

Krane Funds Advisors

Form ADV Part 2 – Firm Brochure

Effective: April 09, 2014

This Brochure provides information about the qualifications and business practices of Krane Funds Advisors LLC (“KFA”). If you have any questions about the contents of this Brochure, please contact us at (347) 642 2640.

Krane Funds Advisors LLC is a registered investment adviser registered with the Securities and Exchange Commission. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an Investment Adviser does not imply any specific level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to accept and implement or decline to follow.

Additional information about KFA and its advisory persons are available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site using the following CRD Number for KRA - 157103

Krane Funds Advisors LLC CRD No: 1 5 7 1 0 3
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2nd Floor
New York, NY 10019
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Item 2 - Material Changes

This is the first brochure published by Krane Fund Advisors.

Future Changes

From time to time, we may amend this Firm Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Firm Brochure or this summary of Material Changes shall be provided to each client ("Client") annually or if a material change is made.

At any time, you may view the current Firm Brochure on-line at the SEC's Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>.

To review the firm information for Krane Funds Advisors LLC,

- Click **Investment Adviser Search** in the left navigation menu and enter.
- Select the option for Investment Adviser Firm and enter (*our firm's CRD number*) in the field labeled "Firm IARD/CRD Number".
- ADV Part 1 will be displayed.
- This will provide access to Form ADV 1 and 2A.
- Item 11 of the ADV Part 1 lists legal and disciplinary questions.
- On the left navigation, Form ADV Part 2A is located near the bottom.

You may also request a copy of this Firm Brochure at any time, by contacting us at (347) 642-2640 or visiting our website at www.kraneshares.com.

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Item 4 - Advisory Services

A. Firm Information

Krane Funds Advisors LLC ("KFA") is a registered investment advisor with the Securities and Exchange Commission, and was organized as a limited liability corporation in the state of Delaware in 2011. KFA has been registered as an investment advisor since 2011.

KFA's principal place of business can be found on the first page of this brochure. Our mailing address is:

Krane Funds Advisors LLC
1350 Ave of the Americas
2nd Floor
New York, NY 10019

B. Advisory Services Offered

Investment Supervisory Services

KFA provides portfolio management (investment supervisory) services through its Investment Advisor Representatives. KFA strives to develop individual portfolios that integrate the long-term investment goals and objectives of its Clients while providing attractive risk-adjusted returns. Portfolios may contain securities from multiple asset classes based on fundamental research, relative value, and each Client's risk tolerance. We do not have a minimum size for Client accounts.

In performing its services, we entrust that the Client will provide accurate information and KFA will not be obligated to verify any information received from the Client or from the Client's other professionals. If requested by the Client, we may recommend the services of other professionals for purposes of implementing the plan. The Client is under no obligation to engage the services of any such recommended professional. Clients are advised that it remains their responsibility to promptly notify KFA if there is ever any change in their financial situation during the financial planning process.

It is the Client's responsibility to notify us promptly of any change to the information provided by the Client, including any change to any investment objectives, risk tolerance, investment time horizon, and any investment policies, guidelines or reasonable restrictions. We will honor Client restrictions unless those restrictions impair our ability to manage Client assets.

Prior to rendering investment management services, KFA will ascertain, in conjunction with the Client, the Client's financial situation, risk tolerance, and investment objective(s).

C. Client Account Management

When providing portfolio management services, KFA will select securities and form investment portfolios designed to match the investment objectives as stated by the Client within the Investment Management Agreement or Investment Advisory Agreement. The Client is responsible for all transaction and exchange costs associated with the portfolio. These individually managed portfolios will use individual securities and/or investment company securities as investments (typically exchange traded funds and mutual funds). KFA offers the following categories of standardized investment supervisory services while other investment strategies can be designed to meet the needs of a particular Client's investment objectives:

- Conservative
- Moderate
- Growth.

