

## Regulation Best Interest Disclosures (BI)

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

This disclosure provides information about the business practices, compensation and conflicts of interest related to the brokerage business of Kalos Capital, Inc. and the investment advisory business of Kalos Management, Inc. (referred to as “we,” “us,” or “KALOS”). Additional information about KALOS and its financial professionals is available on FINRA’s website at <http://brokercheck.finra.org>.

### TABLE OF CONTENTS

TABLE OF CONTENTS.....	1
ITEM 1 INTRODUCTION.....	1
ITEM 2 COMMISSIONS, FEES AND OTHER TYPES OF SALES COMPENSATION .....	2
ITEM 3 THIRD PARTY COMPENSATION.....	2
ITEM 4 PRODUCT COSTS AND RELATED CONFLICTS .....	4
ITEM 5 CUSTOMER REFERRALS, OTHER COMPENSATION AND OTHER CONFLICTS .....	4
ITEM 6 FINANCIAL PROFESSIONAL COMPENSATION, FEES AND RELATED CONFLICTS.....	5
ITEM 7 OTHER FINANCIAL INDUSTRY AFFILIATIONS.....	7

### ITEM 1 INTRODUCTION

Kalos Capital is a broker-dealer registered with the Securities and Exchange Commission (SEC) and member of the Financial Industry Regulatory Authority (FINRA). Kalos Management is registered as an investment adviser with the SEC. In addition, Kalos Capital is qualified to sell insurance products in all 50 states. As a broker-dealer, Kalos Capital transacts business in various types of securities, including mutual funds, exchange-traded funds (ETFs), stocks, bonds, options, private and public partnerships, variable annuities, real estate investment trusts (REITs) and other investment products.

KALOS maintains a network of individuals, referred to as “financial professionals”, who offer brokerage services, investment advisory services, or both, depending on their licenses. Some of KALOS’s financial professionals are investment adviser representatives (IARs) of KALOS or a non-affiliated third-party investment adviser. KALOS sometimes refers to these specific financial professionals as “financial advisors” or “advisors.” KALOS’s financial professionals are independent contractors. KALOS financial professionals are dispersed throughout the U.S. and often market services under their own business name.

Although most financial professionals offer both brokerage and investment advisory services, some only offer brokerage services and others only offer investment advisory services. **When you are discussing services with a financial professional, you should ask what capacity the financial professional is acting or will be acting—as a broker-dealer registered representative and/or an IAR—when providing services to you.** This disclosure discusses important information regarding financial professionals who act as registered representatives of KALOS’s broker-dealer. For more information about KALOS and the services financial professionals provide when they act as IARs, please see KALOS’s Form ADV disclosure brochures available on Kalos’ website, in the case of a financial professional who is associated with a third party investment adviser, please refer to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or contact that investment adviser for a copy of its Form ADV. For additional information on which type of investment account is right for you, please see KALOS’s Form CRS (Customer Relationship Summary) that is available on Kalos’ website.

Like all financial services providers, KALOS and its financial professionals have **conflicts of interest**. KALOS and its financial professionals are compensated directly by customers and indirectly from the investments made by customers. When customers pay us, we typically get paid an upfront commission or sales load at the time of the transaction and in some cases a deferred sales charge. If we are paid an upfront commission, it means that we are paid more the more transactions a customer makes. When we are paid indirectly from the investments made by customers, we receive ongoing compensation, typically called a “trail” payment, for as long as a customer holds an investment. In addition, we may receive compensation from the sponsors of some of the investment products that customers purchase through us. The amount we receive varies depending on the particular type of investment a customer makes. The compensation described in this disclosure represents the maximum revenue we receive on an investment before subtraction of our expenses.

Please also note that not all the conflicts described in this disclosure apply to a particular financial professional, his/her services or all the products we sell. The types and amounts of compensation we receive change over time. You should ask your financial professional if you have any questions about compensation, costs, fees, or conflicts of interest.

## ITEM 2 COMMISSIONS, FEES AND OTHER TYPES OF SALES COMPENSATION

### Commissions and Sales Charges

Kalos Capital receives upfront commissions when it executes transactions that result in the purchase or sale of a security. A commission, which also may be called a sales load, sales charge or placement fee, is typically paid at the time of the sale and can reduce the amount available to invest or can be charged directly against an investment. Commissions are often based on the amount of assets invested. Kalos Capital receives the sales charge or commission and shares it with your financial professional. In some cases, a portion of the sales charge or commission is retained by the investment's sponsor. Commissions vary from product to product, which creates an incentive to sell a higher commission security rather than a lower commission security. The maximum and typical maximum commissions for common investment products are listed below. For more information about other commissions that apply to a particular transaction, please refer to the applicable investment's prospectus or other offering document.

