services, LLC primarily uses mutual funds and exchange traded funds.

The risks with mutual funds include:

- Manager Risk: which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommend to you.
- Industry Risk: which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.

The risks with Exchange traded funds include:

- ETFs are professionally managed pooled vehicles that invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. ETFs trade on an auctionable market. Therefore, there is more price fluctuation with ETFs than with mutual funds since ETFs trade throughout the day, whereas mutual funds are priced once a day.
- ETFs only mirror a market index, such as the S&P 500, they won't outperform the index.
- While ETFs generally provide diversification, risks can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e. borrow money) to a significant degree, or concentrate in a particular type of security rather than balancing the fund with different types of securities.
- ETFs trade on an auctionable market. Therefore, there is more price fluctuation with ETFs than with mutual funds since ETFs trade throughout the day, whereas mutual funds are priced once a day.

These are some of the primary risks associated with the way we recommend investments to you, please do not hesitate to contact us to discuss these risks and others in more detail. Mutual fund fees are described in the fund's prospectus, which the custodian mails directly to the client following any purchase of a mutual fund that is new to the client's account. In addition, a prospectus is available online at each mutual fund company's Web site. At the client's request at any time N.E.W. Advisory Services, LLC will direct the client to the appropriate Web page to access the prospectus.

### *Risks*

The business of investing in securities is highly competitive and the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty.

### *Tax Risk*

Income tax costs may result from the sale of individual securities within your account, unless the account is otherwise tax sheltered or tax deferred. Income tax costs directly reduce investment returns. Under the current income tax system, securities held less than one year that are sold at a gain (short term capital gains) are taxed at the client's highest marginal tax rate, and securities held greater than one year that are sold at a gain (long term capital gains) are taxed at a reduced long term capital gains rate. Furthermore, the potential Alternative Minimum Tax (AMT) impact

of long and short-term capital gains incurred in the tax year in question should be considered. Client is responsible for all tax liabilities arising from the sale of securities within the account.

Fundamental, technical, and economic analysis does not attempt to anticipate market movements. This represents a potential risk, as the price of a security can move up or down along with the overall market, regardless of the economic and financial factors considered in evaluating the security. The success of this strategy depends in large part on the ability to accurately assess the fundamental value of securities. An accurate assessment of fundamental value deepens on a complex analysis of a number of financial and legal factors. No assurance can be given that we can assess the nature and magnitude of all material factors having a bearing on the value of securities.

No investment strategy can avoid loss. Investing in securities involves risk of loss that you need to be prepared to bear.

#### Voting Client Securities

N.E.W. Advisory Services, LLC does not vote clients' securities.

### **Item 7 - Client Information Provided to Portfolio Managers**

Your financial history and information and personal information such as social security number, identify verification information, account numbers, etc. will be gathered and obtained by your Advisory Representative. The aforementioned information will be communicated as required by the account custodian you select to establish your account and service providers such as Orion Portfolio Solutions. Your non-public information will not be disclosed to any third party unless required by law or to provide you services you have requested.

At least annually your Advisory Representative will offer to meet with you to update your personal information, review your account and determine if the management of your account is suitable to your financial situation. Should your financial situation or investment goals or objectives change, you must notify N.E.W. Advisory Services, LLC promptly of the changes.

### **Item 8 - Client Contact with Portfolio Managers**

There are no restrictions or limitations on your ability to contact your Advisory Representative or any member of the N.E.W. Advisory Services, LLC management team. You along with your Advisory Representative determine the frequency of meetings and reviews.

### **Item 9 - Additional Information**

#### Disciplinary Information

Investment Advisers must disclose any legal or disciplinary events that would be material to your evaluation of N.E.W. Advisory Services, LLC or the integrity of our services.

## N.E.W. Advisory Services, LLC

On November 3, 2016, a former client filed a complaint against Michael Whitehouse and another advisor at his prior firm, alleging that certain REIT and Annuity recommendations were misrepresented and unsuitable. The complaint was settled in FINRA Arbitration No. 16-03175 on December 12, 2018 at a FINRA sponsored mediation. The case was settled by Mr. Whitehouse's former broker-dealer's insurance company for business purposes because of the expense and delay of the arbitration proceeding. The insurance carrier paid the client a small monetary settlement; however, Mr. Whitehouse did not directly pay the client any monies as part of the settlement and the client specifically acknowledged that the case was being settled with no admission of liability or wrongdoing of any sort by Mr. Whitehouse.

