

KEATING INVESTMENT COUNSELORS, INC.

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Form ADV Part 2A: *Firm Brochure*

This brochure provides information about the qualifications and business practices of Keating Investment Counselors, Inc. If you have any questions about the contents of this brochure, please contact us at 561 278-7862. 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 Keating Investment Counselors, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Keating Investment Counselors, Inc. is 110134.

Keating Investment Counselors, Inc. is a SEC registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

Regulatory rules require that we provide a summary of any material changes to this brochure and any subsequent brochures within 120 days of the close of our business's fiscal year. In addition, we will provide other ongoing disclosure information about material changes or an updated brochure when necessary.

The last annual update to the ADV Part 2 was submitted on July 2017. There have been No Material Changes since the last ADV was submitted.

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Item 4 Advisory Business

Keating Investment Counselors, Inc. ("KICI") is an SEC-registered investment adviser, registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. KICI has been providing investment advisory services since 1983 and is based in Delray Beach, Florida.

Listed below is the firm's principal shareholder (i.e. those individuals and/or entities controlling 25% or more of this company).

Jeanine J. Keating, President/Owner 100% Owner of Keating Investment Counselors, Inc.

KICI offers the following investment advisory services, customized for each individual client:

- Portfolio Management Services
- Advisory Consulting Services

The following paragraphs describe our services and fees. Please refer to the description of each service listed below for information on how we customize our advisory services to meet your individual needs. In this brochure, the words "we," "our," and "us" refer to Keating Investment Counselors, Inc., and the words "you," "your," and "client" refer to you as either a client or as a prospective client of our firm. Additionally, the term "Associated Person" refers to our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Keating Investment Counselors provides continuous discretionary portfolio management services with the investment advice custom tailored to meet the needs and investment objectives of the client. Subject to any written guidelines that a client may provide, KICI will be granted discretion and authority to manage the account. Accordingly, Keating is authorized to perform various functions, at the client's expense, without further approval from the client. Such functions include the determination of both the securities and the amount of securities to be purchased and/or sold for the client's account. Once the portfolio is constructed, Keating provides continuous supervision and rebalancing of the portfolio as changes in market conditions and client circumstances may require.

Through personal discussions in which goals and objectives based on a client's circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

1. Exchange-listed securities
2. Securities traded over-the-counter
3. Corporate debt securities (other than commercial paper)
4. Commercial paper
5. Certificates of deposit
6. Municipal securities
7. Mutual fund shares
8. United States governmental securities
9. Warrants

Additionally, KICI reserves the right to advise clients on any other type of investment that it deems appropriate based on the client's stated investment goals and objectives. KICI may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment for which the client requests advice.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability. Please refer to more detail on risk in Item 8 of this brochure.

ASSETS UNDER MANAGEMENT

As of 12/31/2017, KICI managed \$284,621,689 Assets under Management on a discretionary basis and \$4,559,960 Assets under Management on a non-discretionary basis.

The Total Assets under Management as of 12/31/2017 are \$289,181,649.

Item 5 Fees and Compensation

The exact manner in which fees are charged is established in a client's written agreement. However, the general fee structures are outlined below.

Investment Supervisory Services ("ISS") Individual Portfolio Management

The annualized fee for Investment Supervisory Services will be charged as a percentage of assets under management, subject to negotiation in limited circumstances, are based on the following fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
Up to \$1,500,000 market value	1.25%
From \$1,500,000 to \$3,000,000 market value	1.00%
From \$3,000,000 to \$5,000,000 market value	0.75%
Above \$5,000,000	0.60%
Minimum Quarterly Fee is \$500	

Clients will be invoiced, quarterly, in arrears. Invoices are calculated based upon the closing market value of the last pricing day of the second month in each relevant quarterly billing cycle. Fees will be assessed pro-rata in the event the portfolio management agreement is executed at any time other than the first day of a quarter.

For those clients who desire that our advisory fees to be paid directly from their investment portfolio, we will only do so when the following conditions are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- We send you an invoice showing the amount of the fee, the value of the assets on which the fee is calculated, and the specific manner in which the fee was calculated.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts disbursed from your account including the amount of the advisory fee paid directly to our firm.

