

**Key Investment Services LLC**  
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June 24, 2024

**Part 2A Appendix 1 of Form ADV**

NOTICES TO ADVISORY ACCOUNT CUSTOMER(S) (“CLIENT(S)”)

**This wrap fee program brochure provides information about the qualification and business practices of Key Investment Services LLC (“KIS”). If you have any questions about the contents of this brochure, please contact us at 1-888-547-2968. 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. Additional information about KIS also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). KIS is a registered investment adviser with the SEC. Registration does not imply a certain level of skill or training.**

You either signed or will sign the documents to establish a wrap account. This is an investment advisory account, with KIS, by which you established a brokerage account at KIS that is carried by Pershing LLC (“Pershing”) which acts as clearing broker and custodian for the account. Pershing serves as the qualified custodian for all KIS advisory account assets, and accordingly holds and maintains all funds and securities in your advisory account. It will send you periodic statements showing your holdings and any activity in your account. Please read your statements carefully when you receive them.

You can contact Pershing at the following address:

Pershing LLC  
One Pershing Plaza  
Jersey City, New Jersey 07399

Investment products are offered through KIS, member FINRA/SIPC, and carried by Pershing LLC, member FINRA/SIPC. Insurance products are offered through KeyCorp Insurance Agency USA Inc. (“KIA”). KIS and KIA are affiliated with KeyBank National Association (“KeyBank”). KIS, KIA and KeyBank are separate entities, and when you buy or sell securities and insurance products you are doing business with KIS and/or KIA, and not KeyBank, unless you are purchasing the Key Select Portfolio® solutions made available by KeyBank through KIS.

Investment and insurance products, including Key Select Portfolio® solutions, made available through KIS and KIA are:

**NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE • NOT A DEPOSIT •  
NOT INSURED BY ANY FEDERAL OR STATE GOVERNMENT AGENCY**

## Item 2: Summary of Material Changes

The following material changes pertinent to the provision of Key Investment Services LLC's ("KIS's") investment advisory services have occurred since the date of the previous annual update of its brochure on March 29, 2023.

1. As of August 7, 2023 KIS increased the maximum allowable fee within the \$500,001 - \$1,000,000 tier of the Model Strategist Programs, BNY Mellon Target Risk Focus Program and BNY Mellon/American Funds Core Program to 1.40%.
2. On June 6, 2023, Lockwood Advisors, Inc ("Lockwood") changed their name to BNY Mellon Advisors, Inc. ("BNYMA") also changing the name of Lockwood AdvisorFlex Portfolios ("AFP Program") models to BNY Mellon AdvisorFlex Portfolios ("AFP Program"). Please see Item 4(1). BNYMA has changed the name of the Lockwood WealthStart Program ("WealthStart Program") to BNY Mellon Target Risk Focus Portfolios ("Target Risk Focus Program"). Please see Item 4(2). BNYMA has changed the name of the Lockwood/American Funds Core Portfolios ("Lockwood American Funds Program") to BNY Mellon/American Funds Core Portfolios ("BNY Mellon/American Funds Program"). Please see Item 4(5). BNYMA has now updated the name changes in its system.
3. The Item 9(1) "Disciplinary Action" section has been updated.
4. The Item 9(5) "Referrals to KeyBank for Banking Products and Services" section has been updated.
5. As of November 1, 2023, KIS began offering the Key Select Portfolio<sup>®</sup> – Equity Income ("Key Program V"). Please see Item 4(o) for further detail concerning this Program.
6. As of November 1, 2023, KIS began offering the Key Select Portfolio<sup>®</sup> – Fixed Income ("Key Program VI"). Please see Item 4(p) for further detail concerning this Program.
7. Effective March 1, 2024, KIS will cease offering the following programs: Russell Hybrid Model Strategies Program ("Russell Program II"); Vanguard CORE Model Portfolios ("Vanguard Program II"); Natixis Risk-Efficient Portfolios ("Natixis Program"); Buckingham Strategic Partners, LLC DFA Global Portfolio Series ("Buckingham Program"); and Efficient Market Advisors Model Strategies Program ("EMA Program"). Existing Client accounts invested in these programs may maintain and make additional investments until February 29, 2024. On March 1, 2024, all Client accounts invested in these programs will be terminated in-kind.
8. Effective April 1, 2024, a new fee schedule will be implemented for all programs within the KIS platform. Please see Item 4 for more detail on your specific program.
9. Effective April 1, 2024, KIS will separate their Investment Manager fee from their Program Fee. Please see Item 4 for more detail on your specific program.
10. Effective April 1, 2024, KIS will change their billing frequency from quarterly to monthly billing.
11. Effective April 1, 2024, KIS will utilize KeyBank to provide Separately Managed Account Program ("SMA Program") Investment Manager recommendations to the KIS Platform.

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## Item 4: Services, Fees and Compensation

Key Investment Services LLC (“KIS”) as “Wrap Program Sponsor” either sponsors or offers as part of its wrap fee programs (“Wrap Programs”) access to certain investment advisory products (“Advisory Products”) listed in this brochure for its Clients. Advisory Products include investment advisory products proprietary to or administered by third-party service providers which, among other things, allows KIS Clients to access portfolio managers participating in such Advisory Product platforms for purposes of managing trading activity in a Client’s wrap fee account. KIS has established an Investment Advisory Sub-Committee to its Product Due Diligence Committee to perform initial and ongoing due diligence and monitoring of existing and prospective investment advisory products administered by third-party service providers. KIS may refine its Advisory Product offerings and introduce new products to meet the investment needs of its Clients, respond to changing markets and take advantage of recent technological or other innovations. In addition, from time to time acquisitions or new business relationships may contribute new product offerings.

KIS currently offers all of the following Advisory Products through its Wrap Programs.

The “wrap fee”, sometimes referred to as “fee” herein, consists of two separate fee breakdowns, the KIS program fee and the Investment Manager or Model Strategist Fee. The KIS program fee covers KIS’s services, BNY Mellon Advisors, Inc.’s (“BNYMA’s”) discretionary money manager fee, and Pershing LLC’s (Pershing’s) clearing broker services. The Investment Manager fee or Model Strategist fee will cover the Investment Manager’s respective role as further described in the respective Wrap Programs below.

Effective April 1, 2024, for each of these Wrap Programs, KIS will follow the following Program Fee schedule:

<u>Portfolio Value</u>	<u>Maximum Annual Fee</u>
\$0 - \$100,000,000	1.40%
\$1,000,001+	1.00%

KIS uses a portion of its program fee to pay BNYMA a money manager fee, or a minimum annual fee in the even the money manager fee would total less than minimum annual fee based on the schedule. Such money manager fee is specific to the Wrap Program the client is invested in. The money manager fee schedule for KIS’s Program assets under management with BNYMA at \$3,000,000,001 - \$5,000,000,000 is currently in effect. This does not affect fees including the Minimum Fee applicable to the Client’s account and which the Client may pay. For further information, please see Item 4 at Minimum Fee. Please note, for clarifying purposes, none of the below referenced fees will be charged above and beyond the Program Fee Schedule noted above.

Programs: BNY Mellon AdvisorFlex Portfolio (Item 4(1)); BNY Target Risk Focus Program (Item 4(2)); and BNY Mellon/American Funds Core Portfolios (Item 4(5))

Portfolio Value	When KIS’s Program assets under management with BNYMA are:		
	\$0 - \$3,000,000,000	\$3,000,000,001 - \$5,000,000,000	\$5,000,000,001 - \$10,000,000,000
\$0 - \$500,000	0.20%	0.17%	0.14%
\$500,001 - \$1,000,000	0.17%	0.14%	0.12%
\$1,000,001+	0.14%	0.13%	0.11%
Minimum Annual Fee	\$72.50	\$70.00	\$65.00

Programs: Russell Model Strategies Program (Item 4(3)(a)); Vanguard CRSP Strategic Model Portfolios (Item 4(3)(b)); BlackRock Target Income Portfolios, (Item 4(3)(c)); Blackrock Long-Horizon ETF Portfolio Strategies (Item 4(3)(d)); BlackRock Target Allocation ETF Models (Item 4(3)(e)); Calvert

Responsible Model Portfolios (Item 4(3)(f)); Key Select Portfolio® - Foundations (Item 4(3)(g)); Key Select Portfolio® - Opportunities (Item 4(3)(h)); Key Select Portfolio® - Values (Item 4(3)(i)); Key Select Portfolio® - Tax Advantage (Item 4(3)(j)); Key Select Portfolio® - Equity Income (Item 4(3)(k)); and Key Select Portfolio® - Fixed Income (Item 4(3)(l)).

