

KGH Ltd.

Caves Points, 3C, West Bay Street,
Nassau, The Bahamas

March 2023

This Brochure provides information about the qualifications and business practices of KGH Ltd. If you have any questions about the contents of this Brochure, please contact Yvonne Daffy, Chief Compliance Officer (“**CCO**”) of KGH Ltd on (+44) 0203 598 3368 , or by email at y.daffy@kghl.net. Additional information about KGH Ltd 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 KGH Ltd., 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

December 2021:

- Yvonne Daffy appointed as Chief Compliance Officer (“CCO”).
- Change of legal name and primary business name of the Adviser, from Key Group Holdings (Cayman) LTD. to KGH Ltd.
- Change of address of the Adviser (from the Cayman Islands to the Bahamas).

March 2022:

- Change of methodology for the calculation of Regulatory Assets Under Management (“RAUM”).

March 2023:

- Information regarding the segregated portfolio mandates has been removed. KGH Ltd returned all external capital in Q1 2023. From March 2023 and going forward, KGH Ltd will have no external clients and will manage internal capital only ("Fund").
- Added the Fund Administrator Hedgeserv (Cayman) Ltd for the Fund.

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Item 4: Advisory Business

KGH Ltd (“**Key Group**”, “**we**”, “**us**”, “**our**”, or the “**Firm**”) is an investment adviser organized in December 2011.

Key Group manages internal capital by following a long-term investment strategy. Key Group also provides discretionary advisory services to the KGH Market Neutral Strategies Master Fund SP (the “**Fund**”), a segregated portfolio of Key Group Holdings Master Fund SPC, a Cayman Islands segregated portfolio company.

Key Group primarily invests in the energy and natural resources sectors, as well as sectors we believe to be tangentially related, employing an equity long/short strategy. Key Group seeks capital appreciation from its long-term investment strategy while taking reasonable steps to protect capital relative to the sought-after rate of return.

Millinvest, Ltd. is the owner of the Firm as of the date of submission of this form. Sunil Jagwani is the ultimate beneficial owner of Millinvest, Ltd.

As of 28th February 2023, the Key Group had approximately USD \$3,076,520,266 in regulatory assets under management, all managed on a discretionary basis.

Item 5: Fees and Compensation

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.

Item 6: Types of Clients

The Firm provides services to the internally managed Fund only.

Item 7: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis & Investment Strategy

Key Group’s aim is to generate long-term consistent positive returns, in varying market conditions, by investing, on both a long and short basis, in equity securities of companies that operate predominantly in the natural resources and energy industries, as well as certain sub-sectors we believe to be tangentially related. Key Group relies primarily on extensive fundamental analysis of a broad universe of issuers within the identified sectors and sub-sectors. The internal account managed by Key Group may also invest in certain commodity and commodity-related sub-sectors and certain industrial sub-sectors. Potential investments include global equity, fixed income, commodity and derivatives with the aim of capital appreciation in a disciplined manner. Key Group may use investments in commodities futures contracts or other commodity-related derivatives for both hedging and speculative investing purposes.

Risk of Loss Factors

Investing in securities involves risk of loss that the sole investor should be prepared to bear. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment.

Sector Risks

The value of the Fund's portfolio will be vulnerable to factors affecting the natural resources and energy industries, such as increasing regulation and developments in the energy sector and energy conservation incentives which can increase compliance costs and affect business opportunities for companies in which the Fund may invest. Key Group's focus on investments in select industries means the value of the Fund's portfolio may rise and fall more than the value of a similar investment in a strategy that invests more broadly. The Fund may also be affected by changing commodity prices, which can be highly volatile and subject to risks of oversupply and reduced demand.

Use of Leverage

The use of leverage, the act of borrowing capital to make investments, exposes the Fund to additional levels of risks, including (i) greater losses from investments than otherwise would have been the case, (ii) margin calls that could force Key Group to liquidate investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the cost of borrowing the capital in the first place. Also, a sharp decline in the value of investments held by the Fund may affect Key Group's ability to liquidate the investments quickly, resulting in increased losses.

Short Sales

Short selling, or the sale of securities not owned by the Fund, involves certain specific risks. Short selling exposes the Fund to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without limit. There is also the risk that the securities borrowed by the Fund would need to be returned to the lender on short notice. Such a request could require the Fund to purchase the securities in the open market at prices that are significantly higher than the proceeds from the initial sale of the securities.

Counterparty Risk

Key Group may engage in transactions in securities and financial instruments that involve counterparties. Under certain conditions, the Fund could suffer losses if a counterparty to a transaction were to default or if the market for certain securities and/or financial instruments were to become illiquid. In addition, the Fund could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Fund does business, or to which securities have been entrusted for custodial purposes.

Dependence on Key Personnel

The Firm has overall responsibility for the investment management of the Funds' account and has day-to-day responsibility for investment decisions on behalf of the Fund. The Firm is dependent on the strategy and management expertise of Sunil Jagwani and if the Firm were to lose his services, the Fund 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

Key Group may invest the Funds' portfolio 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.

Global Events (War in Ukraine) and Public Health Emergencies

Investment markets can be affected by several external factors such as political and economic uncertainty, regional conflicts (such as the war in Ukraine), environmental concerns and widespread public health emergencies (such as the COVID-19 pandemic) resulting in market volatility and disruption.

Even if the spread of the COVID-19 virus itself is substantially contained, it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behaviour.

Further, there has been increased market volatility in the wake of political instability in Eastern Europe following Russia's invasion of Ukraine. The war in Ukraine is changing the geopolitical and economic landscape, which could have profound consequences for global growth and markets. High uncertainty in the period ahead will inevitably increase market volatility. Global energy prices are set to rise, boosting inflation, and slowing growth in the rest of the world. The war in Ukraine has introduced new uncertainty to the stock market, amid a war with no end in sight and mounting sanctions on the part of the U.S. and Europe. The conflict will have an impact on global markets.

