

Keel Capital AB

Part 2A of Form ADV

The Brochure

Gamla Brogatan 34
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This brochure provides information about the qualifications and business practices of Keel Capital AB (“Keel” or the “Company”). If you have any questions about the contents of this brochure, please contact us at +44 (0) 20 7440 1600. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Keel is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2. Material Changes

Since the last annual update to Part 2 of our Form ADV on in June 2016, Keel began managing a U.S. separately managed account. There are no other material changes to Keel's business.

Item 3. Table of Contents

Item 2.	Material Changes	2
Item 3.	Table of Contents	3
Item 4.	Advisory Business.....	4
Item 5.	Fees and Compensation.....	4
Item 6.	Performance Based Fees and Side-by-Side Management.....	9
Item 7.	Types of Clients	9
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9.	Disciplinary Information	14
Item 10.	Other Financial Industry Activities and Affiliations.....	14
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	14
Item 12.	Brokerage Practices.....	14
Item 13.	Review of Accounts	16
Item 14.	Client Referrals and Other Compensation	17
Item 15.	Custody	17
Item 16.	Investment Discretion	17
Item 17.	Voting Client Securities	17
Item 18.	Financial Information	18

Item 4. Advisory Business

Keel is a Stockholm based Limited advisory Company founded in 2009. Keel is majority owned by an external investor and employees of Keel. Keel is authorized and regulated by the Swedish Financial Supervisory Authority (“SFSA”) in Sweden.

The Company manages investments in the Keel Capital S.A., SICAV-SIF - Foghorn Fund (“Foghorn Fund”), Keel Capital S.A., SICAV-SIF - Foghorn X2 (“Foghorn X2 Fund”) and the Keel Capital S.A., SICAV-SIF - Longhorn (“Longhorn Fund”), and each follows its own investment strategy. The private funds (“Funds” or “Sub-Funds”) are domiciled in Luxembourg and registered with the Grand Duchy of Luxemburg – Commission to Surveillance of the Finance Sector. In addition to the management of the private funds, Keel managed a U.S. separately managed account (“U.S. SMA”) and a non-U.S. separately managed account (“Non-U.S. SMA”). A discussion of the investment strategies pursued by each Fund and U.S. SMA is outlined in Item 8.

As of May 1, 2016 Keel managed a total AUM of \$ 977,270,902 on a fully discretionary basis.

Item 5. Fees and Compensation

Details of both management fees and performance fees/incentive allocations for each Fund and U.S. SMA are set out in detail in the respective Fund’s Offering Documents and investment management agreements, and outlined below.

Foghorn Fund

Subscription Fee / Redemption Fee / Conversion Fee

(Expressed in percentage of the relevant Initial Subscription Price / Net Asset Value per Share)

Class	EUR(C)	H-SEK(C)	H-USD(C)	H-NOK(C)
Subscription Fee	None	None	None	None
Redemption Fee	None	None	None	None
Conversion Fee	EUR 100	SEK 1,000	USD 1,000	NOK 1,000
(up to)				

Fees of the Central Administrative Agent and Domiciliary and Corporate Agent / Fees of the Depositary and Paying Agent / Fees of the Prime Brokers

The Central Administrative Agent and Domiciliary and Corporate Agent, Depositary and Paying Agent is entitled to receive out of the assets of the Sub-Fund a fee calculated in accordance with customary banking practice in Luxembourg and payable monthly in arrears. This fee will be borne up to 0.07% p.a. of the Sub-Fund's Net Asset Value by the Sub-Fund and the amount of such fee exceeding 0.07% p.a. of the Sub-Fund's Net Asset Value will be borne by the AIFM (i.e. Keel) or any other entity linked to the AIFM’s group of companies.

In addition to the above fee, the Central Administrative Agent and Domiciliary and Corporate

Agent, Depositary and Paying Agent is entitled to be reimbursed by the Sub-Fund for its reasonable out-of pocket expenses and disbursements as well as for the charges of any correspondents. These expenses, disbursements and charges will be reimbursed up to 0.07% p.a. of the Sub-Fund's Net Asset Value by the Sub-Fund and the amount of such expenses, disbursements and charges exceeding 0.07% p.a. of the Sub-Fund's Net Asset Value will be reimbursed by the AIFM (i.e. Keel) or any other entity linked to the AIFM's group of companies.

