

**Fund:** Kalo Capital Management, LP  
**Portfolio Manager:** Steven D. Friedman, CFA  
**Inception:** March 2011  
**AUM:** \$24.2M (including \$16.2M in Fund)

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## Kalo Background

Kalo was founded in 2011 to manage family & extended family assets. Subsequently, Kalo opened the fund to potential investors seeking similar priorities: strong absolute performance while protecting against extended drawdowns. A significant portion of the fund is Partner or family capital, providing stability and aligning management and investor interests.

## Long/Short Equity Strategy and Process

Kalo Capital is a long/short equity fund, focused on alpha-driven returns with controlled downside risk. We look for out-of-favor and overlooked companies for long positions, and over-hyped or deteriorating companies for short positions. We utilize proprietary systematic approaches to generate new ideas and independently analyze opportunities, seeking both longer term investments and shorter term trade opportunities. For the longer term investments, we focus on business fundamentals, upcoming catalysts, and valuation based risk/reward. Shorter term trades are quickly executed in reaction to events. Our idea generation process revolves around internally finding stocks with upcoming fundamental catalysts that are not recognized in stock valuation. We internally research and analyze stocks based on fundamental valuation while considering market expectations and investor psychology. This drives sensitivity based price targets which frame our risk/reward expectations for each individual stock.

## Risk Control

Kalo places a strong focus on limiting downside risk while generating returns. In addition to our focus on limiting downside risk in each individual name, we use a diversified portfolio with little to no leverage. Individual position sizes typically range from 1-6%, and the portfolio's typical exposure ranges from +25% to +60% net with 60% to 100% gross long exposure. We will reduce net and gross exposure levels when we view market risks as high.

## Performance

Kalo LP Performance (net of fees)*														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Incep.
<b>2019</b>	8.9%	4.2%	0.6%	1.3%	1.1%								<b>16.9%</b>	<b>107.5%</b>
<b>2018</b>	(1.2%)	3.0%	2.2%	1.6%	10.8%	3.5%	(1.3%)	4.9%	(3.3%)	(7.2%)	(0.0%)	(6.9%)	<b>4.8%</b>	<b>77.5%</b>
<b>2017</b>	4.1%	(2.7%)	1.7%	1.7%	(2.3%)	6.1%	(1.0%)	(0.6%)	7.8%	0.1%	5.2%	(0.4%)	<b>20.9%</b>	<b>69.4%</b>
<b>2016</b>	(5.1%)	2.4%	0.5%	1.7%	(2.6%)	0.4%	4.3%	1.5%	3.5%	(3.7%)	(0.9%)	0.8%	<b>2.5%</b>	<b>40.1%</b>
<b>2015</b>	(5.3%)	4.9%	1.1%	0.8%	1.4%	(1.8%)	(4.3%)	(2.2%)	(2.5%)	8.5%	4.6%	0.8%	<b>5.3%</b>	<b>36.7%</b>
<b>2014</b>	2.0%	5.0%	1.7%	(1.4%)	1.2%	2.3%	(2.0%)	0.1%	(1.6%)	0.5%	(2.6%)	2.2%	<b>7.7%</b>	<b>29.8%</b>
<b>2013</b>	2.2%	2.5%	1.2%	0.9%	3.4%	2.4%	3.2%	0.8%	1.6%	1.4%	1.1%	2.7%	<b>26.0%</b>	<b>20.5%</b>
<b>2012</b>	5.1%	2.2%	0.7%	(2.6%)	(2.9%)	3.6%	(2.0%)	3.5%	(0.3%)	0.1%	0.3%	0.3%	<b>7.7%</b>	<b>(4.4%)</b>
<b>2011</b>			0.4%	0.8%	(2.2%)	(0.2%)	(1.7%)	(2.7%)	(5.1%)	2.1%	(2.2%)	(0.9%)	<b>(11.3%)</b>	<b>(11.3%)</b>