	When KIS's Program assets under management with BNYMA are:		
Portfolio Value	\$0 - \$3,000,000,000	\$3,000,000,001 - \$5,000,000,000	\$5,000,000,001 - \$10,000,000,000
\$0 - \$500,000	0.16%	0.14%	0.12%
\$500,001 - \$1,000,000	0.13%	0.11%	0.09%
\$1,000,001+	0.10%	0.09%	0.08%
Minimum Annual Fee	\$72.50	\$70.00	\$65.00

Programs: Separately Managed Account Program (Item 4(4)); and Unified Managed Account Program (Item 4(6))

	When KIS's Program assets under management with BNYMA are:		
Portfolio Value	\$0 - \$3,000,000,000	\$3,000,000,001 - \$5,000,000,000	\$5,000,000,001 - \$10,000,000,000
\$0 +	0.20%	0.17%	0.14%
Minimum Annual Fee for 4.4 Separately Managed Account Program	\$0.00	\$0.00	\$0.00
Minimum Annual Fee for 4.6 Unified Managed Account Program	\$150.00	\$140.00	\$130.00

KIS's program fees for each of the Wrap Programs are negotiable in KIS's sole and absolute discretion, with fees never exceeding with the Program Fee schedule detailed above. This does not include the Investment Manager or Model Strategist fee.

### **(1) BNY Mellon AdvisorFlex Portfolios ("AFP Program")**

BNYMA is the Money Manager in the AFP Program and acts as a third-party service provider to KIS. The AFP Program is a series of model portfolios diversified at the asset class level and among different security types in which a Client may invest depending on either how the Client scores on an investment profile questionnaire or at the Client's direction. Clients may choose from sixteen (16) models ("AFP Models") spanning the risk/return spectrum from income to capital appreciation.

BNYMA reviews and approves the allocations and investment selections to be included in the AFP Program portfolios. In addition, BNYMA periodically reviews the asset allocation strategies and investment selections within the AFP Program model portfolios seeking to ensure that the portfolios continue to adhere to their respective investment objectives. Within each AFP Program model, BNYMA identifies several investment vehicle options from which Clients may choose. KIS does not exercise investment discretion in the selection of the asset allocation or the universe of specific underlying investment vehicles and strategies used in a Client's account. KIS financial professionals, utilizing an investment profile questionnaire, provide Clients with recommendations regarding such asset allocation and underlying investment vehicles and strategies to meet Clients' investment objectives, but Clients direct the overall investment strategy and profile changes to be made in their accounts. Clients are ultimately responsible for the selection of the appropriate asset allocation model and strategy. However, BNYMA has discretionary authority to invest, reinvest and otherwise deal with assets in AFP Program Client accounts in its discretion.

within the model selected by the Client, subject to the Client's decision to select alternate investment vehicle selections. BNYMA may, when it deems appropriate and without prior consultation with Clients or KIS, buy, sell, exchange, convert and otherwise trade in any stocks, bonds, mutual funds, alternative investments and other securities, and may at its discretion replace underlying mutual funds and exchange-traded funds ("ETFs") in a model if, for example, BNYMA deems such mutual fund or ETF to be underperforming.

KIS's program fees for the AFP Program are negotiable in KIS's sole and absolute discretion, with fees never exceeding with the Program Fee schedule detailed above. This does not include the Investment Manager or Model Strategist fee.

## **(2) BNY Mellon Target Risk Focus Program ("Target Risk Focus Program")**

KIS offers the Target Risk Focus Program on a non-discretionary basis to its clients through its relationship with BNYMA which serves as the discretionary money manager for the Target Risk Focus Program. The Target Risk Focus Program is based on strategic asset allocation models ("Models") developed by BNYMA and are comprised of mutual funds and/or ETFs ("Funds") selected by BNYMA for each such Model. Currently, KIS offers six (6) Models which provide broad-market stock and investment-grade bond exposure in a range of stock/bond allocations, from 97% fixed income to 100% equity. BNYMA provides discretionary management for Clients' accounts and implements trade orders based on asset allocation changes that BNYMA, in its sole discretion, determines to be appropriate.

Prior to investing in the Target Risk Focus Program, Clients complete an investment profile questionnaire which is intended to guide them in the selection of the appropriate Model. The output from the questionnaire is a risk score, which assists the KIS financial professional in advising the Client on a non-discretionary basis which Model best suits the Client's risk tolerance. Clients make the final determinations as to which Model, if any, into which they choose to invest, their overall investment strategy, and any profile changes in their accounts. The financial professional may provide the Client with an investment proposal or strategy sheet that identifies the specific portfolio Model recommended to the Client describing the underlying Fund investments, as well as the overall asset and style allocation of the Model.

Neither KIS nor BNYMA exercise investment discretion in the Client's selection of the Model. KIS does not exercise investment discretion concerning the Funds or the underlying investment strategies comprising the Model. BNYMA retains discretion over the implementation of asset allocation changes within each of the Client's chosen Models and may implement asset allocation changes differently with respect to individual Client accounts. Other services offered in connection with the Target Risk Focus Program include but are not limited to: periodic rebalancing of the Client's securities positions with the chosen Model by BNYMA to maintain the desired asset allocation; the provision of monthly custodial account statements by Pershing; and the provision of quarterly performance reporting by BNYMA.

KIS's program fees for the Target Risk Focus Program are negotiable in KIS's sole and absolute discretion, with fees never exceeding with the Program Fee schedule detailed above. This does not include the Investment Manager or Model Strategist fee.

## **(3) Model Strategies Programs ("Model Strategies")**

KIS offers the following Model Strategies where BNYMA serves as the discretionary money manager. Each Model Strategy has a third-party model strategist which advises BNYMA on the structure and rebalancing of that Model Strategy's particular models. The Model Strategies are as follows:

### **The following terms are applicable to all Model Strategies.**

KIS offers the following Model Strategies on a non-discretionary basis to its Clients through its relationship with BNYMA.

Prior to investing in a strategic asset allocation models developed by a third-party model strategist (“Model”), Clients complete an investment profile questionnaire which is intended to guide them in the selection of the appropriate Model. The output from the questionnaire is a risk score, which assists the KIS financial professional in advising the Client on a non-discretionary basis which Model best suits the Client’s risk tolerance and investment objectives. Clients select a Model that is appropriate for the investment circumstances Clients set forth in the investment profile questionnaire. Clients make the final determinations as to which Model, if any, into which they choose to invest, their overall investment strategy, and any profile changes in their accounts. The financial professional may provide the Client with an investment proposal or strategy sheet that identifies the specific portfolio in the Model recommended to the Client and describes the underlying investments in that particular Model, as well as the overall asset and style allocation of the Model. The Client is ultimately responsible for the selection of the appropriate Model.

Neither KIS nor BNYMA exercise investment discretion in the Client’s selection of the Model or the specific underlying investment vehicles and strategies comprising the Model.

The third-party model strategist does not exercise investment discretion with respect to the management of individual Client accounts. Rather, the third-party model strategist constructs the Models, determines the specific investments that comprise the Models, and from time-to-time, and without notice to or approval from Clients or KIS, advises BNYMA regarding adjustments to the Models’ asset allocations and/or underlying investments.