- **Equities and Other Exchange Traded Securities.** The maximum commission charged by KALOS in an agency capacity on an exchange-traded security transaction, such as an equity, option, ETF, exchange traded note (ETN) or closed-end fund (CEF), is up to 5% of the transaction amount.
- **Mutual Funds and 529s.** The maximum commission or sales charge is defined by prospectus, although the maximum is typically 5.75%.
- **Annuities.** The maximum upfront commission paid for new sales of annuities is typically 8.25%, but varies depending on the issuer, the type of annuity, time purchased, riders chosen, and investment-only variable annuities.
- **Alternative Investments.** For alternative investment products, such as hedge funds, private equity funds, non-traded business development companies (BDCs), real estate private placements, or real estate investment trusts (REITs), the upfront sales load can be as high as 8.0%.
- **Unit Investment Trusts (UITs).** The maximum upfront sales charge paid typically ranges from 1.25% to 3.95% and can depend on the length of the term of the UIT.

### Direct Fees and Charges

If you hold an account at KALOS, KALOS charges miscellaneous fees directly to your account such as fees for transaction processing, account transfers, and retirement account maintenance. For direct fees that apply per transaction, KALOS receives more fees the more transactions that result from a financial professional's recommendation. These fees are not shared with financial professionals and are not charged by KALOS if you hold an account directly with a product sponsor rather than with KALOS.

## ITEM 3 THIRD PARTY COMPENSATION

KALOS and financial professionals receive compensation from investment product sponsors and other third parties in connection with investments that KALOS customers make in securities such as mutual funds, annuities, and alternative investments. Some types of third-party compensation are received by KALOS and shared with financial professionals, and other types are retained only by KALOS.

### Third Party Compensation Shared by KALOS and Financial Professionals Trail Compensation

KALOS and its financial professionals may receive ongoing compensation from certain investment products such as mutual funds, annuities and alternative investments. This compensation is typically paid from the assets of the investment product under a distribution or servicing arrangement with the investment sponsor and may be calculated as an annual percentage of assets invested by KALOS customers. The more assets you invest in the product, the more we will be paid in these fees. The amount of trails received varies from product to product. This creates an incentive to recommend a product that pays a higher trail rather than a lower trail. We also have an incentive to recommend a product that pays trails (regardless of amount) rather than products that do not pay trails. For more information about trail compensation received with respect to a particular investment, please refer to the prospectus or offering document for the investment.

- **Mutual Funds and 529s.** The ongoing payment depends on the class of shares but is typically between 0.25% and 1% in the form of 12b-1 fees.
- **Annuities.** KALOS may receive a trail payment from an annuity issuer for the promotion, sale and servicing of a policy. The amount and timing of trail payments vary depending on the agreement between KALOS and the issuer, and the type of policy purchased. The maximum trail payment for annuities is typically 1.5% and varies depending on the type of annuity.
- **Alternative Investments.** For alternative investment products, such as private funds, trail payments may be as high as 1.25% on an annual basis. Trail payments for managed futures funds can be as high as 2% annually.

### Non-Cash Compensation

KALOS, KALOS employees and financial professionals receive non-cash compensation from investment sponsors that is not in connection with any particular customer or investment. Compensation includes such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings, customer workshops or events, or marketing advertising initiatives, including services for identifying prospective customers.

Investment sponsors also pay, or reimburse KALOS and/or its financial professionals, for the costs associated with education or training events that may be attended by KALOS employees and financial professionals and for KALOS sponsored conferences and events.

### THIRD-PARTY COMPENSATION RETAINED BY KALOS

#### Cash Sweep

If a customer holds an account with KALOS, KALOS offers a service to sweep cash held within accounts into an interest-bearing FDIC insured cash account (ICA) or, in limited circumstances, money market funds. For ICA, under its agreement with each bank in which KALOS deposits customer cash, KALOS receives a fee from the banks equal to a percentage of the average daily deposit balance in the ICA. The fee paid to KALOS is at an annual rate of up to 4% as applied across all deposit accounts taken in the aggregate; therefore, on some accounts, fees to KALOS may be higher or lower than this average percentage amount.