KFA will use – but is not limited to – the following asset category allocations:

- Domestic and international equities (including emerging markets)
- High yield bonds
- International and emerging market bonds
- Strategies including commodity ETFs, option strategies and currencies, and hedging strategies, including short sales and market-neutral strategies

Each asset category allocation will be primarily composed of mutual funds or exchange-traded funds (ETFs) chosen based on cost-efficiency and the ability to deliver attractive risk-adjusted returns for the particular market exposure. Strategic and tactical asset allocation strategies will be employed based on fundamental top-down analysis to determine the strategy allocations and fundamental bottom-up analysis to determine the specific mutual funds or ETFs to be employed to access specific desired exposures. More customized strategy offerings may be designed for Clients with larger account sizes and more specific investment requirements.

Initially, based on the current market environment, the standardized offerings will generally be managed as follows:

- **Conservative:** Composed of strategic and tactical asset allocations to fixed income (target allocation of 60% - 80%) and equity and/or liquid alternatives (target allocation of 20% - 40%).
- **Moderate:** Composed of strategic and tactical asset allocations to fixed income (target allocation of 40% - 60%) and equities and/or liquid alternatives (target allocation of 40% - 60%).
- **Growth:** Composed of 100% allocation to equities and/or liquid alternatives.

Strategic target allocations to asset classes and tactical asset allocations to mutual funds or exchange traded funds within each asset class can and will change over time depending on market conditions. Investors in the Moderate or Growth strategies are encouraged to be oriented toward the long term and to be able to ride through fluctuations in the equity and alternative markets and in their account values. Clients are encouraged to have a time horizon of at least 3 to 5 years for investments allocated to the Moderate or Growth strategies.

D. Wrap Fee Programs

We do not participate in any wrap fee programs.

E. Assets Under Management

As of March 31, 2015, KFA manages the following assets:

Discretionary Assets	\$150,000,000
Non-discretionary Assets	\$0
Total	\$150,000,000

Item 5 - Fees and Compensation

The following section details the fee structure and compensation methodology for our services. Each Client shall sign an Investment Management Agreement or Investment Advisory Agreement that details the responsibilities of KFA and the Client.

A. Fees for Advisory Services

Investment Supervisory Services

KFA provides Investment Supervisory Services for Client portfolios on an individualized basis. KFA manages

each portfolio to comply with directions from the Client given in the statement of investment policy or similar set of instructions or guidance provided by the Client.

KFA bases its asset management fees on assets under management. The Investment Management Agreement or Investment Advisory Agreement contains the actual fee schedule that applies to each account.

Below are the fee schedules for Brokerage, IRA and other accounts and 401k accounts:

Brokerage, IRAs and all other accounts
Annual % Fee = 1.00%

All investment advisory fees are negotiable. KFA may discount fees at its sole discretion.

B. Fee Billing

Investment Supervisory Services

The value of managed assets to calculate the fee will be based upon the average market values of all managed assets in Client's account(s) in the calendar quarter. To determine the average market values, KFA will use the asset value of the account(s) that is computed by adding the market value of all positions at the end of each calendar day. Advisor's fees are payable at the end of each quarter for Advisor's services in the prior three months. In any partial quarter, Advisor's fees will be pro-rated based on the number of calendar days that Advisor managed Client's account(s). Fees are fully disclosed to the customer by way of the written agreement entered into with KFA. Our Clients acknowledge and agree that asset management fees payable to KFA will either be automatically deducted from the Client's account or will be invoiced separately and this will be documented within the Investment Management Agreement or Investment Advisory Agreement between the Client and KFA. If fees are directly debited by the custodian it will have to be pre-agreed within the Investment Management Agreement or Investment Advisory Agreement, it will be disclosed directly to the Client within the monthly statement directly from the custodian.

In cases when the advisory agreement does not span the full billing period, fees are pro-rated from the date of inception or through the date of termination. KFA or Client may terminate the Investment Management Agreement or Investment Advisory Agreement at any time by providing thirty (30) day written notice to KFA's main office address found in this Brochure. Electronic notification (i.e. email) is accepted as written notice.

C. Other Fees and Expenses

The above-referenced fees charged by KFA do not include brokerage commissions and other costs related to the execution of transactions on behalf of Clients. The Client will pay these costs in addition to the fees discussed above. Clients are also responsible for asset management fees paid to custodians and broker-dealers. The custodian discloses these fees in their disclosure documents, agreements, or the custodian's account-opening documents. Clients are also responsible for margin interest, wire transfer fees, safe-keeping fees and other special services provided by the broker-dealer, transfer agent, or custodian. These fees are disclosed by the custodian at the time the Client opens his or her account(s) or when the service is requested.