BNYMA retains discretion with respect to individual Client accounts over the implementation of asset allocation changes in the Client’s chosen Model and may implement asset allocation changes differently with respect to individual Client accounts than the asset allocation changes advised by the third-party model strategist to BNYMA. Other services offered in connection with the Model Strategies include but are not limited to: periodic rebalancing of the Client’s securities positions within the Client’s chosen Model by BNYMA to maintain the desired asset allocation; the provision of monthly custodial account statements by Pershing; and the provision of quarterly performance reporting by BNYMA.

KIS’s program fees for the Model Strategies are negotiable in KIS’s sole and absolute discretion, with fees never exceeding with the Program Fee schedule detailed above. This does not include the Investment Manager or Model Strategist fee.

#### ***(a) Russell Model Strategies Program (“Russell Program I”)***

**NOTE: KIS ceased offering the five (5) core Russell Models to new Client accounts on March 31, 2021. Prior Client accounts invested in these Models may maintain and make additional investments in this Program. KIS will continue to offer the five (5) tax-managed Russell Models to new and existing Client accounts.**

The Russell Program I offers actively-managed portfolios comprised exclusively of Russell mutual funds.

Russell Investment Management Company (“RIMCo”) is a SEC-registered investment adviser that advises the Russell Investment Company family of mutual funds (“Russell Funds”). The Russell Program I is based on strategic asset allocation models (“Russell Models”) developed by RIMCo as a third-party model strategist. The actively-managed portfolios are comprised exclusively of Russell Funds. RIMCo makes the Russell Models available to BNYMA for its use in managing individual Client accounts. BNYMA provides discretionary management for Clients’ Russell Program I accounts and implements trade orders based on asset allocation changes communicated to it by RIMCo.

The Russell Program I provides five (5) core Russell Models and five (5) tax-managed Russell Models which span the risk/return spectrum from a current income Russell Model to a growth Russell Model within the overall context of a diversified portfolio. The Russell Models vary in their exposure to different asset



classes (such as equities, fixed income, real assets and alternative investments), as well as different styles (such as defensive, dynamic, growth, core, and value), paired together to achieve diversification that seeks to meet a variety of investment objectives.

Note: RIMCo does not receive any part of the Program fee. RIMCo does separately receive compensation in the form of advisory fees paid to it by the Russell Funds which are included in the particular Russell Model portfolios in which Clients may be invested, in connection with RIMCo's management of the Russell Funds. Such compensation is based on a percentage of the assets under RIMCo's management with respect to such Russell Funds, which will include Client account assets invested in such Russell Funds. For further information regarding compensation RIMCo may receive from Russell Funds comprising a particular Russell Model selected by a Client, please see the prospectuses for those Russell Funds.

### ***(b) Vanguard CRSP Strategic Model Portfolios ("Vanguard Program I")***

Vanguard Advisers, Inc. ("VAI") is a SEC registered investment adviser that produces model portfolios comprised of Vanguard mutual funds or Vanguard ETFs ("Vanguard Funds"). The Vanguard Program I is based on strategic asset allocation models ("Vanguard Models") developed by VAI as a third-party model strategist and are comprised of Vanguard Funds selected by VAI for a particular Vanguard Model. VAI makes the Vanguard Models available to BNYMA for its use in managing individual Client accounts. BNYMA provides discretionary management for Clients' Vanguard Program I accounts and implements trade orders based on asset allocation changes communicated to BNYMA by VAI.

Currently, KIS offers the Vanguard ETF Strategic Model Portfolio Center for Research in Security Prices (CRSP) Series which provides eleven (11) Vanguard Models holding six to ten (6-10) Vanguard Funds per model. These Vanguard Models include equity and investment-grade fixed income exposure and indexed investments. They are tax efficient and span the risk return spectrum from a current income Vanguard Model to growth Vanguard Model within the overall context of a diversified portfolio.

### ***(c) BlackRock Target Income Portfolios ("BlackRock Program I")***

BlackRock Investment Management, LLC ("BIM") is a SEC-registered investment adviser that advises the BlackRock family of mutual funds and iShares ETFs (collectively or individually "BlackRock Funds"). The BlackRock Program I is based on strategic asset allocation models ("BlackRock Program I Models") developed by BIM as a third-party model strategist and are comprised of BlackRock Funds selected by BIM for a particular BlackRock Program I Model. BIM makes the BlackRock Program I Models available to BNYMA for its use in managing individual Client accounts. BNYMA provides discretionary management for Clients' BlackRock Program I accounts and implements trade orders based on asset allocation changes communicated to BNYMA by BIM.

Currently KIS offers the BlackRock Program I which provides four (4) BlackRock Program I Models, comprised exclusively of BlackRock mutual funds and ETFs, which span the risk/return spectrum for fixed income BlackRock Program I Models within the overall context of a diversified portfolio. The portfolios in the BlackRock Program I are designed by BIM to help meet clients' long-term income needs.

### ***(d) BlackRock Long-Horizon ETF Portfolio Strategies ("BlackRock Program II")***

**NOTE: KIS ceased offering the BlackRock Program II to new Client accounts on June 21, 2019. Existing Client accounts invested in the BlackRock Program II may maintain and make additional investments in this Program.**

The BlackRock Program II is based on strategic asset allocation models ("BlackRock Program II Models") developed by BIM as a third-party model strategist and are comprised of BlackRock Funds selected by BIM for a particular BlackRock Program II Model. BIM makes the BlackRock Program II Models available to BNYMA for its use in managing individual Client accounts. BNYMA provides discretionary

management for Clients' BlackRock Program II accounts and implements trade orders based on asset allocation changes communicated to BNYMA by BIM.

The BlackRock Program II is comprised of five (5) BlackRock Program II Models which span the risk/return spectrum for BlackRock Program II Models within the overall context of a diversified portfolio.

***(e) BlackRock Target Allocation ETF Models ("BlackRock Program III")***

BNYMA serves as the discretionary money manager for the BlackRock Program III.

The BlackRock Program III is based on strategic asset allocation models ("BlackRock Program III Models") developed by BIM as a third-party model strategist and are comprised of BlackRock Funds selected by BIM for a particular BlackRock Program III Model. BIM makes the BlackRock Program III Models available to BNYMA for its use in managing individual Client accounts. BNYMA provides discretionary management for Clients' BlackRock Program III accounts and implements trade orders based on asset allocation changes communicated to BNYMA by BIM.

Currently, KIS offers the BlackRock Program III which provides eleven (11) BlackRock Program III Models, comprised exclusively of BlackRock exchange traded funds, which span the risk/return spectrum for BlackRock Program III Models within the overall context of a diversified portfolio. The portfolios in the BlackRock Program III are designed by BIM and seek total return through exposure to a diversified portfolio of equity and fixed income asset classes with varying target allocations.

***(f) Calvert Responsible Model Portfolios ("Calvert Program")***

Calvert Research and Management ("Calvert") is a SEC-registered investment adviser that advises the Calvert family of mutual funds ("Calvert Funds") and offers actively managed (i.e., indexing), and model-only investment advisory services that include a variety of socially responsible equity, fixed-income, and multi-asset strategies. The Calvert Program is based on strategic asset allocation models ("Calvert Models") developed by Calvert as a third-party model strategist and are comprised of Calvert Funds selected by Calvert for a particular Calvert Model. Calvert makes the Calvert Models available to BNYMA for its use in managing individual Client accounts. BNYMA provides discretionary management for Clients' Calvert Program accounts and implements trade orders based on asset allocation changes communicated to money manager by Calvert.

Currently, KIS offers three (3) Calvert Models which provide an approach to investment diversification that incorporates environmental, social and governance ("ESG") criteria. Calvert also manages a specialized Client mandate that includes "Terror-Free" criteria. Please read carefully Calvert's Form ADV Part 2A which more fully describes its responsible investment analysis and "Terror-Free" criteria.

