About:

Bauer Wealth Management is a registered Investment Adviser through the Colorado Division of Securities and is located in Colorado. Information pertaining to Bauer Wealth's business, advisory practices, services, and fees is set forth in Bauer Wealth's current Form ADV Part 2A (Brochure), which is available at www.adviserinfo.sec.gov.

Licensing agreement:

Bauer Wealth licenses its investment algorithms from a third-party manager, PCM. They offer four indices which have both back tested performance (model) returns and post-inception (actual results). Bauer Wealth will display index returns that utilize the same algorithm it licenses, not actual Bauer Wealth Management performance numbers. Bauer Wealth will compare the index returns against a benchmark index like the S&P 500.

Time Period:

Data is calculated by S&P Dow Jones Indices. The indices represent back-tested data over a 1-yr, 3-yr, 5-yr, and 10-year period since 2000. All information for an index prior to its Launch Date is back-tested, based on the methodology that was in effect on the Launch Date. The Launch Date for all four indices was July, 1st, 2016.

Gross of Fees:

The indices represent back-tested data over a 1-yr, 3-yr, 5-yr, and 10-year period since 2000. Performance data presented is gross of fees, which means that performance data does not reflect any management fees, transaction costs, commissions or other expenses that could be incurred by an investment or portfolio. Such fees and expenses could reduce returns. Bauer Wealth will provide net of fees performance materials for actual results when requested or shown to a client.

Inherent Limitations of relying on back tested (model) results:

Clients of Bauer Wealth cannot directly invest into an index. Index performance does not represent an actual investment or a portfolio's performance, which may differ significantly from the index. No representation is made that any investor will or is likely to achieve results comparable to those shown or will make any profit at all or will be able to avoid incurring substantial losses.
As mentioned, index performance does not reflect any deduction of management fees, transaction costs, commissions or other expenses that could be incurred by an investment or portfolio. Such fees and expenses could reduce returns.

Information presented is obtained from independent sources and its accuracy cannot be guaranteed. Calculations in this presentation may contain errors. All information for an index prior to its Launch Date is back-tested, based on the methodology that was in effect on the Launch Date, July 1st, 2016. Back-tested performance, which is hypothetical and not actual performance, is subject to inherent limitations because it reflects application of an Index methodology and selection of index constituents in hind-sight. No theoretical approach can take into account all of the factors in the markets in general and the impact of decisions that might have been made during the actual operation of an index. Actual returns may differ from, and be lower than, back-tested returns. Another limitation of using back-tested information is the back-tested calculation is generally prepared with the benefit of hindsight. Back-tested data and/or information reflects the application of the index methodology and selection of index constituents in hindsight. No hypothetical record can completely account for the impact of financial risk in actual trading.

Potential for loss:

All investments in securities presents the opportunity for loss. Before purchasing any investment, a prospective investor should consult with their own investment, accounting, legal and tax advisors to evaluate independently the risks, consequences and suitability of any investment. Past performance is not indicative of future results, loss of principal is possible.

Investment Strategies & Benchmarks:

Performance Benchmarks: Peak Capital Balanced Income Index Total Return; Peak Capital Global Growth Index Total Return, Peak Capital Income Index Return, Peak Capital U.S Growth Index Total Return

Peak Balanced Income: The strategy's primary objective is current income. Capital appreciation is a secondary objective. In general, the strategy will allocate capital to assets that provide current yield. Total portfolio risk is equally allocated to dividend paying stocks, REITs, and high yield bonds. The strategy dynamically allocates across assets as correlations and volatilities change.

Peak Global Growth: The strategy's primary objective is long-term growth of capital. In general, the strategy will allocate capital to global equities and Treasuries based on a risk budget. Roughly 95% of total portfolio risk is allocated evenly to five U.S. equity factors – momentum, value, size, quality and volatility, and geographic regions outside the U.S. Roughly 5% of total portfolio risk is allocated to U.S. Treasuries. The strategy dynamically allocates as the correlations and volatilities of the underlying exposures changes over time.

Peak Income Index: The strategy's primary objective is current income. In general, the strategy will allocate capital to traditional and non-traditional assets that provide current income. Total portfolio risk is roughly equally allocated to investment grade bonds, REITs, preferred stocks, high yield bonds and dividend paying stocks. The strategy dynamically allocates across the assets as correlations and volatilities change.

Peak U.S. Growth: The strategy's primary objective is long-term growth of capital. In general, the strategy will allocate capital to U.S. equities and Treasuries based on a risk budget. Roughly 95% of total portfolio risk is allocated evenly to five U.S. equity factors – momentum, value, size, quality and volatility. Roughly 5% of total portfolio risk is allocated to U.S. Treasuries. The strategy dynamically allocates as the correlations and volatilities of the underlying exposures changes over time.

Market conditions of actual vs. model results:

Back tested (model) performance does not reflect possible changes in market conditions. Additionally, actual performance conditions will vary based on market conditions that can include: changes in cash flows, frequency and precision of rebalancing, tax-management strategies, cash balances, other fees, and market risk factors.

Clients should note that actual returns may differ from, and be lower than, index returns due to a variety of factors including, but not limited to, advisory fees and other expenses a client could have paid. The index performance involves model performance rather than actual performance. The indices do reflect the reinvestment of dividends or other earnings

Market Risk Factors:

Although our models seek to **lower risk via dynamic hedging, market risk factors like** equity risk, **interest rate risk**, **currency** risk, and commodity risk still exist.

Market-related events can affect all financial and/or securities industries. In these occurrences, often based on data with global implications, many companies, regardless of its size, structure, and financial condition, can experience swings in market valuation and securities pricing.

Interest-rate changes may cause a swing in security pricing and market valuations. For example, when bond yields increase, increase rates typically decrease. As such, this may make investors less incentivized, or similarly in inverse bond yield conditions, to hold onto certain security types.

Currency fluctuations, due to global micro or macro-economic conditions, can bring added risk to an underlying security. Certain security types may have more or less risk given its ties to a certain currency, especially if a company's operations, taxes or profit margins are dependent on exchange rates.

This level of risk is largely due to the fact that many currencies are pegged against other world currencies.

Equity/Credit/Debt changes, due to a company/securities exposure to debt or other related defaults, can cause a swing in equity/market valuations. The ability of a debt holder to pay a debt may be factored into the pricing on the security/investments (e.g. bond, credit based mutual funds).
In addition, the amount of credit available to an underlying company, may factor into its ability to grow, and thus could affect securities/market valuation and earnings.

Equity/Liquidity issues may arise if an investment manager experiences difficulty when attempting to exit a position due to a security within a limited market of buyers and sellers (e.g. illiquid securities, secondary market securities, low float stocks).
As such, the spread (the difference between the price to buy or sell a security due to limited conditions), may force a heavy discounted execution price.

Dynamic Risk Hedging assigns a risk score to each investment and no one holding is allowed to exceed risk budgeting, allowing the protection of the portfolio in down markets while giving us the opportunity to outperform with less risk over full economic cycles.

DISCLAIMER: Investing in securities does involve risk of loss that clients should be prepared to bear. The risks can range from failing to keep pace with inflation to losing some or all of the money you invest.