### Other Financial Industry Activities and Affiliations

- A. As previously stated, Advisory Representatives are dually registered as advisory representatives of N.E.W. Advisory Services, LLC and as registered representatives of Geneos Wealth Management, LLC. You are under no obligation to purchase or sell securities through your Advisory Representative. However, if you choose to implement the plan, commissions may be earned in addition to any fees paid for advisory services. Commissions may be higher or lower at Geneos Wealth Management, LLC than at other broker/dealers. Advisory Representatives may have a conflict of interest in having you purchase securities and/or insurance related products through Geneos Wealth Management, LLC in that the higher their production with Geneos Wealth Management, LLC the greater potential for obtaining a higher pay-out on commissions earned.

Under the rules and regulations of the FINRA, Geneos Wealth Management, LLC has an obligation to perform certain supervisory functions regarding certain activities engaged in by advisory representatives who are also registered representatives of Geneos Wealth Management, LLC. For such supervisory functions, N.E.W. Advisory Services, LLC may pay Geneos Wealth Management, LLC a portion of the advisory fees they receive. Geneos Wealth Management, LLC and N.E.W. Advisory Services, LLC are not affiliated.

- B. N.E.W. Advisory Services, LLC is not and does not have a related person who is a: futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. Advisory Representatives are licensed insurance agents and offer insurance products and services for which they will be paid a commission. Clients are not obligated to purchase insurance product and services. Further, the insurance products and services offered by Advisory Representatives may be more or less expensive than other insurance products offered by other insurance professionals.

Debra DeLeers is an attorney and provides estate planning services as an outside business activity. N.E.W. Advisory Services, LLC does not provide legal advice or services and clients are under no obligation to participate in legal services offered by Ms. DeLeers.

N.E.W. Advisory Services, LLC is not and does not have a related person who is: broker/dealer or other similar type of broker or dealer; investment company or other pooled investment

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vehicle, other investment adviser or financial planner; futures commission merchant or commodity pool operator; banking or thrift institution; accountant or accounting firm; pension consultant; real estate broker or dealer; or sponsor or syndicator of a limited partnership.

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

- A. N.E.W. Advisory Services, LLC has a fiduciary duty to you to act in your best interest and always place your interests first and foremost. N.E.W. Advisory Services, LLC takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as N.E.W. Advisory Services, LLC's policies and procedures. Further, N.E.W. Advisory Services, LLC strives to handle your non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides you with N.E.W. Advisory Services, LLC's Privacy Policy. As such, N.E.W. Advisory Services, LLC maintains a code of ethics for its Advisory Representatives, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about your transactions. Further, N.E.W. Advisory Services, LLC's Code of Ethics establishes N.E.W. Advisory Services, LLC's expectation for business conduct. A copy of our Code of Ethics will be provided to you upon request.
- B. Neither N.E.W. Advisory Services, LLC nor its associated persons recommend clients buy or sell securities in which we have a material financial interest.
- C. N.E.W. Advisory Services, LLC and its associated persons may buy or sell securities identical to those securities recommended to you. Therefore, N.E.W. Advisory Services, LLC and/or its associated persons may have an interest or position in certain securities that are also recommended and bought or sold to you. N.E.W. Advisory Services, LLC and its associated persons will not put their interests before your interest. N.E.W. Advisory Services, LLC and its associated persons may not trade ahead of you or trade in such a way to obtain a better price for themselves than for you or other clients.
- D. N.E.W. Advisory Services, LLC is required to maintain a list of all securities holdings for its associated persons and develop procedures to supervise the trading activities of associated persons who have knowledge of your transactions and their related family accounts at least quarterly. Further, associated persons are prohibited from trading on non-public information or sharing such information.

### Review of Accounts

- A. If you are participating in the asset management services or an asset management program you will be invited to participate in at least an annual review or as agreed by you and your Advisory Representative. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Your Advisory Representative will monitor for



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changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections.