The Prime Brokers appointed in relation to the Sub-Fund do not charge any fee for the services provided to the Sub-Fund but will be remunerated through commissions on stocks bought and sold on the Sub-Fund's behalf. Notwithstanding the foregoing, the Sub-Fund could be charged certain costs related to transactions entered into by a Prime Broker for the Sub-Fund.

Management Fee / Performance Fee

Expressed in percentage of the relevant Gross Asset Value per Share (for the purpose of this subsection, "Gross Asset Value" shall be understood as referring to the sum of the Net Asset Value and the Performance Fee)

Class	EUR(C)	H-SEK(C)	H-USD(C)	H-NOK(C)
Management Fee	1.5%	1.5%	1.5%	1.5%
Performance Fee	20%	20%	20%	20%

The Management Fee will be accrued and payable monthly in arrears to the AIFM.

The Performance Fee will be accrued and payable quarterly (at the end of each calendar quarter) in arrears to the AIFM.

The Performance Fee is subject to equalisation, meaning that it will be accrued in relation to each Series of Shares within each Class separately, thus ensuring that Shareholders do not pay for the performance realised by the Class of the Sub-Fund in which they subscribe prior to their subscription of Shares.

The Performance Fee is further subject to the high watermark principle and to crystallisation, meaning that it will be payable to the AIFM only when, at the end of a quarter, the Gross Asset Value per Share of a Series exceeds both (i) the Subscription Price applied to Series and (ii) the highest Net Asset Value per Share of the same Series achieved during the preceding quarters.

Any Performance Fee, once accrued and/or paid, is not subject to being returned to the Sub-Fund, irrespective of subsequent losses. If any redemption of Shares occurs as of any date which is not the end of a calendar quarter, a Performance Fee will be charged in respect of the redemption proceeds as if such redemption occurred as of the end of such calendar quarter and the Performance Fee will be paid to the AIFM. Prior un-recouped losses will be adjusted for any redemption of Shares.

Foghorn X2 Fund

Subscription Fee / Redemption Fee / Conversion Fee

(Expressed in percentage of the relevant Initial Subscription Price / Net Asset Value per Share)

Class	EUR(C)	H-SEK(C)	H-USD(C)	H-USD(C2)	H-NOK(C)
Subscription Fee	None	None	None	None	None
Redemption Fee	None	None	None	None	None
Conversion Fee (up to)	EUR 100	SEK 1,000	USD 100	USD 100	NOK 1,000

Fees of the Central Administrative Agent and Domiciliary and Corporate Agent / Fees of the Depositary and Paying Agent / Fees of the Prime Brokers

The Central Administrative Agent and Domiciliary and Corporate Agent, Depositary and Paying Agent is entitled to receive out of the assets of the Sub-Fund a fee calculated in accordance with customary banking practice in Luxembourg and payable monthly in arrears. This fee will be borne up to 0.07% p.a. of the Sub-Fund's Net Asset Value by the Sub-Fund and the amount of such fee exceeding 0.07% p.a. of the Sub-Fund's Net Asset Value will be borne by the AIFM (i.e. Keel) or any other entity linked to the AIFM's group of companies.

In addition to the above fee, the Central Administrative Agent and Domiciliary and Corporate Agent, Depositary and Paying Agent is entitled to be reimbursed by the Sub-Fund for its reasonable out-of pocket expenses and disbursements as well as for the charges of any correspondents. These expenses, disbursements and charges will be reimbursed up to 0.07% p.a. of the Sub-Fund's Net Asset Value by the Sub-Fund and the amount of such expenses, disbursements and charges exceeding 0.07% p.a. of the Sub-Fund's Net Asset Value will be reimbursed by the AIFM (i.e. Keel) or any other entity linked to the AIFM's group of companies.

The Prime Brokers appointed in relation to the Sub-Fund do not charge any fee for the services provided to the Sub-Fund but will be remunerated through commissions on stocks bought and sold on the Sub-Fund's behalf. Notwithstanding the foregoing, the Sub-Fund could be charged certain costs related to transactions entered into by a Prime Broker for the Sub-Fund.

