

Key Group Holdings (Cayman) Limited

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This Brochure provides information about the qualifications and business practices of Key Group Holdings (Cayman) Limited. If you have any questions about the contents of this Brochure, please contact Sunil Jagwani, Director and Chief Compliance Officer (“CCO”) of Key Group Holdings (Cayman) Limited at +1 214 245 1919 or by email at sunil.jagwani@kghl.net. Additional information about Key Group Holdings (Cayman) Limited, is also available on the SEC’s website at www.adviserinfo.sec.gov. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration of an investment adviser does not imply that Key Group Holdings (Cayman) Limited or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Item 2: Material Changes

Because this is Key Group's first brochure prepared using the SEC's revised Form ADV Part 2A, Key Group has no material changes in prior filings to report.

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Item 4: Advisory Business

Key Group Holdings (Cayman) Limited (“**Key Group**”, “**we**”, “**us**”, “**our**”, or the “**Firm**”) is an investment adviser organized in December 2011. Under an account management agreement (the “**Agreement**”) between Key Group and an adviser to a private pooled investment vehicle (the “**Client**”), the Firm provides investment management services to a trading account (the “**Account**”). Key Group also provides portfolio management services to a managed account client (the “**Managed Account**”).

Key Group provides advice to the Account based on specific investment objectives and strategies, as more specifically described in Item 8. Key Group does not tailor advisory services to the individual needs of Investors (the “**Investors**”) in the Account.

Sunil Jagwani is the owner of the Firm as of the date of submission of this form.

As of the date of submission of this form, Key Group managed gross assets of approximately US\$842.5 million in the Account, and approximately US\$96.8 million in the Managed Account, all of which are managed on a discretionary basis.

Item 5: Fees and Compensation

Pursuant to the Agreement, Key Group generally receives an annual base fee (the “**Base Fee**”) which is billed to the Client and payable quarterly in arrears.

The Client shall bear expenses of the Firm as per the Agreement, such as dividends paid, any amounts of dividend or interest income withheld as taxes, interest paid (including interest on capital to fund the Account), and any start-up and operating expenses of the Firm. The Account may incur brokerage and other transaction costs. For further details on Key Group’s brokerage practices refer to Item 12 of this Brochure.

Key Group and its employees do not accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

Key Group receives a fixed fee from the Managed Account.

Item 6: Performance-Based Fees and Side-By-Side Management

The Firm generally receives a performance allocation from the Client that is calculated based upon a percentage of the net capital appreciation of the Account. The performance allocation is in accordance with the available exemption set forth in Rule 205-3 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”).

Net asset value for measuring assets for the calculation of the performance allocation includes net realized and unrealized capital gains and losses. Capital gains are calculated net of all expenses of the Account except for the Base Fee which is subtracted from the performance allocation.

The performance allocation may create an incentive for Key Group to recommend investments which may be riskier or more speculative than those which would be

recommended under a different fee arrangement. Key Group has procedures designed and implemented to prevent this conflict from influencing investment decisions.

Other than the Base Fee described in Item 5, no hourly, flat or asset-based fees are charged to the Account.

Item 7: Types of Client

The Firm provides services to the Client and the Managed Account.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis & Investment Strategy

We use bottom-up research and risk management seeking to generate risk-adjusted returns. Potential investments include global equity, fixed income, commodity and derivatives with the aim of capital appreciation in a disciplined manner.

We intend to study diversification into other strategies as an option for the Firm. Diversification options include investment strategies not currently employed by Key Group such as long-only investing, Indexation and Risk Arbitrage.

Risk of Loss Factors

Investing in securities involves risk of loss that the Client should be prepared to bear. The Client should consider the following factors before investing. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment. The Client is urged to consult their professional advisers and review the legal documents for the Account before deciding to make an investment.

Dependence on Key Personnel

The Firm has overall responsibility for the management of the affairs of the Account and has day-to-day responsibility for investment decisions on behalf of the Account. The Firm is dependent on the expertise of Sunil Jagwani and if the Firm were to lose his services, the Account could be adversely affected.

Trade Execution Risk

Many of the investment techniques used by Key Group require the rapid and efficient execution of transactions, or the ability to accumulate or liquidate large positions. Inefficient execution can impair realization of the market opportunities sought with such techniques.

Small to Medium Capitalization Companies

The Account may invest in the stocks of companies with small- to medium-sized market capitalizations. While Key Group believes these stocks may provide significant potential for appreciation, such stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be less liquid than that of larger capitalization stocks.

