



*Scanning the globe for Emerging  
Market opportunities.*

## **EMERGING MARKETS STRATEGY (“EMI”)**

KCM’s EMI Strategy combines several ETFs into a single, coordinated portfolio designed to provide our clients:

- Exposure to the world’s emerging markets
- Active management of exposure to each emerging market country or basket of countries
- Liquidity
- Risk reduction through diversification

### PORTFOLIO MANAGEMENT PROCESS

KCM employs a combination of quantitative, macro-economic, and technical tools to evaluate the ETFs that are employed in the strategy. On a quarterly basis, our process establishes:

- Which regions are the most attractive
- Which countries are the most attractive
- The level of exposure to the core, broadly based ETF that forms the portfolio’s backbone

Intra-quarter, our process may generate signals to make adjustments to the initial holdings. KCM believes that its systematic, disciplined, and consistent process limits risk and maintains appropriate diversification.

Portfolios can be expected to follow the general track of the MSCI Emerging Markets Index (our benchmark). Our results since inception show the strategy has generated attractive total returns relative to its benchmark.

ETFs typically employed in the strategy are:

MSCI Emerging Markets ETF (EEM or VWO) as the “Core Holding”

Country baskets such as the Latin 40 (ILF) and China 25 (FXI) ETFs

Various country ETFs such as S. Africa (EZA), Brazil (EWZ), Malaysia (EWM), Taiwan (EWT), and Mexico (EWW)

Other regional and country specific ETFs as they become available and appropriate

Contact us for more information as well as the EMI performance history:

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