Management Fee / Performance Fee

Expressed in percentage of the relevant Gross Asset Value per Share (for the purpose of this subsection, "Gross Asset Value" shall be understood as referring to the sum of the Net Asset Value and the Performance Fee)

Class	EUR(C)	H-SEK(C)	H-USD(C)	H-USD(C2)	H-NOK(C)
Management Fee	1.5%	1.5%	1.5%	1.5%	1.5%
Performance Fee	20%	20%	20%	20%	20%
Performance Fee Calculation period	quarterly	quarterly	quarterly	yearly	quarterly

The Management Fee will be accrued and payable monthly in arrears to the AIFM.

The Performance Fee will be calculated for each above mentioned calculation period and will be

accrued and payable at the end of each calculation period in arrears to the AIFM.

The Performance Fee is subject to equalisation, meaning that it will be accrued in relation to each Series of Shares within each Class separately, thus ensuring that Shareholders do not pay for the performance realised by the Class of the Sub-Fund in which they subscribe prior to their subscription of Shares.

The Performance Fee is further subject to the high watermark principle and to crystallisation, meaning that it will be payable to the AIFM only when, at the end of a quarter, the Gross Asset Value per Share of a Series exceeds both (i) the Subscription Price applied to Series and (ii) the highest Net Asset Value per Share of the same Series achieved during the preceding quarters.

Any Performance Fee, once accrued and/or paid, is not subject to being returned to the Sub-Fund, irrespective of subsequent losses. If any redemption of Shares occurs as of any date which is not the end of a calendar quarter, a Performance Fee will be charged in respect of the redemption proceeds as if such redemption occurred as of the end of such calendar quarter and the Performance Fee will be paid to the AIFM. Prior un-recouped losses will be adjusted for any redemption of Shares.

Longhorn Fund

Subscription Fee / Redemption Fee / Conversion Fee

(Expressed in percentage of the relevant Initial Subscription Price / Net Asset Value per Share)

Class	EUR(C1)	H-SEK(C1)	H-USD(C1)	H-NOK(C1)
	EUR(C2)	H-SEK(C2)	H-USD(C2)	
Subscription Fee	None	None	None	None
Redemption Fee	None	None	None	None
Conversion Fee	EUR 100	SEK 1,000	USD 1,000	NOK 1,000
(up to)				

Fees of the Central Administrative Agent and Domiciliary and Corporate Agent / Fees of the Depositary and Paying Agent / Fees of the Prime Brokers

The Central Administrative Agent and Domiciliary and Corporate Agent, Depositary and Paying Agent is entitled to receive out of the assets of the Sub-Fund a fee calculated in accordance with customary banking practice in Luxembourg and payable monthly in arrears. This fee will be borne up to 0.07% p.a. of the Sub-Fund's Net Asset Value by the Sub-Fund and the amount of such fee exceeding 0.07% p.a. of the Sub-Fund's Net Asset Value will be borne by the AIFM (i.e. Keel) or any other entity linked to the AIFM's group of companies.

In addition to the above fee, the Central Administrative Agent and Domiciliary and Corporate Agent, Depositary and Paying Agent is entitled to be reimbursed by the Sub-Fund for its reasonable out-of pocket expenses and disbursements as well as for the charges of any correspondents. These expenses, disbursements and charges will be reimbursed up to 0.07% p.a. of the Sub-Fund's Net Asset Value by the Sub-Fund and the amount of such expenses, disbursements and charges exceeding 0.07% p.a. of the Sub-Fund's Net Asset Value will be

reimbursed by the AIFM (i.e. Keel) or any other entity linked to the AIFM's group of companies.

The Prime Brokers appointed in relation to the Sub-Fund do not charge any fee for the services provided to the Sub-Fund but will be remunerated through commissions on stocks bought and sold on the Sub-Fund's behalf. Notwithstanding the foregoing, the Sub-Fund could be charged certain costs related to transactions entered into by a Prime Broker for the Sub-Fund.