***(g) Key Select Portfolio® – Foundations ("Key Program I")***

**NOTE: The Key Select Portfolio® ("Key Program") has been renamed the Key Select Portfolio® – Foundations ("Key Program I"). The Key Program I consists of strategic asset allocation models for investing in securities. The Key Program I, its models, and their constituent securities are not bank deposits; are not FDIC insured; are not guaranteed by any bank including KeyBank National Association ("KeyBank"); any Client investing in the Key Program I may lose any part or all of the amounts invested; and are not insured by any Federal or State government agency.**

Currently, KIS offers the Key Program I which provides eleven (11) strategic asset allocation models ("Key Models") which span the risk/return spectrum within the overall context of a diversified portfolio. The Key Program I is a diversified, cost- and tax-efficient portfolio solution offering index investing, focusing on broad-market exposure to US equities, international equities, and a strategic mix of fixed income options weighted toward corporate bonds and additional core fixed income options.

BNYMA serves as the discretionary money manager for the Key Program I.

KeyBank is a national bank, and an affiliate of KIS. The Key Program I is based on Key Models developed by KeyBank as a third-party model strategist and are comprised of ETFs selected by KeyBank for a particular Key Model. KeyBank makes the Key Models available to BNYMA for BNYMA's use in managing individual Client accounts. BNYMA provides discretionary management for Clients' Key Program I accounts and implements trade orders based on asset allocation changes communicated to BNYMA by KeyBank.

**Clients should be aware that KeyBank is an affiliate of KIS. Therefore, KIS's financial professionals have a conflict of interest in recommending the Key Program I over other programs offered as part of KIS's advisory services. While the financial professional will not be directly compensated more for recommending the Key Program I over other investment programs available to Clients, he or she will be aware that accounts in the Key Program I benefit KeyBank, KIS and their parent financial holding company more than non-KeyBank sponsored programs offered. This may induce the financial professional to recommend the Key Program I over others which creates a conflict of interest. KIS mitigates this conflict by having a supervisory review done of any recommendations to ensure that they are in the Client's best interests.**

Note: KeyBank receives compensation for its services through a shared services agreement between KeyBank and KIS. Such services are priced at a market rate, per federal banking regulations, and are then charged internally against KIS. In addition, KeyBank receives indirect compensation in the form of advisory fees paid to its affiliate, KIS. Client accounts will not be directly charged for these services because they are part of the program fee for the Key Program I. Third party payments: our affiliates receive payments from certain mutual funds used in our managed products. This creates an incentive to select funds or share classes that result in greater compensation to our affiliates. Third-party model providers may also select funds that make these payments to our affiliates.

#### ***(h) Key Select Portfolio® – Opportunities ("Key Program II")***

**NOTE: The Key Program II consists of strategic asset allocation models for investing in securities. The Key Program II, its models, and their constituent securities are not bank deposits; are not FDIC insured; are not guaranteed by any bank including KeyBank; any Client investing in the Key Program II may lose any part or all of the amounts invested; and are not insured by any Federal or State government agency.**

Currently, KIS offers the Key Program II which provides eleven (11) strategic asset allocation models ("Key Models") which span the risk/return spectrum within the overall context of a diversified portfolio. The Key Program II is a diversified solution of exposures offering a more aggressive strategy including a tactical asset mix of emerging markets, fixed income securities, fixed income securities, investment-grade corporate bonds, and US and international equities, all focused on the goal of maximizing returns. The portfolio uses a combination of actively managed and factor-based strategies together with index-tracking strategies.

BNYMA serves as the discretionary money manager for the Key Program II.

KeyBank is a national bank, and an affiliate of KIS. The Key Program II is based on Key Models developed by KeyBank as a third-party model strategist and are comprised of mutual funds and ETFs selected by KeyBank for a particular Key Model. KeyBank makes the Key Models available to BNYMA for BNYMA's use in managing individual Client accounts. BNYMA provides discretionary management for Clients' Key Program II accounts and implements trade orders based on asset allocation changes communicated to BNYMA by KeyBank.

Clients should be aware that KeyBank is an affiliate of KIS. Therefore, KIS's financial professionals have a conflict of interest in recommending the Key Program II over other programs offered as part of KIS's advisory services. While the financial professional will not be directly compensated more for recommending the Key Program II over other investment programs available to Clients, he or she will be aware that accounts in the Key Program II benefit KeyBank, KIS and their parent financial holding company more than non-KeyBank sponsored programs offered. This may induce the financial professional to recommend the Key Program II over others which creates a conflict of interest. KIS mitigates this conflict by having a supervisory review done of any recommendations to ensure that they are in the Client's best interests.

Note: KeyBank receives compensation for its services through a shared services agreement between KeyBank and KIS. Such services are priced at a market rate, per federal banking regulations, and are then charged internally against KIS. In addition, KeyBank receives indirect compensation in the form of advisory fees paid to its affiliate, KIS. Client accounts will not be directly charged for these services because they are part of the program fee for the Key Program II. Third party payments: our affiliates receive payments from certain mutual funds used in our managed products. This creates an incentive to select funds or share classes that result in greater compensation to our affiliates. Third-party model providers may also select funds that make these payments to our affiliates.

***(i) Key Select Portfolio® – Values (“Key Program III”)***

**NOTE: The Key Program III consists of strategic asset allocation models for investing in securities. The Key Program III, its models, and their constituent securities are not bank deposits; are not FDIC insured; are not guaranteed by any bank including KeyBank; any Client investing in the Key Program III may lose any part or all of the amounts invested; and are not insured by any Federal or State government agency.**

Currently, KIS offers the Key Program III which provides eleven (11) strategic asset allocation models (“Key Models”) which span the risk/return spectrum within the overall context of a diversified portfolio. The Key Program III is a thoughtful solution featuring diversified investment strategies focused specifically around ESG (environmental, social, governance) offerings. Allocations feature ESG-aware equities, sustainable growth equities, sustainable investment-grade bonds, and US aggregate bonds.

BNYMA serves as the discretionary money manager for the Key Program III.

KeyBank is a national bank, and an affiliate of KIS. The Key Program III is based on Key Models developed by KeyBank as a third-party model strategist and are comprised of mutual funds and ETFs selected by KeyBank for a particular Key Model. KeyBank makes the Key Models available to BNYMA for BNYMA's use in managing individual Client accounts. BNYMA provides discretionary management for Clients' Key Program III accounts and implements trade orders based on asset allocation changes communicated to BNYMA by KeyBank.

Clients should be aware that KeyBank is an affiliate of KIS. Therefore, KIS's financial professionals have a conflict of interest in recommending the Key Program III over other programs offered as part of KIS's advisory services. While the financial professional will not be directly compensated more for recommending the Key Program III over other investment programs available to Clients, he or she will be aware that accounts in the Key Program III benefit KeyBank, KIS and their parent financial holding company more than non-KeyBank sponsored programs offered. This may induce the financial professional to recommend the Key Program III over others which creates a conflict of interest. KIS mitigates this conflict by having a supervisory review done of any recommendations to ensure that they are in the Client's best interests.

Note: KeyBank receives compensation for its services through a shared services agreement between KeyBank and KIS. Such services are priced at a market rate, per federal banking regulations, and are then charged internally against KIS. In addition, KeyBank receives indirect compensation in the form of advisory fees paid to its affiliate, KIS. Client accounts will not be directly charged for these services because they are part of the program fee for the Key Program III. Third party payments: our affiliates receive payments from certain mutual funds used in our managed products. This creates an incentive to select funds or share classes that result in greater compensation to our affiliates. Third-party model providers may also select funds that make these payments to our affiliates.