In limited circumstances, the scope and complexity of the client's financial situation may require additional time/resources outside the scale of the previously described services. In such cases, where such additional services would be considered extraordinary, KICI would notify the client that an additional fee, based on a negotiated rate, would be charged.

Hourly charges: Keating Investment Counselors does not hold itself out as a financial planner. However, we may provide financial planning related services incidental to the portfolio management services previously disclosed. Some individuals may only require advice on a single aspect of the management of their financial resources. These individuals may choose to retain KICI on a short-term, general consulting basis to address certain specific areas of concern. KICI's hourly fee for general consulting services is typically \$350 per hour, which is billed upon completion of the consultation.

A minimum of \$1,000,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. KICI may group certain related client accounts to achieve the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although KICI has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis.

Client facts, circumstances, and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors.

The specific annual fee schedule will be identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason, upon receipt of written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will prorate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to KICI for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees

and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the Fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which is designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, any transaction charges imposed by a broker-dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information. No portion of the additional fees are paid to KICI.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to KICI's minimum account requirements and advisory fees in effect at the time the client entered the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients due to grandfathering or for other reasons

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

ERISA Accounts: KICI is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, KICI may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset KICI's advisory fees.

All fee arrangements with clients are detailed in the fee agreement and may differ from this listing of Fees in Item 5 Fees and Compensation.

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

KICI does not charge performance-based fees.

Item 7 Types of Clients

KICI provides advisory services to the following types of clients:

Individuals

Trusts, Estates and Charitable Organizations

Pension and Profit Sharing Plans (Other than Plan Participants)

As previously disclosed in Item 5, our firm has established an initial minimum account size requirement of \$1,000,000 for Investment Supervisory Services.

Please review the disclosures provided in Item 5 for detailed fee information.

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

Methods of Analysis

We may use one or more of the following methods of analysis or investment strategies when providing investment advice and/or managing client assets:

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Charting Analysis. This process involves the processing of historical information including earnings, free cash flow, dividends, price and volume information and peer and inter-market correlations for a particular security. This information is analyzed using regression analysis and other mathematical equations to determine relationships and trends. The resulting data is applied to graphs and charts which are used to try to estimate potential future price movements based on these patterns and trends. Prior to purchasing positions based on fundamental analysis, we will often refer to short term charting patterns (moving averages, relative strength, and volume metrics) to avoid any areas of concern. However, we do not purchase securities based solely on charting patterns.

Investment Strategies

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. We make these purchases when:

- we believe the securities being purchased are currently undervalued, and/or
- we want to establish exposure to a particular asset class for diversification purposes.

Short-term purchases. Infrequently we purchase securities with the idea of selling them within a relatively short period (typically a year or less). We do this in an attempt to take advantage of what we believe are mis-pricings and the securities' short-term price fluctuations.

Our investment strategies and advice may vary depending on your specific situation. We determine investments and allocations based upon your predefined objectives, risk tolerances, time horizon, financial resources, particular financial information, liquidity needs, and various other suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. However, clients are able to impose restrictions on investing in certain securities or types of securities in writing.

We adhere to a "growth-at-a-reasonable-price" investment philosophy, buying consistent growth at a fair price. This is a long-term value and growth-oriented approach to investing that focuses on buying stocks at a discount to their intrinsic value as ongoing businesses. Some of the measures of value used are historical average price-earnings multiples and dividend yields, industry relative multiples, price-earnings to projected earnings growth, price-to-book value, enterprise value to EBIT, price to cash flows and price to free cash flow. We look for established, mostly large-cap and mid-cap companies that offer exceptional value relative to their own history and compared to their industry peers and that also promise above-average earnings growth and returns over a multi-year period.

