

GENEOS WEALTH MANAGEMENT, Inc.
Regulation Best Interest Conflicts of Interest Disclosure
July 15, 2020

CONFLICTS OF INTEREST

We have identified certain conflicts of interest that relate to the recommendations we and our Financial Professionals make. A conflict arises when an economic benefit incentivizes Geneos Wealth Management or your Financial Professional to put our interests and/or the interests of the Financial Professional ahead of yours. Some of these conflicts exist between you and both our Firm and your Financial Professional, while others exist only between you and our Firm or between you and your Financial Professional. The section below discusses material facts relating to these conflicts to help you make an informed decision regarding any recommendation your Financial Professional provides you.

Conflicts for Both Our Firm and Financial Professional

Conflicts between you and both our Firm and Financial Professional may be caused by a variety of arrangements, including the role we play in a transaction, compensation arrangements, or trading arrangements. These arrangements present a conflict of interest because Geneos Wealth Management and your Financial Professional have a greater incentive to make available, recommend, or make investment decisions regarding investments for your account that provide additional compensation to your Financial Professional or Geneos Wealth Management over other investments that do not provide additional compensation to your Financial Professional or Geneos Wealth Management.

- We and our Financial Professionals get paid when you trade or invest based on our recommendations. We are paid each time you trade in your brokerage account or make a new investment. We also pay our Financial Professionals most of the transaction-based payments that we receive. These transaction-based payments, usually called commissions, incentivize us and your Financial Professional to encourage you to trade more or purchase additional investments that result in additional revenue for our Firm and your Financial Professional. When you purchase products, such as mutual funds, 529 plans, closed-end funds at public offering, UITs, and variable insurance products, the sponsor company will pay a commission to us. Although you do not pay this commission directly, the sponsor factors this commission into the product's fees and costs. In this way, you indirectly pay the commission out of the value of your investments.
- For some investments you purchase based on our recommendation, we receive payments that are in addition to the transaction-based payments described above. This is typically the case when you purchase mutual funds, 529 plans, closed-end funds, UITs, and variable insurance products. These fees and compensation include, but are not limited to, mutual fund and money market 12b-1 and subtransfer agent fees, mutual fund transaction fees, due diligence fees, marketing reimbursements or reallowances, or other transaction or service fees.
- Sponsor companies for many of the products we sell participate in activities that are designed to help facilitate the distribution of their products. These companies often pay the travel, meals, and lodging expenses for Geneos Wealth Management Financial Professionals to attend educational programs and due diligence meetings designed to help Financial Professionals be more knowledgeable about those companies' products, operations, and management. These companies also often provide other forms of compensation to Geneos Wealth Management Financial Professionals relating to the sale and distribution of their products, including merchandise, gifts, prizes, and entertainment, such as tickets to sporting events and leisure activities, as well as payment or reimbursement for the costs of business development expenses, client seminars, client appreciation events, software, and marketing materials designed to help promote the Financial Professional's business.
- For investments with multi-share class structures, we generally receive comparatively more compensation when we recommend you purchase or hold a share class that is likely to be more costly for you. Some investments, such as mutual funds, 529 plans, UITs, nontraded alternative investments, and variable insurance products, offer multiple share classes. Depending on the share class in which you are invested, we may earn higher commissions, ongoing payments, and/or other compensation. These comparatively higher commissions, ongoing payments, and other compensation

incentivize us and your Financial Professional to sell you or recommend you hold the share class in a multi-share class structure that results in the most compensation for us, which will be more costly for you. Please note, however, that where issuers have multi-share class structures, the lowest-cost share classes may not be available to you due to high minimum investment amounts or account type requirements (e.g., a retirement account or an advisory account). You can find more information about your costs and our compensation from different share classes in the prospectus for the investment or by asking your Financial Professional.

- We get paid when you engage in a rollover transaction. We can recommend that you roll over assets from your workplace retirement plan into an IRA. When you engage in a rollover to an IRA, we and your Financial Professional will receive compensation in connection with the investments you hold in your IRA. IRA rollover recommendations incentivize us and your Financial Professional to encourage the purchase of investments that result in additional compensation for us and your Financial Professional that we would not otherwise receive if the funds remained in your workplace retirement plan.

- We have an incentive to recommend the account type that pays us the most compensation. We can recommend that you invest through different account type arrangements, such as through a brokerage account, an account directly held with the issuer of the investment (or its transfer agent), or an advisory account. Depending on factors such as the type and level of services you require, as well as the frequency of trading in your account, one of these account types may be more cost-effective for you than the others. The availability of different account types incentivizes us and our Financial Professionals to recommend the account type that results in the most compensation for us and your Financial Professional.