***(j) Key Select Portfolio® – Tax Advantage (“Key Program IV”)***

**NOTE: The Key Program IV consists of strategic asset allocation models for investing in securities. The Key Program IV, its models, and their constituent securities are not bank deposits; are not FDIC insured; are not guaranteed by any bank including KeyBank; any Client investing in the Key Program IV may lose any part or all of the amounts invested; and are not insured by any Federal or State government agency.**

Currently, KIS offers the Key Program IV which provides eleven (11) strategic asset allocation models (“Key Models”) which span the risk/return spectrum within the overall context of a diversified portfolio. The Key Program IV seeks to present steady returns while effectively limiting potential tax liabilities through a balanced risk approach on equities and fixed income assets of municipal bonds and tax-exempt intermediate and long-term fixed income options.

BNYMA serves as the discretionary money manager for the Key Program IV.

KeyBank is a national bank, and an affiliate of KIS. The Key Program IV is based on Key Models developed by KeyBank as a third-party model strategist and are comprised of mutual funds and ETFs selected by KeyBank for a particular Key Model. KeyBank makes the Key Models available to BNYMA for BNYMA’s use in managing individual Client accounts. BNYMA provides discretionary management for Clients’ Key Program IV accounts and implements trade orders based on asset allocation changes communicated to BNYMA by KeyBank.

**Clients should be aware that KeyBank is an affiliate of KIS. Therefore, KIS’s financial professionals have a conflict of interest in recommending the Key Program IV over other programs offered as part of KIS’s advisory services. While the financial professional will not be directly compensated more for recommending the Key Program IV over other investment programs available to Clients, he or she will be aware that accounts in the Key Program IV benefit KeyBank, KIS and their parent financial holding company more than non-KeyBank sponsored programs offered. This may induce the financial professional to recommend the Key Program IV over others which creates a conflict of interest. KIS mitigates this conflict by having a supervisory review done of any recommendations to ensure that they are in the Client’s best interests.**

Note: KeyBank receives compensation for its services through a shared services agreement between KeyBank and KIS. Such services are priced at a market rate, per federal banking regulations, and are then charged internally against KIS. In addition, KeyBank receives indirect compensation in the form of advisory fees paid to its affiliate, KIS. Client accounts will not be directly charged for these services because they are part of the program fee for the Key Program IV. Third party payments: our affiliates receive payments from certain mutual funds used in our managed products. This creates an incentive to select funds or share classes that result in greater compensation to our affiliates. Third-party model providers may also select funds that make these payments to our affiliates.

### ***(k) Key Select Portfolio® – Equity Income (“Key Program V”)***

**NOTE: The Key Program V consists of strategic asset allocation models for investing in securities. The Key Program V, its models, and their constituent securities are not bank deposits; are not FDIC insured; are not guaranteed by any bank including KeyBank; any Client investing in the Key Program V may lose any part or all of the amounts invested; and are not insured by any Federal or State government agency.**

Currently, KIS offers the Key Program V which provides eleven (11) strategic asset allocation models (“Key Models”) which span the risk/return spectrum within the overall context of a diversified portfolio. The Key Program V seeks to present steady returns while effectively limiting potential tax liabilities through a balanced risk approach on equities and fixed income assets of municipal bonds and tax-exempt intermediate and long-term fixed income options.

BNYMA serves as the discretionary money manager for the Key Program V.

KeyBank is a national bank, and an affiliate of KIS. The Key Program V is based on Key Models developed by KeyBank as a third-party model strategist and are comprised of mutual funds and ETFs selected by KeyBank for a particular Key Model. KeyBank makes the Key Models available to BNYMA for BNYMA’s use in managing individual Client accounts. BNYMA provides discretionary management for Clients’ Key Program V accounts and implements trade orders based on asset allocation changes communicated to BNYMA by KeyBank.

**Clients should be aware that KeyBank is an affiliate of KIS. Therefore, KIS’s financial professionals have a conflict of interest in recommending the Key Program V over other programs offered as part of KIS’s advisory services. While the financial professional will not be directly compensated more for recommending the Key Program V over other investment programs available to Clients, he or she will be aware that accounts in the Key Program V benefit KeyBank, KIS and their parent financial holding company more than non-KeyBank sponsored programs offered. This may induce the financial professional to recommend the Key Program V over others which creates a conflict of interest. KIS mitigates this conflict by having a supervisory review done of any recommendations to ensure that they are in the Client’s best interests.**

Note: KeyBank receives compensation for its services through a shared services agreement between KeyBank and KIS. Such services are priced at a market rate, per federal banking regulations, and are then charged internally against KIS. In addition, KeyBank receives indirect compensation in the form of advisory fees paid to its affiliate, KIS. Client accounts will not be directly charged for these services because they are part of the program fee for the Key Program V. Third party payments: our affiliates receive payments from certain mutual funds used in our managed products. This creates an incentive to select funds or share classes that result in greater compensation to our affiliates. Third-party model providers may also select funds that make these payments to our affiliates.

### ***(l) Key Select Portfolio® – Fixed Income (“Key Program VI”)***

**NOTE: The Key Program VI consists of strategic asset allocation models for investing in securities. The Key Program VI, its models, and their constituent securities are not bank deposits; are not FDIC insured; are not guaranteed by any bank including KeyBank; any Client investing in the Key Program VI may lose any part or all of the amounts invested; and are not insured by any Federal or State government agency.**

Currently, KIS offers the Key Program VI which provides eighteen (18) fixed income models (“Key Models”) which span the duration/credit quality spectrum within the fixed income portfolio. The Key Program VI seeks to generate attractive risk-adjusted returns over a complete market.

BNYMA serves as the discretionary money manager for the Key Program VI.

KeyBank is a national bank, and an affiliate of KIS. The Key Program VI is based on Key Models developed by KeyBank as a third-party model strategist and are comprised of mutual funds and ETFs selected by KeyBank for a particular Key Model. KeyBank makes the Key Models available to BNYMA for BNYMA's use in managing individual Client accounts. BNYMA provides discretionary management for Clients' Key Program VI accounts and implements trade orders based on asset allocation changes communicated to BNYMA by KeyBank.

**Clients should be aware that KeyBank is an affiliate of KIS. Therefore, KIS's financial professionals have a conflict of interest in recommending the Key Program VI over other programs offered as part of KIS's advisory services. While the financial professional will not be directly compensated more for recommending the Key Program VI over other investment programs available to Clients, he or she will be aware that accounts in the Key Program VI benefit KeyBank, KIS and their parent financial holding company more than non-KeyBank sponsored programs offered. This may induce the financial professional to recommend the Key Program VI over others which creates a conflict of interest. KIS mitigates this conflict by having a supervisory review done of any recommendations to ensure that they are in the Client's best interests.**

Note: KeyBank receives compensation for its services through a shared services agreement between KeyBank and KIS. Such services are priced at a market rate, per federal banking regulations, and are then charged internally against KIS. In addition, KeyBank receives indirect compensation in the form of advisory fees paid to its affiliate, KIS. Client accounts will not be directly charged for these services because they are part of the program fee for the Key Program VI. Third party payments: our affiliates receive payments from certain mutual funds used in our managed products. This creates an incentive to select funds or share classes that result in greater compensation to our affiliates. Third-party model providers may also select funds that make these payments to our affiliates.

#### **(4) Separately Managed Account Program ("SMA Program")**

The KIS SMA Program is a separately managed account program. KIS offers the SMA Program on a non-discretionary basis to its Clients through its relationship with BNYMA. BNYMA serves as the third-party service provider to KIS for the SMA Program.

The SMA Program is designed to offer Clients third party investment manager ("Investment Manager") selection, consulting, brokerage, portfolio supervision and consolidated reporting in return for a "wrap" fee. Prior to investing in the SMA Program, Clients complete a KIS provided investment profile questionnaire which is intended to guide them in the selection of the appropriate Investment Manager. The output from the questionnaire is a risk score, which assists the KIS financial professional in recommending an Investment Manager(s) to manage discretionary trading in the Client's account consistent with the Client's risk tolerance and investment objectives. The Client makes the final determination as to the overall investment strategy, Investment Manager(s), and profile changes which will be applicable to their account(s).