Performance Summary March 2011 – May 2019*			
	Kalo LP	Russ. 2000	S&P 500
Total Net Return	<b>107.5%</b>	99.8%	144.2%
Compound Annual Net Return	<b>9.2%</b>	8.8%	11.4%
5 Year CAGR	<b>9.6%</b>	6.7%	9.6%
Annualized Alpha (gross)	<b>10.3%</b>		
5 Year Annual. Alpha (gross)	<b>12.0%</b>		
Annual Downside Volatility	<b>6.2%</b>	10.7%	7.2%
Max Drawdown	<b>(16.4%)</b>	(25.1%)	(16.2%)
Sharpe Ratio	<b>0.81</b>	0.56	0.94
5 Year Sharpe Ratio	<b>0.75</b>	0.45	0.80
Sortino Ratio	<b>1.45</b>	0.87	1.53
5 Year Sortino Ratio	<b>1.35</b>	0.66	1.25
Correlation to Russell	<b>66%</b>		88%
Correlation to S&P	<b>54%</b>	88%	

Typical Portfolio Metrics	
Net Exposure	+25% to +60%
Gross Long Exposure	60% to 100%
Top 10 Longs Exposure	30% to 50%
Position Sizes (excl ETFs)	1% to 8%
Number Long Positions	30 to 45
Number Short Positions	10 to 20

Terms	Service Providers
Fees: 1.5% / 20%	Prime Broker: Jefferies
Min Investment: \$100k	Auditor: Berkower LLC
High Water Mark: Yes	Legal: Crow & Cushing
Liquidity: Monthly	Admin: Theorem Fund Services
Lockup: None	CFO Support: Constellation

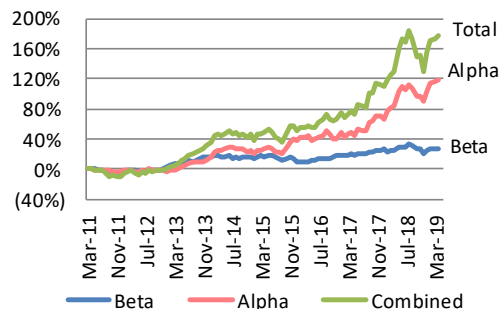
\*Past performance is not indicative of future results. Performance calculations are net of all fees, 1.5% management fee and 20% performance fee. Index comparisons for IWM (Russell 2000) and SPY (S&P 500) adjust for dividend reinvestments. Alpha performance calculated vs IWM (Russell 2000).

### Manager Net Performance History

	Dates	Strategy	Russ. 2000	S&P 500
Kalo Capital Mgmt., LP	Mar'11-May'19	<b>107.5%</b>	99.8%	144.2%
SMA (pre-fund launch)	Oct'10-Feb'11	<b>7.3%</b>	19.3%	14.9%
Proprietary Trading Desk	Aug'08-Dec'08	<b>(3.6%)</b>	(36.9%)	(31.1%)
Pequot Capital	Jul'06-Jun'08	<b>11.2%</b>	(1.9%)	4.5%
Total Manager History	11+ years	<b>138.4%</b>	47.6%	101.9%
	CAGR	<b>8.2%</b>	3.6%	6.5%

Performance is pro forma assuming a 1.5% management fee and 20% performance fee. See Disclaimer for additional information.

### Alpha Drives Performance



**10.3% annualized gross alpha.**

Data shows estimated cumulative gross attribution.

### Investment Team

#### Steven D. Friedman, CFA

##### Portfolio Manager

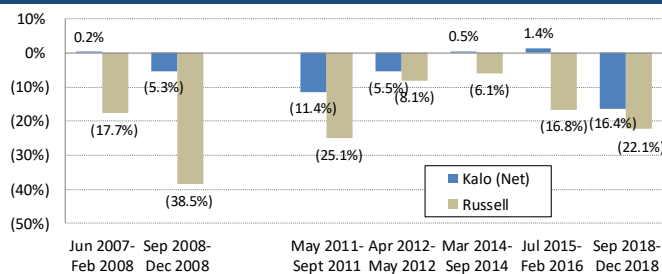
Kalo Capital Management, PM and Founder (2010-present)  
 Manalapan Oracle Advisers, Portfolio Manager (2009-2010)  
 Prop Desk, Portfolio Manager (Aug 2008-Dec 2008)  
 Pequot Capital Management, Portfolio Manager (2006-2008)  
 Feirstein Capital Management, Senior Analyst (2001-2006)  
 Lazard Frères & Co. LLC, Financial Analyst (1996-1998)  
 Columbia Business School, MBA (2001)  
 University of Michigan, BBA (1996)  
 Chartered Financial Analyst (2005)  
 Investment Adviser Representative in New Jersey (2011)

