

Kalos U.S. Market ETF Strategy

Objective

The Kalos U.S. Market ETF Strategy seeks to provide investors with attractive returns for a given level of volatility by investing in various sectors expected to provide strong long-term performance and reduced cross correlation. We expect the combined positions to provide strong performance across the portfolio with reduced total portfolio risk. Diversification is targeted by style, size of companies, industry, and other characteristics according to perceived opportunities.

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 equity sectors. 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 sectors 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

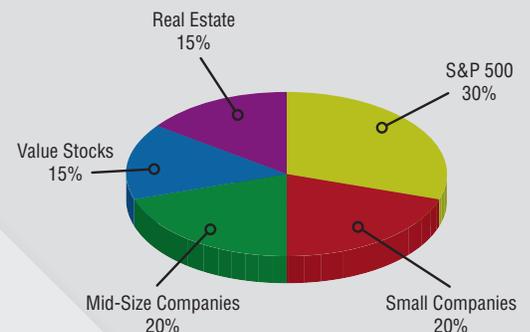
Holdings are monitored at least bi-weekly and adjusted by portfolio managers in an effort to achieve the strategy's investment objectives. Annual turnover of the portfolio is targeted at below 20 percent, although portfolios are traded

as deemed necessary to adjust to changing market conditions, special circumstances, and periods of market duress.

Risks

While the strategy seeks to lower total portfolio volatility through combining different sectors with lower cross-correlation, there can be no assurances that the strategy will achieve its objectives. In addition, all holdings will be in U.S., public equity markets. As a result, returns should be assumed to have the volatility and uncertainty associated with the U.S. stock market. Investments in small and mid-cap equities could experience greater volatility than investments in large capitalization companies.

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



The chart above outlines the broad strategy allocation. Within any strategy, investments are diversified across various market sectors and specific investments. Exact allocation percentages allocated to different sectors in your account will vary over time for various reasons including market fluctuations, actions taken by your investment manager, evolving investment opportunities and/or risks, and the ongoing administration of your account.



11525 Park Woods Circle
Alpharetta, GA 30005

1.888.356.1950
678.356.1100

www.kalosmanagement.com

Minimum Account Value is \$25,000.

Explanation, Disclosure, and Disclaimer

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