Uninvested cash balances are automatically invested in a money market sweep fund. KALOS receives compensation for marketing support from the sponsors to these funds. These payments are in addition to other fees (e.g., recordkeeping and 12b-1 fees) received by KALOS.

Depending on interest rates and other market factors, the yields on the ICA, and money market sweep fund have been, and may continue in the future to be, lower than the aggregate fees and expenses received by KALOS for a customer's participation in the cash sweep programs. This may result in a customer experiencing a negative overall investment return with respect to cash balances in the cash sweep programs. Interest rates under ICA may be lower than the interest rates available if customers make deposits directly with a bank or other depository institution outside of KALOS's brokerage platform or invests in a money market fund or other cash equivalent. Customers should compare the terms, interest rates, required minimum amounts and other features of the sweep program with other types of accounts and investments for cash.

#### Non-Sweep Money Market Mutual Funds

Customers are able to invest cash balances in a limited number of money market mutual funds other than as part of a sweep arrangement (Non-Sweep Money Market Funds). Depending on interest rates and other market factors, investment returns of money market mutual funds have been, and may continue in the future to be, lower than the aggregate fees and expenses charged by KALOS in connection with the transaction. This may result in a customer experiencing a negative overall investment return with respect to cash reserves invested in the Non-Sweep Money Market Funds.

Unlike other types of mutual funds available on KALOS's platform, KALOS makes available Non-Sweep Money Market Funds from only a limited number of mutual fund sponsors. Because of the limited number of Non-Sweep Money Market Funds available on the platform and the fees paid by those funds, other money market mutual funds not available through KALOS's brokerage platform are likely to have higher returns than the Non-Sweep Money Market Funds.

#### Other Revenue Payments

KALOS may receive other revenue payments from investment sponsors. Investment sponsors make these payments to help cover the costs of the Firm's shareholder servicing, due diligence, marketing and conference costs. In addition, Investment sponsors help support KALOS's product marketing, education and training efforts for financial professionals so that investment sponsors can communicate with financial professionals and employees and promote their products.

- **Mutual & Interval Funds.** KALOS may receive compensation of up to 0.25% on an annual basis for shareholder servicing with certain mutual fund families.
- **Fixed Annuities.** KALOS may receive payments of up to 0.50% annually on initial sales for certain annuity companies.
- **Variable Annuities.** KALOS may receive compensation that is based on customer assets of up to 0.15% annually, based on sales of such products of up to 0.35% annually or based on a formula that is a combination of a fixed fee, customer assets and/or product sales.
- **Alternative Investments.** For certain alternative investments, KALOS may receive a marketing allowance fee directly from the investment sponsor, such as managed futures funds, REITs, hedge funds or private equity, and not as a portion of the upfront commission or trail. These fees can be paid on an annual basis of up to 0.35% or up to 1.50% of initial sales.
- **Retirement Plan Products.** KALOS may receive marketing and educational support payments per year from certain retirement plan product sponsors to assist with training and educating financial professionals.

#### Technology Funding

When KALOS incurs technology development-related costs associated with the launch or maintenance of a platform, tool or service, KALOS may receive reimbursements from product sponsors for such costs. Because KALOS benefits from product sponsors' reimbursements of technology development-related costs, KALOS's financial interests are conflicted with its ability to use strictly objective factors when selecting product sponsors to make available on the applicable platform.

#### ITEM 4 PRODUCT COSTS AND RELATED CONFLICTS

Financial professionals provide recommendations with respect to a broad range of investment products, including stocks, bonds, ETFs, mutual funds, annuities and alternative investments. Each type of investment product carries unique risks, and many investment products charge fees and costs that are separate from and in addition to the commissions and fees that KALOS and financial professionals receive. You can learn more about these risks and the fees and costs charged by an investment product by reviewing the investment product's prospectus, offering memorandum, or other disclosure documents.

Set out below is the typical range of expenses of the various investment products we sell. In most cases, these expenses are in addition to the commissions and fees that KALOS receives for its brokerage services.

