



— WEALTH MANAGEMENT —

AN INDEPENDENT, FULL-SERVICE INVESTMENT MANAGEMENT FIRM
ADDRESSING THE NEEDS OF INDIVIDUAL INVESTORS AND BUSINESS
OWNERS FOR CURRENT AND FUTURE FINANCIAL GOALS

Advisor *report*

JUNE 2019

MAY REINS IN THE MARKET SPRINT – RISING TEMPERATURES BRING RISING MARKET CONCERNS HEADING INTO SUMMER MONTHS

The record breaking 4-month run in the US stock market was finally reined in during the month of May. The -6.35% decline in the S & P 500 during the month left the index at a YTD return of 10.74%, still respectable by any measure, but well below its high point of 18.21% on May 3rd.

As in any market decline we are able to stress test our portfolios to assess the risk levels and to that extent our moderate portfolio declined -3.22% in May. This is in line with our expectations for this portfolio as well as its YTD return of 6.89%. Our equity positions in our portfolios remain well diversified and our fixed income holdings are mostly short duration and provide a volatility buffer.

The market slowdown in May comes as no real surprise given the rapid run up in the first four months of 2019. Trade wars and valuation levels leave investors with very little to be excited about heading into the summer months. Risk this late in the economic cycle will truly test investor appetite in June and beyond. Historically, as the temperatures outside climb, trading volume decreases. As for the summer of 2019 it may be the internal temperature of fundamentals in the market that steals the headlines.

We've got our eye on the summer thermometer. June, July and August should be interesting.

Model Portfolio (Hypothetical) Returns	Month To Date *As of 5/31/19	Year To Date	1 Year	3 Year
Altus Equity	-5.52%	10.23%	-0.29%	9.23%
Altus Aggressive	-4.44%	8.64%	0.12%	8.42%
Altus Hybrid	-3.83%	7.75%	0.24%	7.98%
Altus Moderate	-3.22%	6.89%	0.43%	7.50%
Altus Balanced	-2.60%	5.99%	0.57%	7.05%
Altus Conservative	-1.98%	5.11%	0.68%	6.55%
Altus Income	-1.13%	4.91%	3.95%	5.99%
Indexes				
S&P 500	-6.35%	10.74%	3.78%	11.72%
Russell MidCap	-6.14%	13.55%	1.59%	9.87%
Russell 2000	-7.78%	9.26%	-9.04%	9.75%

Disclosures

The information contained in this portfolio is based on data received from each model manager and other third party sources. It is believed to be accurate but has not been independently verified. The performance time periods are rolling (other than Year-To-Date) through the period end date listed. All of the allocation data is current as of the end of the month indicated. Any trades made may alter the allocations.

All of the performance data presented for the Model Portfolios is hypothetical and does not represent actual accounts. The model performance is presented for informational purposes only and actual performance may be higher or lower than the performance shown herein. The data does not represent actual trading and may not reflect the impact that material economic and market factors might have had on the adviser's decision-making. The returns include the reinvestment of capital gains.

There are limitations inherent to model results. The performance of specific client accounts may vary substantially from the indicated model performance results for reasons including, but not limited to, variances in holdings among actual accounts, variances in the investment management fee incurred, market fluctuation and the date on which a client invests in the model. The impact of material economic and market factors that might impact an adviser's decision in the management of actual client accounts will also impact the performance.

The model portfolios are being managed through a fee-based account or agreement. The underlying funds or managers may be subject to expenses such as management fees and administrative expenses. Return assumptions presented are gross of fees charged by Geneos. The hypothetical performance results do not reflect the deduction of the investment fees that may be charged by Geneos Representatives. The deduction of such charges will result in a lower rate of return. Refer to the Firms Disclosure Brochure (either the ADV Part 2A or Appendix 1, as appropriate) for fee disclosures. Hypothetical rates of return may not be indicative of future rates of return. Therefore, no current or prospective client should assume that future performance would be profitable, or equal to the hypothetical performance results reflected.

For comparison purposes, the hypothetical portfolios are measured against various indexes. An index is a group of unmanaged securities considered to be representative of a particular equity or bond market in general. An index cannot be invested into directly and does not reflect the deduction of transaction or investment management fees, the incurrence of which would have the effect of decreasing the indicated historical performance results.

Different types of investments and/or investment strategies involve varying levels of risk and there can be no assurance that any specific investment or investment strategy will be suitable or profitable for a client's or a prospective client's portfolio and may result in a loss of principal. Accordingly, no client or prospective client should assume the model portfolio (or any component thereof) serves as a substitute for personalized advice from an investment professional.

Alternative investments, such as REITS or commodities, are speculative investments and involve specific risks that may be greater than those associated with traditional investments. Investors should consider the special risks including limited liquidity, commodity price volatility, tax considerations, increased expenses and speculative investment strategies such as leverage. There is no assurance that the investment objective of alternative investments will be achieved.

Foreign and international investments may be more volatile than domestic investments and may involve special risks, including currency exchange fluctuations, increased expenses, differences in auditing and financial standards and political and economic uncertainties.

Investments that focus on specific sectors may invest in a limited number of companies or industries, which can increase volatility and exposure to issues affecting that sector, such as commodity prices and fluctuating industry demands.

Bonds are exposed to credit and interest rate risk (when rates rise, bond fund prices generally fall). Investments in lower rated ("junk") bonds have more risk due to the risk of default. Diversification and asset allocation do not ensure a profit or protect against loss.

The example below shows investment advisory fees that are compounded so you can see the effect of that compounding and the impact on your expected returns. The amount you will pay will reduce the amount of your return by a like amount. This example assumes a \$10,000 account that you earn a 5% return each year and investment advisory fees are deducted at the beginning of each quarter. Although your actual costs may be higher or lower, based on these assumptions your investment advisory fees would be:

	<u>1% Fee</u>	<u>1.25% Fee</u>	<u>1.50% Fee</u>	<u>1.75% Fee</u>	<u>2.00% Fee</u>
1 Year	\$102	\$127	\$152	\$178	\$203
3 Year	\$317	\$396	\$476	\$555	\$634
5 Year	\$550	\$688	\$825	\$963	\$1,101
10 Year	\$1,221	\$1,527	\$1,832	\$2,137	\$2,443

The hypothetical portfolio may consist of mutual funds or ETFs, which are both sold by prospectus, or portions directly managed by an individual investment money manager. Investors should carefully consider the investment objectives, risks, charges and expenses of the mutual funds or ETFs. This and other important information is contained in the prospectus, which can be obtained from your financial adviser and should be read carefully before investing.

Diversification and asset allocation do not ensure a profit or protect against loss.

PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.

Geneos Wealth Management, Inc. is an SEC Registered Investment Advisor and a FINRA registered broker-dealer. Registration with the SEC does not imply a certain level of skill or training.