The inherent attractiveness of being a long-term owner of a business is measured by the sustainability of its profitability over time. Emphasis is given to growing companies that produce a surplus of cash that they faithfully return to shareholders through dividends, regular dividend increases and/or stock buybacks. In general, most of the stocks we incorporate in client portfolios have dividend yields

higher than the S&P 500 and have a policy of raising dividends annually. Historically this strategy has tended to reduce downside price volatility and leads to more consistent returns over a complete market and economic cycle. However, it does not completely eliminate the sensitivity to market movements over the short term (weeks) to intermediate term (months), and it may lag in exceptionally strong markets.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Risks of Methods.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Charting analysis may not accurately predict future price movements. Current prices of securities may already reflect all known information about a security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

The Emergency Economic Stabilization Act of 2008 included new tax reporting requirements that dramatically changed the way investors and financial advisors reported cost basis. Custodians and broker-dealers are required to report the adjusted cost basis of sold securities, including whether the gain or loss is short or long term to the IRS on Form 1099-B. This shifts the responsibility for reporting from taxpayers to the brokers. The requirements, which were phased in over the several years, applies to:

Equities acquired on or after January 1, 2011

Mutual Funds, ETFs, and dividend reinvestment plans (DRIPs) acquired on or after January 1, 2012

All other securities, including fixed income and options, acquired on or after January 1, 2014

At KICI we generally employ a highest cost accounting method when executing trades on your behalf. However, if you and your tax advisor determine another accounting method is more advantageous, please provide written notice to our firm immediately, and we will alert your account custodian of your preferred accounting method. Please note that decisions about cost basis accounting methods need to be made before trades settle, as the cost basis method cannot be changed after settlement. The method you choose has implications for both the timing and the amount of any realized gains and losses. Many clients may find the use of the high cost accounting method to be advantageous as it tends to reduce or defer realized gains, but this should be carefully discussed with your tax advisor since each client may have unique circumstances.

Risk of Loss.

Investing in securities involves risk of loss that you should be prepared to bear. Markets are volatile and funds that are needed for specific purposes within a short to intermediate time period should not be committed to stocks, long-term bonds, and related securities. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We do not offer any guarantee or promises that your financial goals and objectives will be met. Past performance is not an indication of future performance.

Principal Risks

- **Management Risks:** While KICI manages client investment portfolios based on KICI's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that KICI allocates client assets to individual securities and/or asset classes that are adversely affected by unanticipated market movements, and the risk that KICI's specific investment choices could underperform their relevant indexes.
- **Equity (Stock) Market Risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. A client holding common stock, or common stock equivalents, of any given issuer, would generally be exposed to greater risk than if the client held preferred stocks and debt obligations of the issuer.
- **Company Risk:** When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Smaller Capitalization Securities Risk:** Investments in smaller capitalization companies may be more vulnerable than larger, more established organizations to adverse business or economic developments. In particular, smaller capitalization companies may have limited product lines, markets, and financial resources and may be dependent upon a relatively small management group.
- **ETF and Mutual Fund Risk:** Clients invested in an ETF or mutual fund will incur additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- **ETF Tracking Risk:** ETFs will not be able to replicate exactly the performance of the indices they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities. In addition, the ETFs incur expenses not incurred by their applicable indices. Certain securities comprising the indices tracked by the ETFs may, from time to time, temporarily be unavailable, which may further impede the ETFs' ability to track their applicable indices.
- **Foreign Investment Risk:** Foreign investing involves risks not typically associated with U.S. investments, including adverse fluctuations in foreign currency values, adverse political, social, and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards. Investing in emerging markets imposes risks different from, or greater than, risks of investing in foreign developed countries.

- **Credit Risk:** Issuers of fixed-income securities (including ETNs) may default on interest and principal payments. Generally, securities with lower debt ratings have speculative characteristics and carry greater risk that the issuer may default on its obligation. Changes in economic conditions or other circumstances are more likely to lead to a weakened capacity of those issuers to make principal or interest payments, as compared to issuers of more highly rated securities.
- **Interest Rate Risk:** In general, the price of a debt security falls when interest rates rise. Securities with longer maturities tend to be more sensitive to interest rate changes.
- **Real Estate Risk:** REIT share prices may decline because of adverse developments affecting the real estate industry and real property values. In general, real estate values can be affected by a variety of factors, including supply and demand for properties, the economic health of the country or of different regions, and the strength of specific industries that rent properties.
- **Cybersecurity:** The technology systems of KICI, and the relative service providers may be vulnerable to inadvertent or deliberate interruption and consequent damage from technical or human sources. In addition to natural catastrophes, service/power outages, and network or telecommunication failures, security breaches and intrusion by unauthorized persons could result in damage, disruption, and theft of data, including investor information. KICI has implemented cybersecurity procedures meant to address these risks. Nevertheless, given KICI's fundamental dependence on technology, a cyber-attack or similar technology disruption could have a material adverse impact on Clients.