- **ETFs.** The expense ratios range from 0% to 1.00%.
- **Mutual Funds.** Expense ratios can vary based on the type of mutual fund purchased. The average expense ratio for actively managed funds is 0.5% to 2.5%.
- **Annuities.** The typical range of annual expenses associated with annuities is 0.25% to 5.00% dependent upon the combination of optional riders selected by the investors selected by the investor including type of annuity (variable annuities have a mortality and expense fee whereas fixed index annuities do not), optional riders elected (living and/or death benefits) and investment options where applicable (subaccounts or models for variable annuities).
- **Alternative Investments.** The typical range of annual expenses, excluding any commissions or dealer manager fees, is 0.80% to 6.00% which may include management fees, property management fees, acquisition fees, disposition fees, performance participation fees, organization and offering fees, acquired fund fees and expenses, or interest payments on borrowed funds.
- **UITs.** Typical annual operating expenses for UITs range from 0.20% to 4.00%. Equity UITs usually comprise the low end of the range while UITs whose trust consist of a basket of CEFs typically comprise the high end of the range.

#### Share Class and Fund Selection

KALOS offers various share classes of mutual funds and 529s. As an example, certain mutual fund share classes, often referred to as Class A shares, charge an upfront sales charge and an ongoing trail. For other mutual fund share classes, often titled Class C shares, there is no upfront sale charge paid, however, there is an ongoing trail payment and a contingent deferred sales charge to the investor if there is a redemption within a certain period of time after purchase. Depending on the length of the holding period for the mutual fund or 529, and other factors, one share class may be less expensive to the investor than another, and KALOS and the financial professional may earn more or less in compensation for one share class than another. Because of their characteristics and sales load structure, mutual funds generally are longer term investments. Frequent purchases and sales of mutual funds can result in significant sales charges unless the transactions are limited to exchanges among mutual funds offered by a sponsor that permits exchanges without additional sales charges. KALOS maintains policies and procedures that are designed to detect and prevent excessive mutual fund switching, but you should monitor your account and discuss with your financial professional any frequent mutual fund purchases and sales.

Some share classes or funds we offer do not charge or pay to us an upfront sales charge and pay us ongoing trails of 0.25% to 1.00% or less annually ("no-load funds"). KALOS makes no-load funds available only to certain customers or through certain of our programs. Because of the limited compensation from no-load funds, we have an incentive to limit the availability of no-load funds we offer and to recommend you invest in funds that impose sales charges and trails.

KALOS also offers various mutual funds and ETFs, some of which have similar or identical investment strategies but differing fee structures. For example, a mutual fund that is designed to track an index of securities, such as the S&P 500 Index, may have higher or different types of fees than an ETF that is designed to track the same index. Whether a fund or ETF is more expensive than another fund or ETF with a similar or identical investment strategy may depend on factors such as length of holding, size of the initial investment and other factors. KALOS and a financial professional may earn more compensation for one fund or ETF than another, giving KALOS and the financial professional an incentive to recommend the product that pays more compensation.

#### ITEM 5 CUSTOMER REFERRALS, OTHER COMPENSATION AND OTHER CONFLICTS

##### Payment for Referrals

KALOS offers programs where KALOS' financial professionals pays professionals, such as attorneys or accountants, for referrals. In one such program, KALOS pays such professionals for referrals exclusively to its advisory business, and customers must acknowledge the referral payment to the professional. In another program, the professionals become registered as representatives of KALOS and share in brokerage commissions and advisory fees in connection with the referral. In addition, some financial professionals offer brokerage and advisory services on the premises of unaffiliated financial institutions, like banks and credit unions. In some of those cases, the financial institution pays an employee (e.g., a teller) a "nominal" fee for referrals to a financial professional in accordance with applicable banking regulations.

KALOS and financial professionals may enter into lead generation, marketing and/or referral arrangements with third parties and other financial intermediaries, including for the purpose of introducing new customers. The fees paid for these services can be structured in various ways,

including an ongoing flat fee.

### **Margin**

KALOS offers customers the ability to purchase securities on credit, also known as margin purchases. When a customer purchases securities on margin, KALOS extends a line of credit to the customer and charges interest on the margin balance. KALOS has a financial incentive to allow margin borrowing because KALOS earns compensation in the form of interest, transaction charges and other fees on investments made with borrowed amounts. That financial incentive creates a conflict of interest insofar as KALOS and financial professionals benefit from your decision to borrow and incur the various fees and interest described above. If contemplating use of margin, please consult the KALOS Margin Agreement and related disclosures for additional details.