Management Fee / Performance Fee

Expressed in percentage of the relevant Gross Asset Value per Share (for the purpose of this subsection, "Gross Asset Value" shall be understood as referring to the sum of the Net Asset Value and the Performance Fee)

Class	EUR(C1)	H-SEK(C1)	H-USD(C1)	H-NOK(C1)
Management Fee	1.0%	1.0%	1.0%	0.8%
Performance Fee	10%	10%	10%	10%

Class	EUR(C2)	H-SEK(C2)	H-USD(C2)
Management Fee	1.5%	1.5%	1.5%
Performance Fee	0%	0%	0%

The Management Fee will be accrued and payable monthly in arrears to the AIFM.

The Performance Fee will be accrued and payable semi-annually (at the end of each calendar half year) in arrears to the AIFM.

The Performance Fee is subject to equalisation, meaning that it will be accrued in relation to each Series of Shares within each Class separately, thus ensuring that Shareholders do not pay for the performance realised by the Class of the Sub-Fund in which they subscribe prior to their subscription of Shares.

The Performance Fee is further subject to the high watermark principle and to crystallisation, meaning that it will be payable to the AIFM only when, at the end of a half-year, the Gross Asset Value per Share of a Series exceeds both (i) the Subscription Price applied to Series and (ii) the highest Net Asset Value per Share of the same Series achieved during the preceding half-year.

In this context, the performance fee will be calculated as follows:

$$(R1 - (R2 + 1\%)) \times 10\%$$

where R1 is the actual return, R2 is the benchmark, i.e. MSCI Nordic Countries Index Net TR local and 1% represents the cost of risk per annum.

Any Performance Fee, once accrued and/or paid, is not subject to being returned to the Sub-Fund, irrespective of subsequent losses. If any redemption of Shares occurs as of any date which is not the end of a calendar quarter, a Performance Fee will be charged in respect of the redemption proceeds as if such redemption occurred as of the end of such calendar quarter and the

Performance Fee will be paid to the AIFM. Prior un-recouped losses will be adjusted for any redemption of Shares.

U.S. SMA

Keel manages a U.S. SMA. Per the terms of the investment management agreement, Keel is subject to certain management and performance based fees and compensation, as detailed in the agreement. The terms of the investment management agreement were negotiated at the commencement of the relationship, and may differ from the fees and compensation Keel collects from other managed accounts and clients.

Item 6. Performance Based Fees and Side-by-Side Management

Keel is entitled to receive a performance fee, as detailed in Item 5 above.

Item 7. Types of Clients

As mentioned in Item 4, Keel provides investment advisory services on a discretionary basis to three private funds, each of which is offered to U.S. investors in reliance on the exemption from registration contained in Section 3(c)(7) of the 1940 Investment Company Act, which requires the Sub-Funds to be offered on a private placement basis only to "qualified purchasers", as that term is defined in the 1940 Investment Company Act. In addition, Keel provides investment advisory services on a discretionary basis to a U.S. SMA and a Non-U.S. SMA.

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

Investment Objective

The Company has as investment objective to provide a favourable rate of return, while controlling risk and to achieve capital growth from investment through the Sub-Funds. The U.S. SMA will follow a similar strategy of the Sub-Funds. Below mention of "Sub-Funds" should be read to include the U.S. SMA.

In view of achieving such investment objective, each Sub-Fund shall invest the assets made available to it in accordance with the SIF Law and with the provisions set out in the Offering Document or in the investment management agreement.

The Board of Directors is entitled to modify the investment strategy or policy as well as the objective and investment restrictions of one or several Sub-Funds, subject to the prior approval of the CSSF. In case the relevant amendments have or may have a material impact on the shareholders of a given Sub-Fund, such shareholders will be informed prior to the effective date of the modifications and will be able to apply for the redemption of their Shares, free of redemption fees or, whenever possible, to convert their Shares in Shares of the same or another Class in a different Sub-Fund. The Offering Document will be updated to reflect the modifications

decided by the Board of Directors. Any changes to the investment objective will be discussed with the U.S. SMA prior to changing the investment strategy.

Investment Policy

The investment policy of each Sub-Fund is individually set out in the Sub-Fund's Offering Document or in the investment management agreement.

Investment Restrictions

Each Sub-Fund must ensure an adequate spread of investment risks by sufficient diversification of its assets.