Recommendation of Particular Types of Securities

As noted in this brochure's "Advisory Business" section, we recommend all types of securities, and we do not necessarily recommend one particular type of security over another since each client has different needs and different risk tolerances. Each type of security has its own unique set of risks, and it is not possible to list all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the valuation and expected return of an investment, the higher its risk of loss.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

In April 2017, an internal review by Keating Investment Counselors discovered that Mr. Richard Keating and Mr. Philip Keating's registrations with the State of Florida had discrepancies. The State of Florida was immediately notified in order to correct this paperwork. On June 1, 2017, a final order was issued by the State of Florida Office of Financial Regulation and agreed upon by Richard Keating and Philip Keating, stipulating that both gentlemen conducted investment advisory business activities from a location within the state of Florida without proper registration from 2012 to April 2017 in violation of section 517.12(1), Florida Statutes. This matter has been resolved effective June 1, 2017. Both, Richard Keating, and Philip Keating have been approved by the State of Florida to conduct investment advisory business activities within the state. During the period of noncompliance with Florida's registration system, both gentlemen possessed the knowledge and designations required to provide investment advisory services to the clients of Keating Investment Counselors. Specifically, Richard Keating was awarded the chartered financial analyst (CFA) designation in 2011, and Philip Keating was awarded the chartered financial analyst (CFA) designation in 1991. This violation was due to an administrative oversight and system functionality issue.

Item 10 Other Financial Industry Activities and Affiliations

Mr. Philip J. Keating, the Chief Investment Officer and Senior Portfolio Manager of Keating Investment Counselors, Inc.(KICI) is also the Managing Member of Keating Investment Management, LLC. (KIM). It is not expected that clients of Keating Investment Counselors, Inc. will become clients of Keating Investment Management, LLC or vice versa. It is expected that Mr. Keating's professional time will be divided approximately 90% to Keating Investment Management, LLC and 10% to Keating Investment Counselors, Inc.

Due to the timing of trade executions for clients of KICI and clients of KIM, as well as for employees of both, uncontrollable market movements and other events, all may ultimately invest in or exit out of the markets at widely varying prices.

On March 21, 2016, Keating Investment Counselors, Inc. (KICI) entered into a Portfolio Consulting Agreement with LVR Research, LLC (LVR). This agreement is for LVR to provide KICI with ongoing research to assist in KICI's investment decisions and portfolio construction. LVR's research will cover areas such as economics, markets, asset allocation, portfolio construction, and company specific information. It is understood that KICI is wholly responsible for any and all decisions made based on LVR's research. LVR is also not responsible for any errors or omissions that may be contained in their research.

It is also understood that in certain instances KICI may provide KICI client data to LVR for analysis. LVR has a responsibility to keep any and all information about KICI's clients and business confidential.

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

KICI has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

KICI and its personnel owe a duty of loyalty, fairness, and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Associated Persons of KICI are permitted to buy or sell securities that the firm also recommends to the clients. Associated Person can trade the same as or in contradiction to the clients orders over a period of time. KICI and individuals associated with our firm are prohibited from engaging in principal transactions as well as agency cross transactions. KICI has adopted a code of ethics that sets forth the standards of conduct expected of its Associated Persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material, non- public information by KICI or any of its Associated Persons. Persons associated with our firm are also required to report any violation of our Code of Ethics.

Before trading in any security, the employee must have the trade pre-cleared. The pre-clearance will consist of among other things, a review to ensure that the employee's trade in the same security would not occur the same day as clients' trades. Employees shall not trade on the same security on the same day as client trades. The employee must submit and receive authorization in writing before executing any trade. Any violation of the employee trading policy for any reason must be reported to a principal of Keating Investment Counselors, and the firm's CCO and an explanation of the situation will be written. The principal and CCO may allow for an exception to these policies determined on the

details of the specific situations. Any exceptions shall be in writing and will not include any violations of the securities codes, rules, laws, or regulations. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds; and (v) employee accounts that are managed alongside client accounts.