Conflicts for Our Firm Alone

Conflicts between you and our Firm may be caused by a variety of arrangements, including the role we play in a transaction, compensation arrangements, trading arrangements, or customer-specific arrangements. The material facts relating to these conflicts are as follows:

- Many issuers of the investments our Financial Professionals recommend periodically pay us based on the total amount of sales we make of their investments or the total amount of customer assets we direct to them. These payments are often called “revenue sharing” payments. Revenue sharing payments incentivize us to sell you or recommend you hold investments that make these payments rather than investments that do not entail these payments, or make comparatively lower payments. We also receive due diligence fees, distribution allowances, and other payments from many of the companies whose products we sell. Many issuers or their affiliates also make payments to us to cover the costs associated with certain educational conferences, training seminars, or incentive-level meetings we host for our Financial Professional. In most cases, these payments are flat and are not tied to total sales or customer assets. All of these payments incentivize us to sell you or recommend you hold investments issued by issuers that make these payments rather than investments of issuers that do not make these payments, or make comparatively lower payments. Please refer to the additional disclosure on our website at www.geneoswealth.com/disclosures regarding the specific issuers with whom we have arrangements for revenue sharing payments.

- Pershing and National Financial Services LLC (NFS) makes certain types of revenue sharing payments to us. As our primary clearing firms, Pershing and NFS make quarterly business growth credits to us equal to a fractional percentage of net new assets that we introduce to them from a custodian other than Pershing or NFS. We also collect a portion of the No-Transaction Fee revenue from the custodians on non-advisory accounts. We also add a markup to the transaction costs and certain other brokerage account charges and fees that are assessed to your brokerage account and transactions. These payments incentivize us to sell you or recommend you hold investments that make these payments rather than investments that do not make these payments or provide less of these payments.

We may act as a solicitor for other RIA's sometimes they may be referred to as Third Party Money Managers (TPMM). In this solicitor arrangement we will receive a portion of the fee the TPMM will charge you. This varies and will be identified in the TPMM's Form ADV.

- Geneos offers an Insured Deposit Program ("IDP") as well as money market funds as our core account sweep vehicle with our custodian, Pershing, LLC. The IDP is used to hold your cash balances in advisory accounts while awaiting reinvestment. The IDP generates financial benefits for Geneos which are a conflict of interest.
- If you opt out the IDP, we provide access to other core account investment vehicles, including money market funds, to hold cash balances waiting to be reinvested. Geneos receives a financial benefit (revenue sharing from the money market provider) if cash is placed into a money market fund which presents a conflict of interest

Conflicts for Financial Professional Alone

Conflicts between you and our Financial Professionals may be caused by a variety of arrangements, including compensation arrangements, client-specific arrangements, or outside business activities. The material facts relating to these conflicts are as follows:

- Your Financial Professional's primary compensation is composed of their "total production," which is based on the total assets they manage (i.e., "Assets Under Management"), and commissions and trails they receives. Firm-paid cash and "non-cash" compensation incentives for Financial Professional are tied to total production. Commissions and trails paid to a Financial Professional are a percentage of the Gross Dealer Concessions ("GDC") Geneos Wealth Management receives when a Financial Professional's client purchases securities through us. The amount of commissions, fees, transaction-based payments, ongoing payments, and other forms of compensation we share with Financial Professional is dictated by a compensation grid. Our compensation grid is investment neutral, meaning the percentage of the compensation from any given transaction your Financial Professional receives does not vary based on the investment recommended. Your Financial Professional's payout percentage is adjusted depending on your Financial Professional's total production. The potential to receive higher payout percentage adjustments incentivizes your Financial Professional to encourage more trading or recommend the purchase of additional investments that increase your Financial Professional's total production and payout percentage. This conflict grows as your Financial Professional approaches specific Firm production thresholds that will increase the percentage of the GDC they receive, and in many cases will make them eligible for Firm incentive trips and conferences.
- Some of our branch supervisors oversee the sales and marketing activities of other Financial Professional located in their branch. These managers usually receive a portion of the compensation earned by Financial Professional over which they have supervisory responsibility. This could cause a manager to approve a transaction or series of transactions for your account when there may be less-costly alternatives available to you.
- Beginning in May 2020, some Financial Professionals new to our firm have or will be provided with forgivable loans that are tied to the amount of total assets they manage at Geneos Wealth Management as of a milestone date. Some Financial Professionals who joined Geneos Wealth Management prior to May 2020 were provided with forgivable loans that are tied to their total production achieved as of a milestone date.
- Some of our Financial Professionals receive additional training and support from certain product issuers. Certain issuers and their affiliates provide some of our Financial Professional with more training and administrative support than others. If your Financial Professional receives this additional training and support, his or her use of these issuers' higher level of training and administrative support incentivizes your Financial Professional to recommend investments issued by issuers that provide such training and support over issuers that do not.
- Some of our Financial Professionals receive payment or reimbursement from product sponsors or issuers for the costs of business development expenses. These include costs related to client seminars, client appreciation events,

software, or marketing materials or financial support designed to help promote the Financial Professional's business. If your Financial Professional receives these reimbursements or payments, they incentivize your Financial Professional to recommend investments that provide these reimbursements or payments over investments that do not.

- Some Financial Professionals have outside business activities that compete for their time. Many of our Financial Professionals engage in outside business activities. If your Financial Professional engages in any outside business activities, these activities may cause your Financial Professional to spend more time on the outside business activity rather than on his or her brokerage relationship with you. You may research any outside business activities your Financial Professional may have on FINRA's BrokerCheck website at www.brokercheck.finra.org. You can also find additional information on these outside business activities in your Financial Professional's ADV Part 2B document. Your Financial Professional will provide this to you upon request.