

# Kalos Emerging Markets Regional Strategy

## Objective

The Kalos Emerging Markets Regional Strategy invests in emerging markets across different regions throughout the world. In addition to allocating by regions, the portfolio also may be diversified by style, size of companies, and other characteristics according to perceived opportunities. The strategy seeks to gain exposure to non-U.S. economic trends, political environments, regulatory regimes, market sentiments, currency movements, and various other international factors. Equities from firms based in the United States or developed markets, according to common categorizations, are specifically excluded.

## Investment Approach

Exchange traded funds, an investment vehicle that seeks to closely track specific stock and bond indexes, are used to gain exposure to specific regional markets. Future developments could make other investment vehicles more attractive, and it is possible that other vehicles could be added in part or whole to the strategy. The investment approach emphasizes minimal trading. Tax efficiency is not specifically targeted other than what results from management's limited trading emphasis.

Portfolios are invested to target allocations for particular regions and managed according to pre-established allocation ranges. These target allocations may be adjusted by managers attempting to maximize return and minimize volatility according to changing economic environments, market conditions, and investment opportunities.

## Management

Holdings are monitored at least bi-weekly and adjusted by portfolio managers in an effort to achieve the strategy's investment objectives. Annual turnover of the portfolio is targeted at below 20 percent, although portfolios are traded as deemed necessary to adjust to changing market conditions, special circumstances, and periods of market duress.

## Risks

International equities can be adversely affected by economic conditions, foreign and domestic market volatility, currency exchange rates, political unrest, regulatory changes, tax structures, and numerous other factors that can differ dramatically from risks in the U.S. Investments in emerging markets could experience greater volatility than investments in more developed areas. In addition, all holdings are in public equity markets and should be assumed to have the volatility and uncertainty associated with global stock markets.

*Please read the disclosure, located on the reverse side which is integral to your investment decision-making process.*



11525 Park Woods Circle  
Alpharetta, GA 30005

1.888.356.1950  
678.356.1100

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

Minimum Account Value is \$25,000.

# Explanation, Disclosure, and Disclaimer

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Kalos and its affiliates do not guarantee any minimum level of investment performance or the success of any portfolio or investment strategy. Further, there can be no assurance that any portfolio will achieve its investment objective. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's securities, when redeemed, may be worth more or less than their original cost. Depending upon unique and changing client and market situations we may customize the construction and implementation of the portfolios for particular clients. Therefore, your return may be materially different from that of other Kalos Management clients with the same investment objective and any comparative benchmark provided. Registration of an investment adviser does not imply any level of skill or training.

***Specific to Kalos Equity Commodity Strategy:*** The exposure to the commodities and stock markets that this strategy seeks to obtain creates inherent risks and limitations. Commodities price changes and expected volatility is likely to affect the prices of stocks operating in these markets both negatively and positively and can create substantial volatility. No attempt will be made to diversify into other sectors or asset classes outside of the natural resource and commodity sectors. The targeted focus of this strategy will likely result in price movements very different from the general stock market and could cause substantial under performance relative to the broader stock market. In addition, investing in equities carries both security selection and market risk which can cause substantial losses in individual holdings or across the entire portfolio. This strategy will hold equities – or other securities as appropriate – believed to provide growth or defensive advantages within the natural resource and commodities sector. While it is envisioned that all holdings will be stocks of individual companies, we recognize that future developments could make other investment vehicles more attractive, and it is possible that other vehicles could be added in part or whole to the strategy.

***Specific to Kalos Fixed Income Strategies:*** In an environment where interest rates may trend upward, rising rates will negatively impact most bond funds and bond exchange traded funds, and fixed income securities held by a fund or exchange traded funds are likely to decrease in value. Bond funds and exchange traded funds, and individual bonds with a longer duration tend to be more sensitive to changes in interest rates usually making them more volatile than securities with shorter durations. Duration is a measure of a portfolio's price sensitivity expressed in years.



*Investment Advisory Services offered through Kalos Management, Inc.  
an SEC Registered Investment Advisor.*

11525 Park Woods Circle | Alpharetta, GA 30005

Tel: 678.356.1100 | 1.888.356.1950 | Fax: 678.356.1105 | [www.kalosmanagement.com](http://www.kalosmanagement.com)