The employees do not need to pre-clear any dividend reinvestments.

The employees or Associated Persons are required by SEC Rule 204A-1 under the Advisers Act to pre-clear all Initial Public Offerings and Private Placement including pooled investment vehicles transactions. It is the general rule of KICI that no employee or Associated Person of the firm shall be allowed to trade in an Initial Public Offering or Private Placement transaction. Any exception to this rule shall follow the pre-clearance requirements and any subsequent rule or regulation associated with such a transaction as well as document how the employee's participation in an IPO or Private Placement is not disadvantaging the clients of the firm.

The Code of Ethics is subject to modification from time to time but shall contain written policies and procedures designed to reasonably prevent violations of the federal securities laws, prevent trading on material non-public information and prevent front-running client accounts. Front-running is a practice generally understood to be employees knowingly putting their own financial interest above (or in front of) the client's interest when personally trading.

Due to the timing of trade executions for clients of KICI and clients of KIM, as well as for employees of both, uncontrollable market movements and other events, all may ultimately invest in or exit out of the markets at widely varying prices.

The firm's CCO is responsible for the review of all Associated Person transaction, pre-clearance, and holding reports to help ensure compliance.

Any request for the firm's complete Code of Ethics can be made by contacting the firm's CCO by calling 561 278-7862.

Item 12 Brokerage Practices

KICI does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

We do not request or accept the discretionary authority to determine the broker-dealer to be used for client accounts. Clients must direct us as to the broker-dealer to be used for all client securities transactions.

In directing the use of a particular broker or dealer, it should be understood that we will not have authority to negotiate commissions among various brokers, and best execution may not be achieved, resulting in higher transaction costs for clients. Not all advisers require their clients to direct brokerage.

We participate in the Schwab Institutional ('SI') services program offered to independent investment advisers by Charles Schwab & Company, Inc., Member NYSE/FINRA/SIPC.

Clients in need of brokerage and custodial services may have Charles Schwab & Company recommended to them.

As part of the SI program, KICI receives benefits that it would not receive if it did not offer investment advice.

SI provides KICI with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment

advisors at no charge to them so long as a total of at least \$10 million of the advisor's clients' account assets are maintained at SI. These services are not contingent upon KICI committing to Schwab any specific amount of business (trading commissions, mutual fund assets or fees). Schwab's brokerage services include the execution of securities transaction, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

SI also makes available to us other products and services that benefit this firm but may not benefit its clients' accounts. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at SI.

SI's products and services that assist us in managing and administering clients' accounts 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 fees from our clients' accounts
- assist with back-office support, recordkeeping, and client reporting.

In addition, SI may make available, arrange, and/or pay third-party vendors for the types of services rendered to us. SI 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 us.

The availability to KICI of the foregoing products and services is not contingent upon our committing to Schwab Institutional any specific amount of business (assets in custody or trading).

Best execution is not measured solely by reference to commission rates. Rather we recommend that clients select those brokers or dealers that will provide the quality services that they may require as the most competitive commission rates. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the broker's reputation, experience, and financial stability of the broker or dealer, and the quality of service rendered by the broker-dealer in other transactions.

Block Trades

As a matter of policy and practice, where possible, KICI generally aggregates orders with respect to a security if such aggregation is consistent with achieving best execution for the various client accounts. When orders are aggregated, each participating account will receive the weighted average share price for all transactions in a particular security effected to fill such orders on a given business day. The distribution of shares purchased is typically proportionate to the size of the account, not based on account performance or the amount or structure of management fees.

Transaction costs for each clients' portion of the aggregated trade are determined by the broker, based on the client agreement established for the account.

Trade Errors

In the event a trading error occurs in a client account; our policy is to restore the account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. KICI will never utilize any soft-dollars to correct errors it makes while placing trades for a client's account. Accordingly, the firm does not allow trade errors to be corrected through soft dollar

commissions. KICI will maintain appropriate records of trade errors.