BNYMA, as a third-party service provider to KIS or KeyBank through its Key Wealth Chief Investment Office ("Key Wealth CIO") as an affiliated service provider to KIS, evaluates Investment Managers and provides a list of prequalified Investment Managers ("Covered Managers") for participation in the SMA Program as determined by KIS, from which Clients may choose for their SMA Program account. In order to provide the list of Covered Managers, BNYMA may work with the Manager Research Group of its affiliate, The Bank of New York Mellon Corporation ("BNY Mellon"), to review and research Investment Managers. BNYMA or Key Wealth CIO conducts an initial review of all Investment Managers available in the SMA Program and regularly monitors the participating Investment Managers for continued qualifications and performance. BNYMA makes available its reviews and research to KIS through semi-

annual presentations, the Key Wealth CIO makes available its review and research annually, at minimum, to the Investment Advisory Sub-Committee of the Product Due Diligence Committee to assist in KIS's ongoing due diligence process of the Investment Managers. BNYMA retains authority regarding the inclusion or removal of Covered Managers and investment vehicles approved to participate on the SMA Program platform, from which Clients may select an Investment Manager for their accounts. However, BNYMA as a third-party service provider to KIS or KeyBank through its Key Wealth CIO as an affiliated service provider to KIS does not provide investment advice to Clients. Rather, each is providing its proprietary research to KIS for KIS's use in determining which Investment Managers are to be included in the SMA Program, and BNYMA does not serve as an investment adviser or discretionary money manager to those Clients who invest in the SMA Program. The Key Wealth CIO may serve as an investment advisor or discretionary money manager to those Clients who invest in particular Key Wealth CIO SMAs within the SMA Program, for third party Investment Managers recommended by the Key Wealth CIO it does not serve as an investment advisor or discretionary money manager to those Client who invest in the SMA Program.

KeyBank, as an affiliated service provider to KIS, provides recommendations of Investment Managers ("Covered Managers") for participation in the SMA Program as determined by KIS, from which Clients may choose for their SMA Program account.

KIS financial professionals work with the Client to review the Client's financial situation and investment profile to assist the Client in determining if the Investment Manager(s) under consideration is/are consistent with the Client's investment objectives. The Investment Manager(s) selected by the Client will provide discretionary investment advisory services and is/are responsible for all investment decisions in the Client's account(s). The Investment Manager will employ various investment strategies as described in the Investment Manager's Form ADV Part 2A Brochure, and any other material the Investment Manager may provide to the Client. Each Investment Manager employs its own strategy and timeframe for investing funds. Clients and financial professionals should consult each Investment Manager's Form ADV Part 2A Brochure to determine the Investment Manager's specific background, strategy, and procedures. KIS, through BNYMA, will provide quarterly performance analysis and reporting. The minimum account size for the SMA Program is generally \$100,000 but varies by Investment Manager.

From the program fee, KIS will also pay or cause to be paid the Investment Manager's fee, which will vary, as well as charges assessed by various providers of services, such as by the clearing broker, to Client's account. Please read carefully the Investment Manager's Form ADV Part 2A for further information. Please also read the KIS Standard Advisory Contract and Client Agreement for further information with respect to fees and other costs or charges.

KIS will also pay or cause to be paid out of the KIS Program fee to BNYMA, as a third-party service provider to KIS, a third-party service provider fee of 0.20% of the assets in the KIS SMA Program.

Each Investment Manager in the SMA Program may, and generally will, as they deem appropriate in their discretion, place trades through brokers other than Pershing. As disclosed below, commissions, mark-ups or mark-downs, or similar costs and charges associated with the execution of such trades will be deducted from a Client's allocable assets and may reduce the Client's overall return. All Investment Managers are required to have best execution policies and procedures, and KIS will review the respective Investment Manager's best execution policies, procedures and practices. Please read carefully the Investment Manager's Form ADV Part 2A brochure concerning its best execution policies and practices.

KIS's program fees for the SMA Program are negotiable in KIS's sole and absolute discretion, with fees never exceeding with the Program Fee schedule detailed above. This does not include the Investment Manager or Model Strategist fee.



## **(5) BNY Mellon/American Funds Core Portfolios (“BNY Mellon/American Funds Program”)**

KIS offers the BNY Mellon/American Funds Program on a nondiscretionary basis to its clients through its relationship with BNYMA which serves as discretionary money manager for the BNY Mellon/American Funds Program.

The BNY Mellon/American Funds Program is based on strategic asset allocation models (“BNYMAFP Models”) developed by BNYMA and comprised of American Funds’ mutual funds (“AF Funds”) and ETFs selected by BNYMA for a particular LAFP Model. Currently, KIS offers three (3) BNYMAFP Models which provide broad-market stock and investment-grade bond exposure in a range of stock/bond allocations, from 73% fixed income to 90% equity. BNYMA provides discretionary management for Clients’ accounts and implements trade orders based on asset allocation changes that BNYMA, in its sole discretion, determines to be appropriate.

Prior to investing in a BNYMAFP Model, Clients complete an investment profile questionnaire which is intended to guide them in the selection of the appropriate BNYMAFP Model. The output from the questionnaire is a risk score, which assists the KIS financial professional in recommending a BNYMAFP Model(s) which best suits the Client’s risk tolerance and investment objectives. Clients select a BNYMAFP Model that is appropriate for the investment circumstances Clients set forth in the investment profile questionnaire. Clients make the final determination as to which overall investment strategy, BNYMAFP Model, and profile changes will be made in their accounts. The financial professional may provide the Client with an investment proposal or strategy sheet that identifies the specific portfolio in the BNYMAFP Model recommended to the Client and details the underlying AF Funds’ investments, as well as the overall asset and style allocation of the BNYMAFP Model. The Client is ultimately responsible for the selection of the appropriate BNYMAFP Model.

Neither KIS nor BNYMA exercise investment discretion in the selection of the BNYMAFP Model. KIS does not exercise investment discretion concerning the specific underlying investment vehicles and strategies comprising the BNYMAFP Model.

BNYMA retains discretion with respect to individual Client accounts over the implementation of asset allocation changes in the Client’s chosen BNYMAFP Model and may implement asset allocation changes differently with respect to individual Client accounts. Other services offered in connection with the BNY Mellon/American Funds Program include but are not limited to: periodic rebalancing of the Client’s securities positions within the Client’s chosen BNYMAFP Model by BNYMA to maintain the desired asset allocation; the provision of monthly custodial account statements by Pershing; and the provision of quarterly performance reporting by BNYMA.

KIS’s program fees for the BNY Mellon/American Funds Program are negotiable in KIS’s sole and absolute discretion, with fees never exceeding with the Program Fee schedule detailed above. This does not include the Investment Manager or Model Strategist fee.

## **(6) Unified Managed Account Program (“UMA Program”)**

KIS offers the UMA Program on a non-discretionary basis to its clients through its relationship with BNYMA. BNYMA serves as the investment manager of the UMA Program and acts as a third-party service provider to KIS. The UMA Program is sponsored by KIS.

The UMA Program is a discretionary, multi-discipline, multi-manager managed account product housed in a single portfolio with six (6) core models in which a Client may invest either: (i) depending on how the Client scores on an investment profile questionnaire, or (ii) at the Client’s direction. The six (6) core models span the risk/return spectrum from current income model to aggressive growth model within the context of

a diversified portfolio. Clients may also choose from multiple model strategist programs as well as Separately Managed Account “SMA” models.