D. Advance Payment of Fees and Termination

Advance Fees – KFA fees for Investment Supervisory Services are payable in arrears. We do not require Clients to pay fees in advance. Clients may request to terminate their Investment Management Agreement or Investment Advisory Agreement with KFA, in whole or in part, by providing typically thirty (30) days advance written notice. The Client is and shall remain responsible for any management fees due to third party money managers. The

Client's Investment Management Agreement or Investment Advisory Agreement with KFA is non-transferable without Client's written approval.

Termination – Clients may request to terminate their Investment Management Agreement or Investment Advisory Agreement with KFA, in whole or in part, by providing advance written notice to KFA. The Client shall be responsible for investment advisory fees up to and including the effective date of termination. KFA will refund any unearned, prepaid fees, if any. The Client's Investment Management Agreement or Investment Advisory Agreement with KFA is non-transferable without Client's written approval.

Clients may terminate the Investment Management Agreement or Investment Advisory Agreement without penalty (full refund or no fees due) within 5 business days of signing the Agreement if the KFA Form ADV Part 2 was not delivered at least 48 hours prior to client's execution of the Agreement.

E. Compensation for Sales of Securities

KFA does not receive commissions or any compensation for transactions in any Client account. As a fee-only advisor, KFA is paid only on the advice and investment management provided to Clients based on the assets under management in the Client's account(s).

Item 6 - Performance-Based Fees

KFA does not charge performance-based fees.

Item 7 - Types of Clients

KFA provides advisory services to:

- Individuals
- High net worth individuals
- Institutions

Our current Client mix is included in our Form ADV Part 1. This Client mix may change over time and any changes will be noted in subsequent Form ADV 1 filings.

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

A. Methods of Analysis

KFA conducts proprietary research to establish a fundamental view on current economic conditions and opportunities across various asset classes. Our primary research sources include:

- Prime sources: Annual reports, prospectuses, websites, press releases and historical price analysis
- Third party resources: Morningstar, Bloomberg, Barron's, ETF.com
- "Street" analysis and reports
- Institutional asset management and brokerage dealer network
- Conferences and networking events

In addition, our objective is to identify mutual funds or ETF's (exchange traded funds) that offer the ability to deliver attractive risk-adjusted returns when compared to their benchmark or for their particular market exposure. In doing so, we analyze costs as well, in order to achieve desired market exposures in a cost-effective manner.

Strategic and tactical asset allocation strategies are employed based on fundamental top-down analysis to determine the strategic allocations and fundamental bottom-up analysis to determine the specific mutual funds

or ETF's to be employed to access specific desired exposures.

B. Investment Strategies

KFA offers the following categories of standardized investment supervisory services:

- Conservative
- Moderate
- Growth

We also offer customized investment strategies that are designed to meet the needs of a particular Client's investment objectives.

C. Risk of Loss

General Investment Risks – Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. We will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. KFA shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

Operational Risk – This risk of loss arising from shortcomings or failures in internal processes or systems of the Firm or the custodial platform, external events impacting those systems and human error. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents such as major systems failures.

Liquidity Risk – This is the risk that a client account may not be able to monetize investments and may have to hold to maturity or may also only be able to obtain a lower price for investments either because those investments have become less liquid or illiquid in response to market developments or adverse investor perceptions. Investments that are illiquid or that trade in lower volumes may be more difficult to value.

Concentration Risk – The increased risk of loss associated with not having a diversified portfolio (e.g., investments concentrated in a geographic region, industry sector or issuer will experience greater loss due to an adverse economic, business or political development affecting the region, sector or issuer than an account that is diversified and therefore has less overall exposure to that region, sector or issuer).

Tax, Legal and Regulatory Risks – The risk of loss due to increased costs and reduced investment and trading opportunities resulting from unanticipated legal, tax and regulatory changes, including the risk that the current tax treatment of securities could change in a manner that would have adverse tax consequences for existing investors. Regulations may restrict the type of investments a client may enter into, which could impact the performance of the client account.