Portfolio Turnover

Part of the investment strategy of the Account may involve the taking of frequent trading positions and, as a result, turnover and brokerage commission expenses of the Account may exceed those of other investment entities of comparable size. The frequent turnover of the portfolio may also lead to inefficient tax consequences for the Account.

Item 9: Disciplinary Information

This Item is not applicable.

Item 10: Other Financial Industry Activities and Affiliations

The Firm has a service agreement with Key Group Holdings (US) LLC ("Key Group LLC"), a limited liability company organized in Delaware, and KGHL Research (UK) Ltd, ("Key Group UK"), a private limited company incorporated in England and Wales. Key Group LLC and Key Group UK are wholly owned subsidiaries of the Firm, and perform research and provide applicable work product for the benefit of and use by the Firm.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Participation or Interest in Client Transactions

Key Group serves as the investment adviser to the Account. Employees and relatives of the employees do not make investments in the Account.

Although Key Group and its employees do not have a direct investment interest in the Account, we may be considered to have recommended to the Account that the Client buy or sell securities or investments in which the Firm or a related person has some personal interest. Any potential conflicts arising from the foregoing are addressed in Key Group's Personal Trading Policy, as described below.

Code of Ethics & Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, Key Group has adopted a Code of Ethics and a Personal Trading Policy that establishes various procedures with respect to investment transactions in accounts in which Key Group employees or related persons have a beneficial interest or accounts over which an employee has investment discretion.

In general, employees (and members of their immediate households) are permitted to invest in equities, debt, options or futures but must obtain pre-approval from the CCO. The spirit of the Code of Ethics and the Personal Trading Policy is to discourage frequent trading in employee personal accounts. In addition, employees may not acquire securities for their own account in an initial public offering. Employees must also obtain pre-approval from the CCO before engaging in any outside business activities or private placements.

All of Key Group's employees must direct their brokers to send duplicate brokerage statements to the CCO, unless an electronic feed has been established. These records are used to monitor compliance with the foregoing policies.

These policies apply to any personal transactions involving equity, debt, options, or futures. This policy does not apply to transactions involving government securities or open-end mutual funds, broad based exchange traded funds (ETFs) or other instruments which afford the investor no discretion over individual securities transactions.

Key Group absolutely prohibits the misuse or inappropriate communication of inside information in connection with our securities transactions. Key Group, as well as federal and state securities laws, also prohibit the practice of market manipulation, which comprises conduct intended to deceive or defraud investors by controlling or artificially affecting the price of securities.

In special situations, Key Group may create an information barrier or a “Chinese Wall” procedure that restricts the disclosure of confidential information to those who have a genuine “need to know” the information.

The Firm has also adopted communications guidelines designed to assist personnel in understanding their duties and responsibilities regarding the receipt and the communication of financial and other sensitive information.

Any outside business activities employees wish to engage in must be disclosed to, and approved by the CCO.

Key Group has adopted a policy restricting the giving and receiving of gifts, limiting participation in and sponsoring of entertainment events, and requiring the reporting of gifts and entertainment to the CCO subject to limited exceptions.

Key Group has also adopted a policy governing political contributions, the holding of public office and impermissible payments. This policy is designed, among other things, to address the requirements of Rule 206(4)-5 under the Advisers Act.

Key Group’s Code of Ethics and Personal Trading Policy are available upon request.

Item 12: Brokerage Practices

As an adviser and a fiduciary to the Account, Key Group requires that the Account’s interests must always be placed first and foremost, and our trading practices and procedures prohibit unfair trading practices and seek to disclose and avoid any actual or potential conflicts of interests or resolve such conflicts in the Account’s favor. Key Group has adopted the following policies and practices to meet the Firm’s fiduciary responsibilities and to ensure our trading practices are fair.

Aggregation

When appropriate, we may, but are not required to, aggregate client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Client accounts participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

Allocation

Our policy prohibits any allocation of trades in a manner that would cause our proprietary accounts, or client account to receive more favorable treatment than other client accounts.

We generally allocate trades for the Account and the Managed Account on a pari passu basis based on assets under management with the allocations being set on a continual basis. Key Group will use its best efforts to enter trades in other client accounts and/or arrangements (and in the Account) pari passu, subject however to the differing capital size, leverage, cash availability, risk parameters and other such factors affecting the other accounts and/or arrangements (and affecting the Account), the intention being that performance of the Account be substantially similar to that of other accounts and/or arrangements following a similar strategy; and notify the Company in advance in the event that a forthcoming transaction is being contemplated to be entered into other than on a pari passu basis.