If you are participating in Financial Planning Services you will not receive regular reviews. N.E.W. Advisory Services, LLC recommends you have at least an annual review and update to any plans. However, the time and frequency of the reviews is solely your decision. Additionally, you will be charged review fees based on the fee schedule disclosed under the program. Other than the initial plan or analysis, there will be no other reports issued.

The Advisory Representative you have selected will be responsible for conducting your annual review. Information about the education and business background of your Advisory Representative is disclosed on the Form ADV Part 2B.

- B. You must notify your Advisory Representative promptly of any changes to your financial goals, objectives or financial situation as such changes may require him review the portfolio allocation and make recommendations for changes.
- C. You will be provided statements at least quarterly direct from the account custodian. Additionally, you will receive confirmations of all transactions occurring direct from the account custodian. At least annually when you attend the annual review, N.E.W. Advisory Services, LLC will provide you with a consolidated report of your managed account. You should compare the report with statements received direct from the account custodian. Should there be any discrepancy the account custodian's report will prevail.

### Client Referrals and Other Compensation

- A. Product vendors recommended by N.E.W. Advisory Services, LLC may provide monetary and non-monetary assistance with client events, provide educational tools and resources. N.E.W. Advisory Services, LLC does not select products as a result of any monetary or non-monetary assistance. The selection of product is first and foremost. N.E.W. Advisory Services, LLC's due diligence of a product does not take into consideration any assistance it may receive.

### Schwab Important Information

As disclosed under Item 12. above, N.E.W. Advisory Services, LLC participates in Schwab's institutional customer program and N.E.W. Advisory Services, LLC may recommend Schwab to Clients for custody and brokerage services. There is no direct link between N.E.W. Advisory Services, LLC's participation in the program and the investment advice it gives to its Clients, although N.E.W. Advisory Services, LLC receives economic benefits through its participation in the program that are typically not available Schwab retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving N.E.W. Advisory Services, LLC participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to 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 to certain

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institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to N.E.W. Advisory Services, LLC by third party vendors. Schwab may also have paid for business consulting and professional services received by N.E.W. Advisory Services, LLC's related persons. Some of the products and services made available by Schwab through the program may benefit N.E.W. Advisory Services, LLC but may not benefit its Client accounts. These products or services may assist N.E.W. Advisory Services, LLC in managing and administering Client accounts, including accounts not maintained at Schwab. Other services made available by Schwab are intended to help N.E.W. Advisory Services, LLC manage and further develop its business enterprise. The benefits received by N.E.W. Advisory Services, LLC or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to Schwab. As part of its fiduciary duties to clients, N.E.W. Advisory Services, LLC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by N.E.W. Advisory Services, LLC or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the N.E.W. Advisory Services, LLC's choice of Schwab for custody and brokerage services.

As previously disclosed, Advisory Representatives are registered representatives of a broker/dealer and can recommend mutual funds that pay 12b-1 fees outside of your managed account. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from your assets. 12b-1 fees for mutual funds purchased by Representatives outside your managed account are initially paid to Geneos Wealth Management, LLC and a portion passed to the Representatives. The receipt of such fees represents an incentive for the Representative to recommend funds with 12b-1 fees over funds that have no fees or lower fees through Geneos Wealth Management, LLC. As a result, there is a potential conflict of interest.

IARs are generally independent contractors. As such, the IARs have a direct incentive in the advisory fees being charged since a portion of the advisory fee collected by N.E.W. Advisory Services, LLC will be paid to the IAR for compensation for advisory services.

Geneos Wealth Management, LLC has provided some of our Advisory Representatives with funding in the form of a five year note of 15% of commissionable business transferring to Geneos Wealth Management, LLC and to assist the Advisory Representatives with the cost of transitioning. This is a conflict of interest for our Advisory Representative to maintain a relationship with Geneos Wealth Management, LLC rather than serving our clients' best interest to move to another broker/dealer that may be more suitable, lower cost, and/or offer services that better serve you. The costs to a client to maintain accounts through Geneos Wealth Management, LLC may be higher or lower than other broker/dealers. This is considered a conflict of interest. To mitigate this conflict of interest, we are providing you with this disclosure.