BNYMA, serving as a discretionary portfolio manager, determines asset allocation and selects the underlying investment managers (“Investment Managers”) and specific investment vehicles for each investment style based on its proprietary modeling strategies, as well as BNYMA’s macroeconomic outlook and investment discipline. KIS does not exercise investment discretion in the Client’s selection of the third-party model strategists or Investment Managers or in the asset allocation in the underlying investment vehicles and strategies used in a Client’s account. KIS financial professionals, utilizing an investment profile questionnaire, provide Clients with non-discretionary, non-binding recommendations regarding such asset allocation and underlying investment vehicles and strategies to meet Clients’ investment objectives, but Clients direct the overall investment strategy and profile changes to be made in their accounts. Clients are ultimately responsible for the selection of the appropriate asset allocation model and strategy. However, BNYMA has full discretionary authority to invest, reinvest and otherwise deal with assets in the UMA Program Client accounts in its discretion within the model selected by the Client. BNYMA may, when it deems appropriate and without prior consultation with Clients or KIS, buy, sell, exchange, convert and otherwise trade in any stocks, bonds, mutual funds, alternative investments and other securities, and may at its discretion replace Investment Managers and underlying investment vehicles if, for example, BNYMA deems such Investment Manager or investment vehicle to be underperforming. BNYMA also provides overlay management services for the Client’s UMA Program account and implements trade orders based on the investment strategies contained in UMA Program portfolios.

KIS’s program fees for the UMA Program are negotiable in KIS’s sole and absolute discretion, with fees never exceeding with the Program Fee schedule detailed above. This does not include the Investment Manager or Model Strategist fee.

### **Minimum Fee**

Effective April 1, 2024, all Client wrap accounts will change their fee billing from quarterly to monthly.

Currently, KIS has implemented a Minimum Fee of \$32.50 per quarter, or \$130 per year. Effective April 1, 2024, for all Client wrap accounts, KIS will change the Minimum Fee to \$10.83 per month, or \$130 per year. The Minimum Fee will be applied to all accounts in which wrap fees based on the applicable Maximum Annual Fee schedule for the KIS Program Fee as otherwise agreed upon with a Client, would be less than the Minimum Fee. In such instances, the wrap fee for the account will be increased up to the amount of the Minimum Fee. Until March 31, 2024, the Minimum Fee will be assessed quarterly in advance, and will not be refunded or applied to offset fees in a subsequent quarter should the amount of the wrap fee otherwise applicable to the account be greater than the Minimum Fee in a subsequent quarter. Effective April 1, 2024, the Minimum Fee will be assessed monthly in advance, and will not be refunded or applied to offset fees in a subsequent quarter should the amount of the wrap fee otherwise applicable to the account be greater than the Minimum Fee in a subsequent quarter.

In the event the Minimum Fee would become due for an account, the effective fee for the account expressed as a percentage of assets under management maintained in the account will be greater than the percentage as expressed in the applicable Maximum Annual Fee schedule or wrap fee as otherwise agreed upon with Client in KIS’s discretion, and will fluctuate depending upon the amount of assets maintained in a Client’s account in a given quarter. A Client who participates in a Wrap Program should consider whether, after considering the Minimum Fee, the level of portfolio activity in the Client’s account, the value of the custodial and other services which are provided under the arrangement, the Minimum Fee, if applied, exceeds the aggregate cost of such services if they were to be purchased separately. Because the Minimum Fee may be greater than what would have been the case if the Client paid separately for investment advice and brokerage and other services or participated in another program, financial professionals may have an

incentive to recommend opening or maintaining Wrap Programs over alternative programs or over the purchase of such services separately, including with respect to mutual funds, collective investment vehicles, or other assets that may comprise a Wrap Program account and which may be purchased on an individual basis through KIS's standard brokerage services.

The Minimum Fee would generally apply to small balance accounts with a low level of assets under management, including less than the minimum investment amount typically required to open and maintain a wrap account unless otherwise agreed to with a Client in KIS's discretion (see Item 5: Account Requirements and Types of Clients), and the Minimum Fee would be greater than the wrap fee generally applicable to the Wrap Program. As a result, KIS and KIS financial professionals have an incentive to recommend that clients open or maintain accounts with less than the minimum investment amount otherwise applicable, and to exercise their discretion to waive the minimum investment amount, including for small accounts with balances that may not be economical to maintain as a wrap account. KIS mitigates this conflict of interest by reviewing the opening and maintenance of small balance accounts to ensure that account balances remain sufficiently high to be economical for the Client to maintain the account.

Not all investment advisers apply minimum fee requirements to wrap programs which they sponsor or in which they participate. In the event the Minimum Fee were to become due for an account, the Minimum Fee may render the wrap fee applicable to the account more expensive than fees charged by other investment advisers for similar wrap fee programs.

### **Fees Not Included in Program Fees**

Fees that are charged by the Investment Manager will be charged in addition to the Program Fees and will be disclosed on your statement.

Fees for the various Wrap Programs described herein do not cover all costs or charges arising from these programs. For example, these Wrap Program fees do not cover (i) dealer markups or markdowns that are embedded in the price of certain securities, executed on a "Net" basis; (ii) costs associated with the purchase and sale of mutual funds; (iii) charges imposed by law; (iv) costs relating to trading in foreign securities or currencies; (v) internal charges and fees that may be imposed by any collective investment vehicles such as open-end funds, closed-end funds, index shares, unit investment trusts ("UITs"), ETFs, or real estate investment trusts; (vi) other specialized charges such as transfer taxes, exchange and SEC transaction fees; (vii) any brokerage commissions or other charges imposed by broker dealers or entities other than Pershing (i.e., "step-out trading" costs) and certain liquidation fees; (viii) certain hard dollar fees associated with foreign exchange, taxes and other related fees in connection with American Depository Receipts; (ix) certain charges associated with securities transactions in Client's account such as spreads charged on transactions in over-the-counter securities and contingent deferred sales charges that may be imposed upon the liquidation of in-kind assets transferred into the program; (x) certain custodial charges that may be charged by a custodian such as a minimum account fee or charges for ACAT transfers, electronic and wire transfer charges, optional services elected by Client, transaction-based ticket charges that may be assessed by custodian for the purchase of certain mutual funds, and certain non-brokerage related charges such as IRA trustee fees or IRA termination fees; and (xi) possible mutual fund redemption fees. Please see the prospectus or other disclosure document for the specific collective investment vehicle for detailed information regarding such fees. If there is insufficient cash in a Wrap Program Client account to pay fees, costs or other charges, BNYMA may sell account assets to pay them. Clients should carefully review BNYMA's Form ADV Part 2A and their investment management account investment selection forms and terms and conditions for further information on such costs or charges. Please also read carefully BNYMA's Form ADV Part 2A to learn what portion of the fees BNYMA and the sub-managers may receive and details regarding what this portion of the fees covers.

## KIS Program Services

KIS assists Wrap Program Clients in the formulation of their investment objectives and advises Clients regarding the suitability of KIS's Wrap Programs to meet their investment needs, whether a managed account is a suitable investment vehicle for the Client, and whether particular portfolio management options are suitable for the Client considering the Client's risk tolerance and investment objectives.

For all Advisory Products, KIS through a KIS financial professional will consult with the Client and complete, with the Client's assistance, an investment profile questionnaire to determine the Client's risk profile score based on the Client's financial circumstances, investment objectives, and to place any reasonable restrictions on management of the wrap account. Based upon the risk profile score, KIS will assist the Client in selecting investment options from available investment programs. Clients open wrap accounts with KIS and retain KIS to assist the Client in allocating the Client's assets and in monitoring and/or selecting one or more investment options and to provide trade execution, reporting and custodial services for the account. For additional information regarding Review of Accounts, please see Item 9(4).

For all Advisory Products currently offered, KIS introduces the Client's account to Pershing which will act as custodian for the account. Services offered by Pershing as custodian of the account include all custodial functions customarily performed with respect to such accounts including, but not limited to: back office support, execution of securities transactions (when appropriate), crediting of interest and dividends, and periodic reporting, which reports Pershing will send directly to the Client.