Class Action Lawsuits

A class action Lawsuit is a lawsuit brought by one party on behalf of a group of shareholders all having the same grievance with a company in an effort to obtain a monetary compensation.

The adviser is not responsible for processing, documenting, or monitoring class actions on behalf of the client. However, as a courtesy to client's, the firm may assist or prepare the paperwork to file the class action on behalf of the client providing it is readily available and financially feasible to do so as determined by either, Philip J. Keating, CFA, Chief Investment Officer and Senior Portfolio Manager or Richard T. Keating, CFA, Investment Analyst and Portfolio Manager.

Corporate Actions

Corporate Actions are events initiated by a corporation which impacts its shareholders, where the shareholder or their agent may need to respond to the corporate action, such as mergers, spin-offs, stock buybacks and splits.

As a matter of firm policy and effective investment management, the firm will review and process corporate actions in the best interest of the clients.

Item 13 Review of Accounts

Investment Supervisory Services ("ISS") Individual Portfolio Management

Reviews

While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, all client accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. An in-depth review will be performed quarterly.

More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Additional reviews may be provided at the client's request or triggered by deposits or withdrawals in the account, material changes in the client's financial condition, and at our discretion.

These accounts are reviewed by Philip J. Keating, CFA, Chief Investment Officer and Senior Portfolio Manager or Richard T. Keating, CFA, Investment Analyst and Portfolio Manager.

Reports

In addition to the monthly statements and confirmations of every securities transaction that clients receive from their broker-dealer or mutual fund, we provide quarterly reports summarizing account performance, diversification, security holdings, and projected income for the portfolio.

Privacy

We view protecting your private information as a top priority. Under applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that

information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our office at 561 278-7862 if you have any questions regarding this policy.

Item 14 Client Referrals and Other Compensation

It is KICI's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

In addition, it is our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

In some cases, clients authorize our firm to directly debit their account for the payment of our advisory fees. This ability to deduct our advisory fees from client accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements at least quarterly from the independent, qualified custodian holding your funds and securities. The account statement from your custodian will indicate the amount of our advisory fees deducted from your account each billing period. You should carefully review your account statement for accuracy. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact Keating Investments at 561 278-7862.

KICI is also deemed to have custody requiring an annual surprise audit by an independent audit firm because agents of the KICI act as Trustees or Co-Trustees for client accounts. The audit firm will file a Form ADV-E with the SEC within 30 days after the completion of the examination.

KICI has Standing Letters of Authorization for \$129,620,561 of Assets under Management as of 12/31/2017 allowing the firm to move money from the client to a third party at the direction of the client on a scheduled basis or from time to time. KICI is deemed to have custody of these assets. However, the firm is not required to have an independent annual surprise audit as we believe the following seven criteria are being met:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The client authorizes the Advisor, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
4. The client has the ability to terminate or change the instruction to the client's qualified custodian.

5. The Advisor has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
6. The Advisor maintains records showing that the third party is not a related party of the Advisor or located at the same address as the Advisor.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instructions and an annual notice reconfirming the instruction.

Item 16 Investment Discretion

As previously disclosed in Item 4, KICI provides discretionary asset management services.

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a limited power of attorney, and/or trading authorization forms.

Any of these forms will grant KICI the discretionary authority over the selection and amount of securities to be purchased or sold for your account without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain reasonable conditions or investment parameters for your account. These guidelines and conditions must be submitted to us in writing. Please refer to the "Advisory Business" section in this brochure for more information on our discretionary management services.

Item 17 Voting Client Securities

Currently, as a matter of firm policy, we do not vote proxies on behalf of clients. However, in legacy situations and in other circumstances we may vote proxies.

In the event KICI vote proxies it will do so in a manner that is believed to be in the best interest of the client. KICI will consider only those factors that relate to the client's investment(s) or those established by the client's written instructions. Such factors will include how its vote will economically impact and affect the value of the client's investment (keeping in mind that, after conducting an appropriate cost-benefit analysis, not voting at all on a presented proposal may be in the best interest of the client).