Asset Allocation and Rebalancing Risk – The risk that a client account's assets may be out of balance with the target allocation. Any rebalancing of such assets by the Portfolio Management Team may be limited by several factors and, even if achieved, may have an adverse effect on the performance of the client account's assets.

Investment in Investment Companies Risk - To the extent KFA invests in investment companies, including ETFs and mutual funds, client accounts will indirectly be exposed to the risks of investments by such funds. Moreover, clients will incur its pro rata share of the expenses of the underlying funds' expenses. KFA may invest in other funds, including ETFs and mutual funds, sponsored by KFA or its affiliates. KFA may be subject to conflicts of interest in allocating client account assets to funds to the extent that KFA is paid a management fee both by the client and the fund in which the client invests.

Other Risks - Please remember that different types of investments involve varying degrees of risk, including the possible loss of principal and that past performance may not be indicative of future results. Therefore, it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies undertaken by KFA will be profitable.

Item 9 - Disciplinary Information

KFA and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Background information is available on the Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>.

To review the firm information for KFA, click **Investment Adviser Search** in the left navigation menu and enter, select the option for Investment Adviser Firm and enter (*our firm's CRD number*) in the field labeled "Firm IARD/CRD Number:". This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions.

There are no legal, regulatory or disciplinary events involving KFA or any of its employees.

Item 10 - Other Financial Activities and Affiliations

Our sole business is providing investment advisory services and we are not engaged in any other business.

Item 11 - Code of Ethics, Participation in Client Transactions and Personal Trading

A. Code of Ethics

We have implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated within our firm. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. KFA and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of KFA associates to adhere not only to the specific provisions of the Code but to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include; general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures.

We have written our Code of Ethics to meet and exceed regulatory standards. To request a copy of our Code of Ethics, please contact us at (347) 642 2640.

B. Personal Trading and Conflicts of Interest

From time to time the interests of the principals and employees of KFA may coincide with those of a Client. Individual securities may be bought, held or sold by a principal or employee of KFA that are also recommended to or held by a Client. It is the policy of KFA to permit the firm, its employees and IARs to buy, sell and hold the same securities that the IAR also recommends to Clients. It is acknowledged and understood that KFA performs investment services for various Clients with varying investment goals, risk profiles and time horizons. As such,

the investment advice may differ between Clients and investments made by KFA IARs. KFA has no obligation to recommend for purchase or sale a security that KFA, its principals, affiliates, employees or IARs may purchase, sell, or hold. When a decision is made to liquidate a security from all applicable accounts, priority would always be given to the Client's order before those of a related or associated person to the advisor. KFA has procedures dealing with insider trading, employee related accounts, "front running" and other issues that may present a potential conflict when such purchase, sales or recommendations are made. In general, these policies and procedures are intended to eliminate, to the extent possible, the adverse effect on Clients of any such potential conflicts of interest. If potential insider information is inadvertently provided or learned by a principal or employee, it is the policy of KFA strictly to prohibit its use.

Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. We have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

At no time, will KFA or any associated person of KFA, transact in any security to the detriment of any Client.

Item 12 - Brokerage Practices

A. Recommendation of Custodian[s]

Clients granting KFA discretionary investment authority will provide a limited power of attorney to select, purchase or sell securities without obtaining the specific consent of the Client within the Client's account(s) under the management of KFA. There are no restrictions upon the securities that may be purchased, sold or held in the Client's account unless these restrictions are provided to KFA in writing or specified within the Investment Management Agreement or Investment Advisory Agreement between the Client and KFA.

KFA may recommend that Clients establish brokerage accounts with a specific custodian ("Custodian"), normally a registered broker-dealer, Member SIPC/NYSE, to maintain custody of Clients' assets and to effect trades for their accounts. The Custodian provides KFA with access to its institutional trading and operations services, which are typically not available to retail investors. These services generally are available to independent investment advisors at no charge to them so long as the advisor maintains a minimum amount of account assets at the Custodian. The Custodian's services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. The Custodian also makes available to KFA other products and services that benefit KFA but may not benefit its Clients' accounts. Some of these other products and services assist KFA in managing and administering Clients' accounts.