Amongst others, emergencies, and events such as the ones summarised above, have the potential to materially, and adversely, impact economic production and activity in ways that are impossible to predict; all of which may result in significant losses to the Fund to which Key Group provides its investment management advisory services.

Item 8: Disciplinary Information

This Fund has no disciplinary information to report.

Item 9: Other Financial Industry Activities and Affiliations

The Firm has a service agreement with Key Group Holdings USA Inc. ("**Key Group USA**"), a corporation organized in Delaware, and KGHL Research (UK) Limited, ("**Key Group UK**"), a private limited company incorporated in England and Wales. Key Group USA and Key Group UK are wholly-owned subsidiaries of the Firm, and perform administrative, research and trading services for the sole benefit of and use by the Firm.

Item 10: Code of Ethics, Participation or Interest in Client Transactions and 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. Key Group and/or its officers or employees are permitted to trade in the same securities that may be purchased or sold for clients, within the constraints of the Personal Account Trading policy guidelines. Sales of existing positions may be permitted as long as the employee has received prior approval from the Firm's Chief Compliance Officer (the "**CCO**").

Employees (and members of their immediate households) are permitted to invest in equities, debt, options or futures only after obtaining pre-approval from the CCO. The spirit of the Code of Ethics and the Personal Trading Policy (the “**Code**”) is to prohibit personal trading that violates the law, interferes with employees’ duties, or otherwise violates the Code and, generally, to discourage frequent trading in employee personal accounts. In addition, employees may not acquire securities for their own account in an initial public offering and must obtain pre-approval from the CCO before participating in any private placements.

All of Key Group’s employees must direct their brokers to send duplicate brokerage statements to the CCO or make similar alternative arrangements. These records are used to monitor compliance with the foregoing policies.

The Code applies to any personal transactions in any financial instrument. Certain financial instruments, such as equity, debt, options, or futures contracts, require pre-approval from the CCO prior to effecting any transaction. Certain transactions involving government securities, open-end mutual funds, broad based exchange traded funds (ETFs) or other instruments, while not requiring pre-approval, are covered by the Firm’s holdings disclosure requirements under the Code.

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 prohibits the practice of market manipulation, which comprises conduct intended to deceive or defraud investors by controlling or artificially affecting the price of securities.

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 regarding the giving and receiving of business gifts and entertainment.

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 11: Brokerage Practices

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

Best Execution

Key Group has authority to select the brokers and other counterparties to be used for the Fund’s transactions and negotiate commission rates and other compensation paid to such brokers and counterparties. Key Group selects broker- dealers and other counterparties on the basis of best execution and in consideration of the broker’s ability to effect the transactions; its facilities, reliability and financial responsibility; the provision or payment by the broker of the costs of research and research-related services which are of benefit to Key Group; and such other factors as we deem appropriate and consistent with applicable law. We may cause the Fund to pay higher

commissions to brokers believed to offer superior service under the circumstances, including brokers that provide investment research to the Fund. Accordingly, when Key Group determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the overall services provided, including internally-developed research and other services provided by such broker, we may cause the Fund to pay commissions to such broker in an amount greater than the amount another broker might charge. Key Group has adopted policies and procedures that it believes are reasonably designed to achieve best net execution and that brokers utilized have been selected based on the sole investors' best interests.

Principal Trading

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

Soft Dollars

Key Group may use soft dollars generated by the Fund to pay for certain research and/or related services provided by brokers described above. The term "soft dollars" refers to the receipt by an investment manager of products and services (including research) provided by brokers without any cash payment by the investment manager, based on the volume of revenues generated from brokerage commissions for transactions executed on behalf of the Fund of the investment manager. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment).

Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides a safe harbour to advisers who use soft dollars to obtain investment research and brokerage services that provide lawful and appropriate assistance to us in the performance of investment decision-making responsibilities. We intend that any soft dollars that we receive would be within the limitations set forth in Section 28(e) of the Exchange Act.

Key Group has a formal soft dollar arrangement. In addition, during the last fiscal year, Key Group obtained investment research from its broker-dealers. No soft dollars were received that were outside of Section 28(e).

Item 12: Review of Accounts***Review of Accounts***

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

Reporting

Fund assets are held at a third-party qualified custodian. Key Group does not have custody of any client accounts.

Item 13: Client Referrals and Other Compensation

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

Key Group does not currently provide advice to parties other than the Fund, though it may do so in the future.

Item 14: Custody

Key Group will comply with the requirements of the Rule 206(4)-2 of the Advisers Act ("Custody Rule") with regards to custody of assets of the Fund.

The Fund's accounts are held in custody at qualified custodians including an unaffiliated broker-dealer or banking institution.

Annually, upon completion of the Fund's annual audit, we will distribute the audited financials within 120 days of the calendar year end, in compliance with the Custody Rule.

Item 15: Investment Discretion

Key Group possesses discretionary portfolio management authority over the Fund with respect to asset allocations and direct investments as per the applicable investment management agreement.

Key Group has the authority to determine (i) the securities to be purchased and sold for the Fund (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 Fund.

Item 16: Voting Client Securities

To the extent Key Group has been delegated proxy voting authority on behalf of the Fund, 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 Fund securities, such proxies are voted in the best interest of the Fund. Proxies are voted on a case-by-case basis

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 Fund's policy concerning "Activist Investing and Coordination".

Any known conflicts of interest should be identified and will be considered and resolved.

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

Item 17: Financial Information

This Item is not applicable.