The risk diversification and investment restriction requirements set out below shall be applicable to each Sub-Fund by default:

A Sub-Fund may not invest more than 30% of its assets to subscribe securities of the same type issued by the same issuer. This restriction does not apply to:

- investments in securities issued or guaranteed by an OECD Member State or its regional or local authorities or by European Union, regional or global supranational institutions and bodies;
- investments in target UCIs that are subject to risk-spreading requirements at least comparable to those applicable to SIFs. For the purpose of the application of this restriction, every sub-fund of a target umbrella UCI is to be considered as a separate issuer provided that the principle of segregation of liabilities among the various Sub-Funds vis-à-vis third parties is ensured.

Short sales may not in principle result in a Sub-Fund holding a short position in securities of the same type issued by the same issuer representing more than 30% of its assets.

When using financial derivative instruments, a Sub-Fund must ensure, via appropriate diversification of the underlying assets, a similar level of risk-spreading. Similarly, the counterparty risk in an over-the counter transaction must, where applicable, be limited having regard to the quality and qualification of the counterparty.

The AIFM has adopted a voting rights strategy in respect of the Sub-Funds' assets. A summary description of that policy as well as the details of the actions taken under that policy by the AIFM is available upon request with the Company or the AIFM.

In addition to the above-mentioned investment restrictions and risk diversification requirements, each Sub-Fund may have additional specific investment restrictions and risk diversification requirements. Such specific investment restrictions and risk diversification requirements will be disclosed in the relevant Offering Document or investment management agreement.

Any Sub-Fund may derogate from the above-mentioned requirements for a period of one year following its launch. If the above-mentioned investment restrictions and risk diversification

requirements are inappropriate for the implementation of the investment policy of a Sub-Fund, a permanent derogation thereto may be granted. Any derogation to the above-mentioned investment restrictions and risk diversification requirements made in relation to a specific Sub-Fund will be disclosed in the relevant Offering Document or investment management agreement.

Cash Holding

In order to maintain adequate liquidity, the Company's Sub-Funds may hold cash on an ancillary basis. However, at certain stages of their life (e.g. launch, liquidation, etc.), the Company's Sub-Funds may have to hold, temporarily, cash representing fifty per cent (50%) or more of their net assets.

In accordance with the AIFM Law, the AIFM has adopted appropriate liquidity management tools and procedures allowing to measure the liquidity risk of each Sub-Fund, so as to ensure that the liquidity profile of the Sub-Funds' investments is in line with the Sub-Funds' obligations and notably that they will be in a position to satisfy the shareholders' redemption request in accordance with the provisions of the Offering Document or investment management agreement.

The AIFM proceeds, on a regular basis, with stress tests simulating normal and exceptional circumstances in order to evaluate and measure the liquidity risk of the Sub-Funds.

The AIFM ensures, for each Sub-Fund, the coherence of the investment strategy, the liquidity profile and the redemption policy.

Use of Leverage and Borrowing

A Sub-Fund may borrow permanently and for investment purposes from first class professionals specialised in this type of transaction. The borrowings / leverage limits in relation to each Sub-Fund will be disclosed in the relevant Sub-Fund's Offering Document or investment management agreement.

The leverage is controlled by the AIFM on a regular basis and shall not exceed a threshold as further described in the relevant Sub-Fund's Offering Document. Leverage is the ratio between the sum of notionals of the derivative instruments used and borrowed cash and the net asset value of the relevant Sub-Fund. In certain circumstances (e.g. low market volatility), the leverage can exceed the level mentioned in the relevant Sub-Fund's Offering Document or investment management agreement.

Business Risk

The success of any investment activity is affected by general economic conditions. Unexpected volatility or illiquidity in the markets in which the Company holds positions, directly or indirectly, could impair the Company's ability to carry out its business or cause it to incur losses. None of these conditions are within the control of the AIFM and no assurances can be given that the AIFM will anticipate these developments.

Reliance on Management

The evolution of the Company and its Sub-Funds depend significantly on the efforts and abilities of the board of directors of the AIFM. The loss of these persons' services could have a materially adverse effect on the Company and on the Sub-Funds.

Changes in Applicable Law

The AIFM must comply with various regulatory and legal requirements, including securities laws and tax laws as imposed by the jurisdictions under which it operates. Should any of those laws change over the life of the Company, the regulatory and legal requirements to which the Company and its Shareholders may be subject could differ materially from current requirements.