These include software and other technology that provide access to Client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple Client accounts), provide research, pricing information and other market data, facilitate payment of KFA's fees from its Clients' accounts, and assist with back-office support, recordkeeping and Client reporting. Many of these services generally may be used to service all or a substantial number of KFA 's accounts, including accounts not maintained at the Custodian. The Custodian may also provide KFA with other services intended to help KFA manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the Custodian may make available, arrange and/or pay for these types of services to KFA by independent third parties. The Custodian may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to KFA. The availability to Advisor of the foregoing products and services is not contingent upon Advisor committing to the Custodian any specific amount of business (assets in custody or trading).

B. Aggregating and Allocating Trades

KFA may allocate securities among accounts when enough of a particular security(ies) cannot be purchased or sold on a given day at a desired price. In this event, the advisor will allocate the shares actually purchased or sold on a pro rata basis. KFA may remove small allocations from the process if in KFA's opinion they would not be in the best interest of the Client.

Item 13 - Review of Accounts

A. Frequency of Reviews

Accounts are monitored by KFA on an ongoing basis for adherence to investment strategy and Client objectives. KFA's Investment Committee reviews all securities held in Client accounts on a frequent basis and reviews individual portfolios more frequently if a material event occurs.

B. Causes for Reviews

Each Client account will be reviewed at least annually to ensure that the strategy continues to fit their individual circumstances and objectives. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. Our Clients are encouraged to notify us if changes occur in their financial situation that might impact their investment strategy. Additional reviews may be triggered by material market, economic or political events.

C. Review Reports

The Client's account custodian sends monthly statements to each account holder. These monthly statements list all account holdings, purchases and sales. Investment advisory fees are deducted directly from the account, monthly statements will list all fees.

Item 14 - Client Referrals and Other Compensation

A. Compensation Received by KFA

As described above, KFA will not receive any other type of compensation other than the compensation stated above. KFA has implemented a Code of Ethics and employs a Chief Compliance Officer to monitor all transactions to ensure that KFA's fiduciary duty is never breached.

B. Client Referrals from Solicitors

If a Client is introduced to KFA by either an unaffiliated or an affiliated solicitor, KFA may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Except as disclosed below, any such referral fee shall be paid solely from KFA's investment management fee, and shall not result in any additional charge to the Client. If the Client is introduced to KFA by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective Client with a copy of KFA's written disclosure statement as same as is set forth on Part 2A of Form ADV, including this Schedule F, together with a copy of the written disclosure statement from the solicitor to the Client disclosing the terms of the solicitation arrangement between KFA and the solicitor, including the compensation to be received by the solicitor from KFA.

Item 15 - Custody

KFA does not accept or maintain custody of any Client accounts. All Clients must place their assets in a qualified custodian. Clients are required to use TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC as their custodian to retain their funds and securities and KFA will utilize that custodian for the Client's security transactions. For more information custodians and brokerage practices, see Item 12 - Brokerage Practices.

While KFA does not have custody of Client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds Client assets. In certain jurisdictions this may be deemed constructive custody. Prior to permitting direct debit of fees each Client provides written authorization permitting fees be made direct from the custodian. KFA will send the Client and the custodian a bill showing the amount of the fee and the way in which it was calculated. The custodian sends every Client an account statement not less than quarterly showing all account activity, including the amounts disbursed from the account to KFA. For more information custodians and brokerage practices, see Item 12 - Brokerage Practices.

Item 16 - Investment Discretion

KFA generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by KFA. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Management Agreement containing all applicable limitations to such authority. All discretionary trades made by KFA will be in accordance with each Client's investment objectives and goals.

KFA may also be engaged as a non-discretionary investment advisor. Clients will execute an Investment Advisory Agreement. In this capacity, KFA will make asset allocation recommendations and the Client can elect to follow or ignore any recommendations under this agreement.

Item 17 - Voting Client Securities

Unless otherwise stipulated by contract, KFA will vote proxies on behalf of Clients. KFA has established policies and procedures to ensure that proxies are voted in an appropriate manner. In voting proxies, KFA's primary purpose and fiduciary responsibility is to seek to enhance the value of the security, or to reduce potential for a decline in the security's value. KFA will vote proxies in the best interests of its Clients. Each proxy issue will be considered individually. KFA has established voting guidelines, but will not be used as rigid rules.