#### Tony Alaimo, CFA

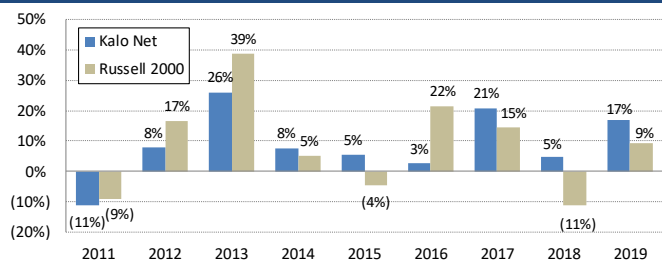
##### Analyst/Trader

Kalo Capital Management, Analyst (2014-present)  
 Axiom International Investors, Analyst (2006-2013)  
 Sacred Heart University, BA (2006)  
 Chartered Financial Analyst (2010)

### Outperformance in Extended Market Drawdowns



### Historical Performance vs Russell 2000



### Disclaimer

This document is intended for informational purposes only. It is not a solicitation or offer to purchase interests in Kalo Capital Management, LP (the "Fund") or in any funds associated with Kalo Capital Management ("Kalo Capital"). Any representation to the contrary is not permitted. The Fund's returns are calculated net of all management and incentive fees, and expenses. Past performance is not indicative of future results. The Fund is audited annually. The information contained in this presentation is from sources we believe to be accurate. Kalo Capital Management may not be held liable for any errors or omissions on the information provided. Any Fund or investment involves risk, including possible risk of total loss. Potential investors must familiarize themselves with the offering materials related to such investment and must meet certain investment sophistication levels in order to make such investments and must be able to fully absorb the risk associated with such investments. The Offering Memorandum for the Fund and related Subscription Agreement and Limited Partnership Agreement will be made available to those who demonstrate the capacity to evaluate the risks and merits of this investment.

The past performance of any Fund or investment discussed herein is no indication of future results that may be achieved by an investment in the Fund. The Benchmark indices presented in these materials (S&P 500 and Russell 2000) may or may not hold substantially similar securities to those held by the funds referred to herein, and thus, little correlation may exist between the Fund's historic return and those such indices and there is no guarantee that any correlation which may have existed will continue to do so in the future. The index comparisons provided are calculated using the SPY (S&P 500) and IWM (Russell 2000) ETFs, adjusted to account for dividends. Indices are for informational purposes and should not be used as the basis for making an investment decision.

The historical performance of the Kalo Capital Management, LP fund, separately managed accounts managed by Kalo Capital Management, LLC, and prior portfolio management history of Steven Friedman (collectively "Mr. Friedman's Historical Portfolio Management Experience") is provided for informational purposes only. Mr. Friedman is the Chief Investment Officer of Kalo Capital Management, LP and was previously the sole Portfolio Manager of sub-portfolios at Pequot Capital Management (July 1, 2006 – June 30, 2008), and the proprietary trading desk of the Market-Making business at Bernard L. Madoff Investment Securities LLC (not the fraudulent investment management business) (August 6, 2008 – December 11, 2008). The proprietary trading desk was part of the Market-Making business, which federal prosecutors have declared was legitimate (Reuters Article, "Market-Making Arm of Madoff's Firm to Be Sold Off", 3/27/09). At the proprietary trading desk, Mr. Friedman had \$12.5 million of long spending power and \$12.5 million of short spending power, thus performance calculations are based on \$12.5 million assets under management. Prospective investors must recognize that the performance management history prior to Kalo Capital, are from sub-portfolios, and were not stand-alone entities, nor were they managed by Kalo Capital.

Mr. Friedman launched his Separately Managed Account on October 11, 2010. Mr. Friedman was a Portfolio Manager at Manalapan Oracle Advisers, but this performance was not included in the Historical Portfolio Management Experience as he was not the sole manager and did not have discretionary authority over the portfolio, but this performance is available upon request. Past performance of Mr. Friedman's Historical Portfolio Management Experience is neither a guarantee of, nor necessarily indicative of, the future results of the investment funds Mr. Friedman manages at Kalo Capital. Steven Friedman also manages other strategies at Kalo Capital Management, LLC not shown, which are available upon request.

\*Past performance is not indicative of future results.