### **Float**

If a customer holds an account at KALOS, KALOS maintains the assets in a segregated account and receives compensation in the form of earnings on its investment of uninvested cash. These earnings are generally known as "float." Cash in the account would typically result from contributions to the account or sales of securities in the account before that cash is credited to a specific customer account. KALOS also receives float on outstanding checks after they are issued by KALOS to the customer and before they are presented for payment. KALOS does not share this compensation with financial professionals.

### **Error Correction**

If a customer holds an account at KALOS and a trade error caused by KALOS occurs in the account, KALOS will cancel the trade and remove the resulting monetary loss to a customer from the account. If a trade correction is required as a result of a customer (e.g., if a customer does not make full payment for purchases or fails to deliver negotiable securities for liquidations before trade settlement), KALOS will cancel the trade and any resulting monetary loss will be borne by the customer. In the case of a trade that requires a correction and that resulted in a monetary gain to the customer, such gain may be removed from the account and may result in a financial benefit to KALOS.

### **Rollovers**

If a customer decides to roll assets out of a retirement plan, such as a 401(k) plan, and into an individual retirement account (IRA), we have a financial incentive to recommend that a customer invests those assets with KALOS, because we will be paid on those assets, for example, through commissions, fees and/or third party payments. A customer should be aware that such fees and commissions likely will be higher than those the customer pays through the plan, and there can be custodial and other maintenance fees. As securities held in a retirement plan are generally not transferred to an IRA, commissions and sales charges may be charged when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan.

### **Limitations on Investment Recommendations**

KALOS and financial professionals offer and recommend investment products only from investment sponsors with which KALOS has entered into selling and distribution agreements. Other firms may offer products and services not available through KALOS, or the same or similar investment products and services at lower cost. In addition, KALOS may only offer certain products in a brokerage account, even though there is a version of the product that may be offered at a lower cost through an advisory account, and vice versa.

The scope of products and services offered by certain financial professionals may also be more limited than what is available through other financial professionals. A financial professional's ability to offer individual products and services depends on his/her licensing, training or branch office policy restrictions. For example, a financial professional maintaining a Series 6, Series 63 and Life Insurance Agent license is limited to providing investment company securities, such as mutual funds and UITs and variable annuity contracts. A financial professional maintaining a Series 7, Series 63 and Life Insurance Agent license can provide solutions including all securities available for sale by a Series 6 representative as well as individual stocks, bonds, and alternative investments, among others. As another example, a financial professional may only be licensed to provide brokerage services, and not advisory services, or vice versa. To provide investment advisory services, a financial professional is often required to be registered as an IAR with the state in which he/she has a place of business.

You should ask your financial professional about the securities or services he/she is licensed or qualified to sell, and his/her ability to service investments that you transfer to KALOS from another firm. You should also review the licenses held by your financial professional by visiting the FINRA BrokerCheck system at <http://brokercheck.finra.org>.

## **ITEM 6 FINANCIAL PROFESSIONAL COMPENSATION, FEES AND RELATED CONFLICTS**

KALOS generally compensates financial professionals pursuant to an independent contractor agreement, and not as employees. Described below are the compensation and other benefits that independent contractor financial professionals receive from KALOS.

### **Cash Compensation**

KALOS typically pays a financial professional a percentage of the revenue he/she generates from sales of products and services. The percentage received can vary (typically between 60% to 90%) depending on his or her agreements with KALOS and the investment product or service

recommended and can be more or less than what he/she would receive at another brokerage firm. When compensation is based on the level of production or assets, the financial professional has a financial incentive to meet those production or asset levels. In some cases, financial professionals pay a portion of their compensation to another financial professional for supervision and/or administrative or sales support. There is a conflict of interest because the compensation affects the supervisor's ability to provide objective supervision of the financial professional. KALOS has an obligation to supervise financial professionals and may decide to terminate a financial professional's association with KALOS based on performance, a disciplinary event or other factors. The amount of revenue a financial professional generates creates a conflict of interest when considering whether to terminate a financial professional.

### **Other Benefits**

Financial professionals are eligible to receive other benefits based on the revenue he/she generates from sales of products and services. These benefits present a conflict of interest because the financial professional has an incentive to remain a registered representative of KALOS in order to maintain these benefits. These benefits include eligibility for practice management support and enhanced service support levels that confer a variety of benefits, conferences (e.g., for education, networking, training, and personal and professional development), and other non-cash compensation. Such benefits may include credits of fees that financial professionals pay to KALOS for items such as administrative services or technology.