Early Termination

In the event of the early termination of a Sub-Fund, the Board of Directors would have to distribute to the Shareholders their pro-rata interest in the assets of such Sub-Fund. The Company's investments would have to be sold by the AIFM or distributed to the Shareholders. It is possible that at the time of such sale certain investments held by the relevant Sub-Fund may be worth less than the initial cost of the investment, resulting in a loss to the Sub-Fund and to its Shareholders. Moreover, in the event a Sub-Fund terminates prior to the complete amortization of organizational expenses, any unamortized portion of such expenses will be accelerated and will be debited from (and thereby reduce) amounts otherwise available for distribution to Shareholders. The general meeting of Shareholders of the Company may also decide to liquidate the Company thus triggering the early termination of the Sub-Funds.

Foreign Exchange / Currency Risk

The AIFM may invest in assets denominated in a wide range of currencies. The Net Asset Value of a Sub-Fund, expressed in the Sub-Fund's respective Reference Currency, will fluctuate in accordance with the changes in foreign exchange rate between the Reference Currency of the relevant Sub-Fund and the currencies in which the relevant Sub-Fund's investments are denominated.

Commission and Fee Amounts

The payment of a fee calculated on the basis of performance results – such as the Performance Fee - could encourage the AIFM to select more risky and volatile placements than if such fees were not applicable.

Tax Considerations

Tax charges and withholding taxes in various jurisdictions in which the Company will invest will affect the level of distributions made to it and accordingly to Investors. No assurance can be given as to the level of taxation suffered by the Company or its investments.

Portfolio Valuation Risks

Prospective investors should acknowledge that the portfolio of the Sub-Funds will be composed of assets of different natures in terms of inter alia sectors, geographies, financial statements formats, reference currencies, accounting principles, types and liquidity of securities, coherence and comprehensiveness of data. As a result, the valuation of the relevant portfolio and the production of the Net Asset Value calculation will be a complex process which might in certain circumstances require the AIFM to make certain assumptions in order to produce the desired output. The lack of an active public market for portfolio companies will make it more difficult and subjective to value investments of the Sub-Funds for the purposes of determining the Sub-Funds' Net Asset Value.

Lack of Diversity

A Sub-Fund is not subject to specific legal or regulatory risk diversification requirements, other than those specified herein and its relevant Offering Document. Therefore, a Sub-Fund is in principle authorized to make a limited number of investments and, as a consequence, the aggregate returns realized by the Shareholders may be substantially adversely affected by the unfavourable performance of even one investment. In addition, a Sub-Fund's assets may be concentrated in certain industries and segments of activity. A lack of diversification in the portfolio of a Sub-Fund may result in such Sub-Fund's performance being vulnerable to business or economic conditions and other factors affecting particular companies or particular industries, which may adversely affect the return to Shareholders.

Lack of Liquidity of Investment

The investments to be made by a Sub-Fund may be or become highly illiquid. The eventual liquidity of all investments will depend on the success of the realisation strategy proposed for each investment. Such strategy could be adversely affected by a variety of factors. There is a risk that a Sub-Fund may be unable to realise its investment objectives by sale or other disposition at attractive prices or at the appropriate times or in response to changing market conditions, or will otherwise be unable to complete a favourable exit strategy. Losses may be realised before gains on dispositions. The return of capital and the realisation of gains, if any, will generally occur only upon the partial or complete disposition of an investment. Prospective investors should therefore be aware that they may be required to bear the financial risk of their investment for an undetermined period of time. Attention should be drawn to the fact that the Net Asset Value per Share can go down as well as up. Shareholders may not get back the amount they have invested. Changes in exchange rates may also cause the Net Asset Value per Share in the Shareholder's base currency to go up or down. No guarantee as to future performance or future return from the Sub-Funds can be given.

In addition to the above mentioned general risks which are inherent in all investments, the investment in the Company entails risks specific to the investment objectives and policy of each Sub-Fund. The specific risks related to the particular investments of each Sub-Fund are described in such Sub-Fund's relevant Offering Documents or investment management agreement.