Key Group does not intend to execute principal trades or cross trades.

Best Execution

Key Group's goal of achieving best execution in our securities transactions, taking all relevant factors into consideration, is integral to our business. Traders are authorized to make investment decisions on behalf of the Account (subject to applicable trading guidelines), and in doing so are responsible to meet "best execution" standards, that is, to ensure that transactions are executed in such a manner that the Firm's total trading-related costs (including costs of relevant research relating to trading) are minimized while trade prices are optimal. Brokerage allocations are to be made in consideration of such factors as price; transaction costs; speed and size of execution; a broker's ability to effect the transactions; its facilities, reliability and financial responsibility; its commitment of capital in appropriate circumstances; as well as other factors that are deemed appropriate to consider under the circumstances.

Principal Trading

Key Group's policy and practice is to not engage in any principal transactions.

Soft Dollars

Key Group does not currently have any soft dollar arrangements in place. Key Group may utilize "soft dollars" generated by its trading activities for the benefit of the Managed Account to purchase research and brokerage products and services that we believe meet the requirements of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"), and the SEC interpretations thereof, in jurisdictions and transactions where Section 28(e) applies. Such research products or services may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, and relevant market data, as well as other products and services that provide assistance to us in the performance of their investment and trading decision-making responsibilities. Brokerage products or services provided to us may include message services used to transmit orders to brokers for execution, trading software used to route orders to market centers, software used to transmit orders to direct market access systems and short-term custody. Where a product or service obtained with soft dollars provides both research or brokerage and non-research or non-brokerage assistance (i.e., a "mixed use" item), Key Group will make a reasonable allocation of the cost which may be paid for with commission dollars.

Key Group may generate soft dollars with commissions on securities transactions, and, in accordance with SEC interpretations, with markups, markdowns, commission equivalents or other fees paid to a dealer for executing a transaction. In addition, to the extent consistent with applicable regulatory requirements, soft dollars may be generated through futures

transactions, certain principal transactions, non-U.S. transactions, or other transactions where it is lawful and not inconsistent with Section 28(e).

Item 13: Review of Accounts

Review of Accounts

The Account managed by the Firm is reviewed on a daily basis from an operational standpoint, for proper positions and correct accounting of profit and loss and balances.

Reporting

The Client has full access and daily transparency into the Account held at a third party qualified custodian. Key Group does not have custody of the Account.

Item 14: Client Referrals and Other Compensation

Key Group does not currently utilize any third-party marketers or solicitors for client referrals.

Key Group does not currently provide advice to parties other than the Account and the Managed Account. The Firm also does not provide other advisory services to the Investors in the Account or the Managed Account.

Item 15: Custody

This item is not applicable.

Item 16: Investment Discretion

Key Group possesses discretionary portfolio management authority over the Account with respect to asset allocations and direct investments as per the Agreement.

Key Group has the authority to determine (i) the securities to be purchased and sold for the Account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the Account.

Item 17: Voting Client Securities

To the extent Key Group has been delegated proxy voting authority on behalf of its Client and the Managed Account, Key Group complies with its proxy voting policies and procedures that are designed to ensure that in cases where Key Group votes proxies with respect to Client or Managed Account securities, such proxies are voted in the best interest of the Account or the Managed Account. Proxies are voted on a case by case basis and in

consultation with the Client. If Key Group believed it is useful to vote a proxy in relation to the Account, the Firm must send an email request to the Client prior to the record date for the vote including details of the intended vote and the reason for desiring to vote, including any material documents or substantiation. The Client will review each request and approve or reject the request accordingly. The Account and the Managed Account trade pari passu and therefore, in most instances Client approval will be necessary.

Any intended vote that is based on Key Group's subjective intent to (i) influence or control the management or operations of a company, (ii) act in any manner that constitutes or may reasonably be interpreted as activist investing or coordinated investing with another party, is subject to the additional requirements specified in the Client's policy concerning "Activist Investing and Coordination".

Any known conflicts of interest should be identified in the request to the Client and will be considered and resolved, as appropriate by the Client.

Upon request, Key Group will provide the Client with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast by the Account.

Item 18: Financial Information

This Item is not applicable.