When the firm votes proxies it will maintain policies and procedures in writing that will reasonably ensure:

- The adviser votes in the best interest of clients
- Material conflicts between the firm's interests and those of its clients with respect to proxy voting will not harm the client
- The proper maintenance of records on how the proxies were voted

Clients may request the record of how the firm voted proxies on their behalf by contacting the CCO or calling 561 278-7862.

Item 18 Financial Information

KICI has never filed for bankruptcy is not aware of any financial condition that is expected to affect its ability to manage client accounts.

Keating Investment Counselors, Inc.

777 E Atlantic Ave., Suite 303

Delray Beach, FL 33483

561 278-7862

MARCH 2018

Form ADV PART 2B
Brochure Supplement

Richard Keating, CFA

Richard.Keating@keatinginvestment.com

Linda Sierra

Linda.Sierra@keatinginvestment.com

Philip Keating, CFA

Jeanine Keating

This brochure supplement provides background and business experience information about the principals at Keating Investment Counselors, Inc. This brochure supplements the Keating Investment Counselors, Inc. brochure that you should have already received. Call us at 561 278-7862 if you did not already receive our brochure or if you have any questions about the contents of this supplement. Additional information about the principals at Keating Investment Counselors is available on the SEC's website at www.adviserinfo.sec.gov.

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Jeanine Keating	7
Linda Sierra	8

Richard T. Keating, CFA

Year of Birth:

1985

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Education:

University of Florida, Gainesville, FL – B.A., Finance

2007

Business Experience:

Keating Investment Counselors, Inc

Chief Compliance Officer/Vice President/Treasurer

Portfolio Manager & Investment Analyst

06/2017-Present

Vice President/Treasurer/Portfolio Manager & Investment Analyst

02/2015-06/2017

Portfolio Manager & Investment Analyst

09/2011 -02/2015

Investment Analyst

05/2007- 09/2011

Cypress Capital Group

Analyst Intern

05/2006 – July 2006

Certifications/Designations:

Series 65

2007

Chartered Financial Analyst (CFA) designation awarded in

2011

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level Investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 107,000 CFA charterholders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. Source: CFA Institute www.cfainstitute.org

Series 65

Uniform Investment Adviser Law Examination. The Series 65 exam — the NASAA Investment Advisers Law Examination — is a North American Securities Administrators Association (NASAA) exam administered by FINRA. The exam consists of 130 scored questions. Candidates have 180 minutes to complete the exam. Source: www.finra.org/industry/series65

DISCIPLINARY INFORMATION

In April 2017, an internal review by Keating Investment Counselors discovered that Mr. Keating's registration with the State of Florida had discrepancies. Mr. Keating immediately notified the State of Florida to correct this paperwork. On June 1, 2017, a Final order was issued by the State of Florida Office of Financial Regulation and agreed upon by Mr. Richard Keating, stipulating that Mr. Keating conducted investment advisory business activities from a location within the state of Florida without proper registration from January 2012 to April 2017 in violation of Section 517.12(1), Florida Statutes. This matter has been resolved effective June 1, 2017. Mr. Keating has been approved by the State of Florida to conduct investment advisory business activities within the state. During the period of noncompliance with Florida's registration system, Mr. Keating possessed the knowledge and designations required to provide investment advisory services to the clients of Keating Investment Counselors. Specifically, Mr. Keating was awarded the Chartered Financial Analyst (CFA) designation in 2011. This violation was due to an administrative oversight and system functionality issue.

OTHER BUSINESS ACTIVITIES

Mr. Richard Keating does not currently have any other investment related or non-investment related business activities.

ADDITIONAL COMPENSATION

Mr. Richard Keating does not currently receive any additional compensation for investment advisory related business.

SUPERVISION

Mr. Richard Keating or Mr. Philip Keating oversee the review of client accounts as well as the Investment Management process of Keating Investment Counselors. Keating Investment Counselors, Inc. has implemented written supervisory procedures that are reasonably designed to detect and prevent violations of the securities laws, rules, and regulations. Richard Keating is the firm's Chief Compliance Officer, and he oversees the firm's Compliance Program and any compliance matters with Linda Sierra, the firm's Compliance Manager.