Item 9. Disciplinary Information

The Company and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Item 10. Other Financial Industry Activities and Affiliations

Keel and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

Code of Ethics and Personal Trading

Keel has adopted the Guidelines on Employees and Other Relevant Persons Personal Account Trading in Financial Instruments ("PA Trading") Policy. The PA Trading Policy requires Employees and relevant persons to report executed transactions in financial instruments to the CEO of the Company. Incoming reports on personal transactions are reviewed regularly by the CEO. Employees also receive training on the PA Trading Policy. The Company requires all employees to submit initial and annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1. A copy of Keel's PA Trading Policy is available upon request by contacting Keel.

Item 12. Brokerage Practices

Best Execution

When executing orders on behalf of a client with brokers, Keel will take all reasonable steps to obtain the best possible result for its clients.

When the Company performs a portfolio transaction, the Company takes the following factors into consideration:

- the price that the order likely is executed at and associated costs
- speed and likelihood of both execution and settlement
- the order's size and type as well as its impact on the market
- any other consideration which the Company believes are relevant to the execution of the order

When placing the order with a securities institution, the Company shall take particular account of the factors mentioned above. It can be mentioned that the knowledge of market functionality and flows in the market ("market presence"), access to markets, a measurable good results of the previous business as well as the handling of major items are of particular importance in the selection of the investment Company in which an order is placed. Different asset classes require

different considerations including other depending on how the market for the asset class or individual security is structured.

Unless special circumstances apply, the company's priority should be to achieve the best possible result in terms of the total amount that the customer will pay or receive.

It is the responsibility of the CEO to continuously monitor the securities Company chosen when placing orders to take all reasonable steps to obtain the best possible result for the execution of the order.

The managed Sub-Funds have the ability to charge the unit holders with the costs that the effect of an increasing quality of fund operations and at the same time does not prevent the fund company from acting in the interest of the shareholders.

In order for the cost of research to be drawn from the fund it is assumed that:

- Continuous evaluation of research partners,
- The benefit of the research deemed equivalent to the cost,
- The research relates to the subject matter of the Sub-Funds investment policy,
- The cost of the research is separated and not added to the cost of execution of orders,
- The cost of the sub-fund is reported as it occurs.

Broker evaluation is normally done semi-annually. The evaluation is done among employees at Keel, where number of different parameters are assessed within the brokers. A breakdown of the evaluation is made between analysis and execution. A breakdown is made for the commission of option transactions.

The evaluation currently includes the following areas of research: Understanding, Service, Product, Idea generation, Corporate Access. The evaluation includes the following areas of execution: Post trade & back office and execution. Each area is graded on a scale from 1-10 for each broker. The result of the evaluation is used as a basis for assessing if the cost of the analysis for each broker corresponds to the usefulness of the analysis.

Use of Soft Dollars

The cost of research and execution shall be separated. This is done either directly on the trade confirmation, confirmation email in connection with trade or through a so called Commission Sharing Agreement ("CSA"). The method used is primarily based on the broker capabilities to report and separate the cost between research and execution in connection in relation to the transaction.

Most of the brokerage and research services obtained by Keel are also generally expected to be of a type that would qualify as brokerage or research services under the safe harbour for soft dollars under Section 28(e) of the United States Securities Exchange Act of 1934, as amended. In general, only those services received by Keel in respect of commissions on trades (such as equity trades) that are executed on an agency basis (or, in certain circumstances, a "riskless principal" basis) will qualify for the safe harbour provided by Section 28(e).

Trade Errors

Keel will endeavour to minimise losses to client assets resulting from failed trades and dealing errors; however, the Company will not be liable to compensate its clients for such losses unless those losses arise by reason of fraud, gross negligence or willful default of the Company.

In order to demonstrate that the Company is not liable to compensate its clients for Failed Trades and/or Dealing Errors Keel maintains a record of all Failed Trades and Dealing Errors.

On a quarterly basis, Keel will confirm and document that there have been no trade errors. This confirmation log will be maintained by Compliance.

Trade Aggregation and Allocation

The Company may aggregate orders on behalf of the sub-funds, so-called block orders, provided that it is unlikely that consolidation will generally be to the disadvantage of the various shareholders. Normally, the aggregation of orders takes place to avoid conflicts of interest between the Sub-Funds.