In exercising its voting discretion, KFA shall avoid any direct or indirect conflict of interest raised by such voting decision. In cases where there is potential conflict of interest, KFA will seek the advice of counsel or a third party before voting.

KFA may abstain from voting or decline a vote in those cases where there appears to be no relationship between the issue and the enhancement or preservation of an investment's value. KFA intends to process most proxy it receives for all domestic and foreign securities; however, there may be situations in which KFA may be unable to vote a proxy, or may choose not to vote a proxy, such as where: (i) proxy ballot was not received from the custodian; (ii) a meeting notice was received too late; (iii) there are fees imposed upon the exercise of a vote and it is determined that such fees outweigh the benefit of voting; (iv) there are legal encumbrances to voting; (v) shares were held on the record date but were sold prior to the meeting date; or (vi) other reasons not stated herein where KFA believes it is not in the best interest of the Partnership to vote the proxy.

Item 18 - Financial Information

Neither KFA, nor its management has any adverse financial situations that would reasonably impair our ability to meet all obligations to its Clients. Neither KFA, nor any of its advisory persons, have been subject to a bankruptcy or financial compromise. We are not required to deliver a balance sheet along with this brochure as the firm does not collect advance fees for services to be performed six months or more in advance. Please see Item 5- Fees and Compensation for additional information.

Privacy Policy

Effective: January 1, 2014

Our Commitment to You

KFA is committed to safeguarding the use of your personal information that we have as your Investment Advisor. KFA (referred to as "we", "our" and "us" throughout this notice) protects the security and confidentiality of the personal information we have and make efforts to ensure that such information is used for proper business purposes in connection with the management or servicing of your account. Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything we can to maintain that trust.

We do not sell your non-public personal information to anyone. Nor does KFA provide such information to others except for discrete and proper business purposes in connection with the servicing and management of your account as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this privacy policy.

The Information We Collect About You

You typically provide personal information when you complete the paperwork required to become our Client. This information may include your:

- Name and address
- E-mail address
- Phone number
- Social security or taxpayer identification number
- Investment activity
- Accounts at other institutions
- Assets
- Income
- Account balance

In addition, we may collect non-public information about you from the following sources:

- Information we receive on Brokerage Agreements, Managed Account Agreements and other Subscription and Account Opening Documents;
- Information we receive in the course of establishing a customer relationship including, but not limited to, applications, forms, and questionnaires;
- Information about your transactions with us or others

Information About You That KFA Shares

KFA works to provide products and services that benefit our customers. We may share non-public personal information with non-affiliated third parties (such as brokers and custodians) as necessary for us to provide agreed services and products to you consistent with applicable law. We may also disclose non-public personal information to other financial institutions with whom we have joint business arrangements for proper business purposes in connection with the management or servicing of your account. In addition, your non-public personal information may also be disclosed to you, persons we believe to be your authorized agent or representative, regulators in order to satisfy KFA's regulatory obligations, and is otherwise required or permitted by law. Lastly, we may disclose your non-public personal information to companies we hire to help administrate our business. Companies we hire to provide services of this kind are not allowed to use your personal information for their own purposes and are contractually obligated to maintain strict confidentiality. We limit their use of your personal information to the performance of the specific service we have requested.

To repeat, we do not sell your non-public personal information to anyone.

Information About Former Clients

KFA does not disclose, and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our clients.

Confidentiality and Security

Our employees are advised about the firm's need to respect the confidentiality of our customers' non-public personal information. Additionally, we maintain physical, procedural and electronic safeguards in an effort to protect the information from access by unauthorized parties.

We'll Keep You Informed

We will send you notice of our privacy policy annually for as long as you maintain an ongoing relationship with us. Periodically we may revise our privacy policy, and will provide you with a revised policy if the changes materially alter the previous privacy policy. We will not, however, revise our privacy policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing. You may obtain a copy of our current privacy policy by contacting us at (347) 642 2640.