- B. N.E.W. Advisory Services, LLC and/or its Independent Advisor Representatives pay compensation to third-party, outside companies to receive client referrals. The fees paid to the third-party referral sources are paid in one of two ways: 1) a flat fee, annual subscription to be

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included in the service, or 2) a flat fee, annual subscription fee to be included in the service, along with a lead cost based on the portfolio size.

### Financial Information

- A. N.E.W. Advisory Services, LLC will not require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service. Additionally, fees charged by N.E.W. Advisory Services, LLC are due in arrears.
- B. As stated above, N.E.W. Advisory Services, LLC has discretionary authority over client accounts; however that authority does not extend to the withdrawal of any client assets, with the exception of deduction of N.E.W. Advisory Services, LLC's advisory fees from your accounts or if you authorize us to service third party standing letters of authorization. We are financially stable. There is no financial condition that is likely to impair our ability to meet our contract actual commitment to you or any other client.
- C. Neither N.E.W. Advisory Services, LLC nor its Advisory Representatives has ever been the subject of a bankruptcy petition.

### *Brokerage Practices*

N.E.W. Advisory Services, LLC does not maintain custody of your assets, although we may be deemed to have custody of your assets if you give us authority to withdraw our advisory fee directly from your managed account or we assist you with third party standing letters of authorization and certain standing transfer authorizations. Your assets must be maintained in an account at a qualified custodian. Generally, a qualified custodian is a broker/dealer or bank.

As previously stated, Advisory Representatives are registered representatives of Geneos Wealth Management, LLC. As a result, they are subject to FINRA Conduct Rule 3040 which may restrict them from conducting securities transactions away from Geneos Wealth Management, LLC unless Geneos Wealth Management, LLC provides them with written authorization. Advisory Representatives have obtained approval to offer you the ability to maintain accounts through Charles Schwab & Co., Inc. N.E.W. Advisory Services, LLC is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. or Geneos Wealth Management, LLC.

N.E.W. Advisory Services, LLC participates in the Schwab Institutional program and may recommend Schwab to clients for custody and brokerage services. Charles Schwab & Co., Inc is an unaffiliated SEC-registered broker-dealer and a member of FINRA and SIPC. Schwab offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. N.E.W. Advisory Services, LLC receives some benefits from Schwab through its participation in the Program. (Please refer to disclosures under Item 14 below.)

### How We Select Brokers/Custodians

We seek to select a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

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- Ability to service you and us
- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades (buy and sell securities for your account)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- Industry reputation, staying power as a company, financial strength and viability
- Technology and educational resources
- Confidentiality and security of your information

Schwab provides N.E.W. Advisory Services, LLC with back-office, operational, technology, and other administrative support as further described under Item 14 below.

Schwab make available to N.E.W. Advisory Services, LLC other products and services that benefit N.E.W. Advisory Services, LLC but may not directly benefit clients. Some of these other products and services assist us with managing and administering your accounts. These include software and other technology that provide access to your account data (such as trade confirmation and account statements); facilitate trade execution; provide research, pricing information, and other market data; facilitate payment of our advisory fees from your accounts; and assist with back-office functions; recordkeeping; and client reporting. Many of these services generally may be used to service all or a substantial number of N.E.W. Advisory Services, LLC's clients, including clients who do not maintain accounts at Schwab.

### Trade Aggregation Policy

N.E.W. Advisory Services, LLC may aggregate ("bunch") transactions in the same security on behalf of more than one client in an effort to strive for best execution and to possibly reduce the price per share and/or other costs to clients. However, aggregated or bunched orders will not reduce the transaction costs to participating clients. N.E.W. Advisory Services, LLC conducts aggregated transactions in a manner designed to ensure that no participating client is favored over another client. Participating clients will obtain the average price per share for the security executed that day. To the extent the aggregated order is not filled in its entirety and when possible, securities purchased or sold in an aggregated transaction will be allocated on a prorata basis. Under certain circumstances, the amount of securities may be increased or decreased to avoid holding odd-lot or a small number of shares for particular clients.