Before each day's trading begins, a summary of today's intended orders are being made. The summary includes the buying or selling of shares/derivatives and the allocation between the three Sub-Funds. Orders that are added during the day are being carried out according to the same principles. At the end of the day a summary of today's trading is made. If an instrument has not reached the desired quantity level, it is distributed between the Sub-Funds based on the original proportion, pro rata, of total shares/derivatives at order entry. If there is a deviation from the original allocation between the Sub-Funds, this is being documented with a written motivation on that trading day. All documentation related to the order fulfillment process is documented and stored electronically.

The function of risk management conducts a monthly evaluation of compliance with these guidelines.

Item 13. Review of Accounts

Keel reviews all portfolios on an ongoing trading day-to-day basis to ensure that they are in line with the investment objectives and restrictions outlined in the relevant Offering Documents and investment management agreement.

The Funds have engaged an independent administrator which provides each investor with an account statement for the relevant Fund on a monthly basis. More regular performance information is available to all shareholders upon request. Any new material information pertaining to the Funds would be disclosed to all shareholders immediately.

The U.S. SMA has engaged an independent administrator, which calculates the net asset value of the account on a monthly basis, reconciled on a daily basis. Once the monthly NAV is agreed, the

figured are provided to the U.S. SMA client. The U.S. SMA client can also access the information directly from the administrator.

Item 14. Client Referrals and Other Compensation

Keel does not pay referral fees to any third parties and does not receive any compensation for referrals to third parties.

Item 15. Custody

Keel does not act as a custodian for client assets. All of Keel's clients' accounts are held in custody by unaffiliated broker-dealers or banks. However, as a result of the Manager of the Funds being Keel, Keel is deemed to have custody of the Funds' assets. However, as an offshore adviser to offshore funds, Keel is not obligated to comply with the Custody Rule under the Advisers Act. Keel ensures that all of the Funds are audited on an annual basis in accordance with Luxembourg GAAP. The audited financial statements are distributed to all investors within six months of the relevant fund's fiscal year end.

Item 16. Investment Discretion

Keel provides all advisory services on a fully discretionary basis. However, in the future, Keel may enter into non-discretionary arrangements with new clients.

Item 17. Voting Client Securities

The Company's ability to exercise their voting rights for the discretionary management assignments are regulated in the investment management agreements drawn up between the Company and its customers. In regards to the Company's Sub-Funds, the Company do not seek to take on any active ownership roles since the investments are normally not of such size that the Company's Sub-Funds, in the typical case, would be among the largest shareholders. In normal circumstances, the Sub-Funds will not be represented at general meetings. The background to this stance is that it would obstruct an effective management of the fund to actively participate in the so-called ownership issues. Given that the Company's board of directors believes that it is in the interest of the shareholders, the Sub-Funds may exceptionally depart from the said fundamental principle. When departing this principle, the ownership role shall be exercised exclusively in the shareholders common interest. This means that other interests of the Company or affiliated companies in the ownership performer always have to unfold the potential conflicts of interests.

On each occasion, the Company carries out an assessment of the Company's potential action before the choices available in the exercise of voting rights at a company event.

If the Company has several managed mandates with holdings in the same company, an assessment of each discretionary management assignments will be performed. A written justification is required if the assessments would be different for each discretionary management assignment. This justification should clearly describe the reason and causes of the deviation.

At annual meetings where the Company has holdings in more than one of the companies involved in the current corporate action carried out, an assessment of each of the managed mandates should be done. A written justification is required if the assessments would be different for the management assignments. The justification should clearly describe the reason and the causes of the deviation.

When the Company is committed to the appropriate approach, an instruction is sent out to the prime broker or the custodian bank. This instruction consists of directives on how to vote on behalf of the Company for the discretionary management assignment. The prime broker or custodian will then speak for the Company's managed holdings.

If the Company would like to participate in the general meeting, an instruction is sent with directives in regards of the Company's wish to attend.

To ensure that the Company has all the information in regards of relevant corporate events, the Company uses information from custodian banks, investment banks and external information sources such as Bloomberg and the news agency Direkt.

Keel does not participate in class actions.

The Company's policy for managing voting rights are available to investors upon request.

Item 18. Financial Information

Keel has never filed for bankruptcy and is not aware of any financial condition that is expected to materially impact the ability of the Company to manage client accounts.