### **Fees Charged to Financial Professionals**

KALOS charges financial professionals various fees under its independent contractor agreement for, among other things, trade execution, administrative services, insurance, certain outside business activity related supervision, technology and licensing. Depending on the situation, these fees make it more or less profitable for the financial professional to offer and recommend certain services or products over others. Transaction fees charged to your financial professional can also vary depending on the specific security that the financial professional recommends. As an example, the transaction fees a financial professional must pay to KALOS to purchase or sell a mutual fund for your account may differ between funds, which creates an incentive for your financial professional to recommend the fund that carries the lowest transaction charge.

### **Recruitment Compensation and Operational Assistance**

If a financial professional recently became associated with KALOS after working with another financial services firm, he/she may have received recruitment compensation from KALOS in connection with the transition. In many cases, this transition assistance includes payments from KALOS that are commonly intended to assist a financial professional with costs associated with the transition; however, KALOS may or may not verify that any payments made are actually used for transition costs.

### **Financial Professional's Outside Business Activities**

Financial professionals are permitted to engage in certain KALOS-approved business activities other than the provision of brokerage and advisory services through KALOS, and in certain cases, a financial professional receives more compensation, benefits and non-cash compensation through the outside business than through KALOS. Some financial professionals are accountants, insurance agents, or tax preparers, and some financial professionals refer customers to other service providers and receive referral fees. As an example, a financial professional could provide advisory or financial planning services through an unaffiliated investment advisory firm, sell insurance through a separate business, or provide

third party administration to retirement plans through a separate firm. If a financial professional provides investment services to a retirement plan as a representative of KALOS and provides administration services to the plan through a separate firm, this typically means the financial professional is compensated from the plan for the two services. In addition, a financial professional may sell insurance through an insurance agency not affiliated with KALOS. In those circumstances, the financial professional would be subject to the policies and procedures of the

third-party insurance agency related to the sale of insurance products and would have different conflicts of interest than when acting on behalf of KALOS. A financial professional may earn compensation, benefits and non-cash compensation through the third-party insurance agency and may have an incentive to recommend you purchase insurance products away from KALOS. If you engage with a financial professional for services separate from KALOS, you may wish to discuss with him/her any questions you have about the compensation he/she receives from the engagement. Additional information about your financial professionals outside business activities is available on FINRA's website at <http://brokercheck.finra.org>.

### **Compensation for Other Services**

KALOS and financial professionals can offer various types of advisory and brokerage programs, platforms and services, and earn differing types and amounts of compensation depending on the type of service, program or platform in which you participate. This variation in compensation can incentivize a financial professional to recommend services, programs or platforms that generate more compensation for KALOS and the financial professional than others. For example, if you expect to trade securities frequently in your account, a brokerage account in which you pay a commission for each transaction may generate more compensation for your financial professional than an advisory account that generates compensation in the form of investment advisory fees.

#### **ITEM 7 OTHER FINANCIAL INDUSTRY AFFILIATIONS**

KALOS Management, an investment adviser firm, is an affiliated company. In addition, IARs of Kalos Management are typically brokerage registered representatives of KALOS Capital. Because of the affiliation, Kalos Capital has an incentive to recommend KALOS Management advisory programs over other programs and services.

Daniel Wildermuth and Carol Wildermuth are also principals and beneficial owners of:

- Kalos Financial, Inc.,
- Kalos Capital, Inc.,
- Wildermuth Asset Management, LLC,
- Wildermuth Advisory, LLC, and
- Wildermuth Securities, LLC.

Kalos Financial is a state licensed insurance agency. The agency sells fixed annuities, life and health products. Kalos Capital, Inc. is a state licensed insurance agency and general securities broker-dealer registered with the SEC, and FINRA, as well as, various state regulatory agencies. In this capacity, Kalos Capital executes trades (as agent) for a commission in investment products on behalf of clients, who may or may not have an advisory fee agreement with Kalos Management, Inc.

**Please consult the Disclosures page on KALOS's website for the current information about KALOS's brokerage compensation and related conflicts of interest. KALOS posts changes to this disclosure on its website from time to time. KALOS may not notify you when these changes are made, so you should consult the website to learn about any changes that have been made. If you are unable to access the website or require paper copies of any documents referenced here, please contact your financial professional.**