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Education:

Florida Atlantic University, Attended the Graduate School of Business	1968-1970
Purdue University, Attended the Graduate School as a NASA Fellow	1965-1968
University of Miami, Florida B.A., Sociology/Psychology	1965

Business Experience:

Keating Investment Management, LLC Managing Member,	11/2003 to Present
Keating Investment Counselors, Inc. Chief Investment Officer, Senior Portfolio Manager	05/2007 to Present

Certifications:

Chartered Financial Analyst (CFA) designation awarded in	1991
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The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level Investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 107,000 CFA charterholders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. Source: CFA Institute www.cfainstitute.org

DISCIPLINARY INFORMATION

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OTHER BUSINESS ACTIVITIES

Investment Related

Mr. Keating, Chief Investment Officer and Senior Portfolio Manager of Keating Investment Counselors, Inc.,

a SEC registered investment adviser domiciled in the State of Florida, is also the Managing Member of Keating Investment Management, LLC an unaffiliated State of Florida registered Investment Advisor. It is expected that Mr. Keating's professional time will be divided approximately 90% to Keating Investment Management, LLC and 10% to Keating Investment Counselors, Inc.

ADDITIONAL COMPENSATION

Mr. Keating does not receive any additional compensation outside the Business listed in Other Business Activities.

SUPERVISION

Mr. Richard Keating or Mr. Philip Keating oversee the review of client accounts as well as the Investment Management process of Keating Investment Counselors. Keating Investment Counselors, Inc. has implemented written supervisory procedures that are reasonably designed to detect and prevent violations of the securities laws, rules, and regulations. Richard Keating is the firm's Chief Compliance Officer, and he oversees the firm's Compliance Program and any compliance matters with Linda Sierra, the firm's Compliance Manager.

Jeanine J. Keating

Year of Birth: 1952

EDUCATION AND BUSINESS EXPERIENCE

Education:

University of Florida B.A., Anthropology

1973

Business Experience:

Keating Investment Counselors

President/Treasurer
Secretary/Treasurer

05/2007-Present
11/1983-05/2007

DISCIPLINARY INFORMATION

Ms. Keating does not currently have any reportable disciplinary disclosure items.

OTHER BUSINESS ACTIVITIES

Ms. Keating does not currently have any other investment related or non-investment related business activities.

ADDITIONAL COMPENSATION

Ms. Keating does not currently receive any additional compensation for investment advisory related business.

SUPERVISION

Mr. Richard Keating or Mr. Philip Keating oversee the review of client accounts as well as the Investment Management process of Keating Investment Counselors. Keating Investment Counselors, Inc. has implemented written supervisory procedures that are reasonably designed to detect and prevent violations of the securities laws, rules, and regulations. Richard Keating is the firm's Chief Compliance Officer, and he oversees the firm's Compliance Program and any compliance matters with Linda Sierra, the firm's Compliance Manager.

Linda F. Sierra

Year of Birth: 1962

EDUCATION AND BUSINESS EXPERIENCE

Education:

Palm Beach State College, AS Business	1983
Florida Atlantic University, BS Finance	1985

Business Experience:

Keating Investment Counselors, Inc.

Secretary/Executive Vice President/Compliance Manager	06/2017-Present
Secretary/Executive Vice President/Chief Compliance Officer	05/2007-06/2017
Executive Vice President/Chief Operating Officer	04/2000-05/2007

DISCIPLINARY INFORMATION

Ms. Sierra does not currently have any reportable disciplinary disclosure items.

OTHER BUSINESS ACTIVITIES

Ms. Sierra does not currently have any other investment related or non-investment related business activities.

ADDITIONAL COMPENSATION

Ms. Sierra does not currently receive any additional compensation for investment advisory related business.

SUPERVISION

Mr. Richard Keating or Mr. Philip Keating oversee the review of client accounts as well as the Investment Management process of Keating Investment Counselors. Keating Investment Counselors, Inc. has implemented written supervisory procedures that are reasonably designed to detect and prevent violations of the securities laws, rules, and regulations. Richard Keating is the firm's Chief Compliance Officer, and he oversees the firm's Compliance Program and any compliance matters with Linda Sierra, the firm's Compliance Manager.