A Client who participates in a Wrap Program should consider whether, after considering the level of portfolio activity in the Client's account, the value of the custodial and the other services which are provided under the arrangement, the wrap fee, including the Minimum Fee if applied to the wrap fee, exceeds the aggregate cost of such services if they were to be purchased separately. Because the wrap fee may be greater than would have been the case if the Client paid separately for investment advice and brokerage and other services or participated in another program, financial professionals may have an incentive to recommend the Wrap Programs over alternative programs or over the purchase of such services separately, including with respect to mutual funds, collective investment vehicles, or other assets that may comprise a Wrap Program account and which may be purchased on an individual basis through KIS's standard brokerage services.

Investments in mutual funds and ETFs are subject to various other fees that are paid by those portfolios, but ultimately are borne by shareholders through lower returns than would likely be experienced without those fees. These expenses may include investment advisory, administrative, distribution, transfer agent, custodial, legal, audit, and other customary fees related to investment in mutual funds. In addition, securities purchased by an Investment Manager may require that spreads be paid to market makers as markups or markdowns of the price of the security purchased.

KIS is generally compensated by fees calculated as a percentage of assets under management and may also on occasion be compensated through fixed-fee arrangements. Fees that are calculated as a percentage of assets under management are generally charged quarterly in advance, based upon the average daily balance of assets under management, including money market and other cash equivalent assets, during the prior quarter. All fees are deducted from the account unless otherwise agreed.

KIS or the Client may generally terminate a Client Agreement at any time by written notice, in some cases with thirty (30) days' prior written notice. If a Client terminates the agreement within five (5) business days after it has been signed by the Client and accepted by KIS, the Client generally will receive a full refund of all fees and expenses. If the Client Agreement is terminated at any time after five (5) business days of its signing and during a quarter, the Client will be entitled to a pro rata refund of any prepaid fees, in each case based upon the number of days remaining in the quarter after the date upon which notice of termination is received.

For all Advisory Products, Clients are charged a program fee every calendar quarter in advance. The maximum program fee that Clients may be charged is set forth in the tables above in the description of the applicable Advisory Product. The program fee paid by a particular Client is set forth in the Client Agreement as it may be amended. KIS shares a portion of the program fee for Advisory Products with Pershing, BNYMA and/or any applicable sub-managers for their respective services. No program fee adjustments are made for any billing period with respect to partial withdrawals within a billing period. Program fees do not cover all costs or charges arising from these accounts. For further information, please see “Fees Not Included in Program Fee” above, the Advisory Product descriptions in Item 4 above, and the respective third-party service provider’s applicable Form ADV Part 2 brochure.

In KIS’s sole and absolute discretion: a) it may negotiate varying fees for Clients; b) certain related accounts may be aggregated for purposes of applying the applicable fee schedule as if the accounts were one account; c) account minimums may be waived; and d) KIS may also charge different fees than the fees summarized in this brochure, such as a flat fee rate such that assets will be charged the same rate regardless of the amount of assets in the account based upon factors deemed relevant by KIS such as additional assets under management in different programs or other business relationships with the Client. This could cause Clients who do not receive such treatment to pay more for the same or similar services.

KIS may in its sole discretion change the actual fee charged upon thirty (30) days’ written notice to the Client. Clients must either accept the change or close the account.

Because KIS’s advisory fees and those of the other third-party investment advisers within the firm’s advisory program are based on assets under management, KIS and those third-party investment advisers have a conflict of interest in valuing securities held in Client accounts, since a higher valuation produces higher advisory fees. For Client Accounts for which Pershing acts as the custodian, securities listed on any national securities exchange shall be valued, as of the valuation date, at the closing price on the principal exchange on which those securities are traded. Pershing shall value any other securities or investments in a manner determined by Pershing in good faith to reflect fair market value. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of such securities or investments. Pershing in its sole discretion may use the services of an independent evaluator, as well as other independent sources with respect to the computation of market value of securities. The data contained in those reports has not been verified by Pershing or KIS.

A Client may request that uninvested cash funds in their account awaiting permanent investment to be swept into the Dreyfus Insured Deposit Program (the “Sweep Program”) offered through Pershing. Pershing operates the Sweep Program which, if the Client chooses to participate, will sweep Client’s excess cash balances in their brokerage account at Pershing into interest-bearing bank deposit accounts (“Deposit Accounts”) at various depository institutions (“Program Banks”) and sweeps a Client’s cash from the various Program Banks to cover purchases of securities and other debits in the Client’s brokerage account carried at Pershing. The Client receives interest on balances held on deposit at the various Program Banks. Interest rates may fluctuate and are based on the interest rates determined and paid by the respective Program Banks in which a Client’s balances are invested. A Client may receive a lower rate of return on balances invested through the Sweep Program than on other investment or cash sweep alternatives. A Client will not have a direct access to the funds deposited with the Program Banks, but a Client may access his or her funds through their account by contacting their financial professional to process such a request through Pershing. A Client’s brokerage statement will list the names of the Program Banks holding the Client’s balances, as well as how much is on deposit with each respective Program Bank. Pershing or its affiliated companies (Promontory InterFinancial Network (“Promontory”) and Dreyfus Cash Investment Services, a division of MBSC Securities Corporation (“Dreyfus”) who provide services to the Sweep Program may change Program Banks participating in the Sweep Program and their priority for receiving deposits from

time to time. Pershing, Promontory and Dreyfus earn fees (which may or may not be account-based) on the amount of money in the Program, including a Client's balances. Pershing or Dreyfus may be affiliated with Program Banks. KIS's affiliated banks are not currently Program Banks. For further information concerning the Sweep Program (including the eligibility of deposited funds for FDIC insurance of up to \$250,000 per insurable interest), please read the Dreyfus Insured Deposit Program Disclosure Statement and Terms and Conditions for Single Rate Program which is supplied at account opening or is available on request from a Client's KIS financial professional.

## **Payments to Financial Professionals**

KIS will share its portion of the program fee it receives with the KIS financial professional for the Client's account ("Fee Split"). KIS will provide a greater portion of the Fee Split to its financial professionals in connection with new accounts opened in the first year than in subsequent years. The payment by KIS of additional compensation to a financial professional will not affect the amount of the program fee charged to the Client's account. The amount of such compensation may be greater than what the KIS financial professional would receive if the Client purchased separately KIS's brokerage or other services as such services. Such personnel may, therefore, have a financial incentive to recommend these Wrap Programs over other investment products, programs or services.

At certain levels of referral to KeyBank your financial professional could be entitled to a bonus of the net new assets referred time 25 basis points (0.0025 times net new assets). Net new assets are those which, at the time of the referral are not in a KIS or KeyBank investment account. In calculating net new assets, your financial professional could receive credit for 100% of the first \$2,000,000 of referrals and 50% of the next \$8,000,000 of referrals with no credit for amounts above \$10,000.00.

In addition, KIS provides its financial professional with incentives to make 50% of their sales be for advisory product where it is in the best interest of the Client.

Finally, KIS and KeyBank support certain programs where top producing financial professionals and select others receive cash bonuses and expense paid trips (airfare, meals and hotel). These may be paid in part by Marketing Allowances or Revenue Sharing payment paid to KIS. Please see KIS's Best Interest Client Disclosure Guide for a fuller explanation. Ask your financial professional for a copy or go to [www.key.com/kisregbi](http://www.key.com/kisregbi).

These payments present a conflict of interest because they create an incentive for KIS and your financial professional to refer you to KeyBank for investments that entail such payments rather than investments that do not entail these payments or entail less of these payments. Additionally, investments with an affiliate such as KeyBank benefit the affiliate, KIS and their parent financial holding company more than non-affiliate investments. This may induce the financial professional to refer you to invest with an affiliate over investing with others which creates a conflict of interest.

## **Other Fees and Compensation Received by KIS from Third Parties**

Certain mutual funds in which Clients may invest, distribute or may distribute payments to KIS and/or Pershing as clearing broker for KIS, including payments from mutual funds for which neither KIS nor any of its affiliates or subsidiaries ("Key") serves as an investment adviser, fund manager, or distributor ("Non-Proprietary Mutual Funds"). Such payments may be made pursuant to a Rule 12b-1 distribution plan or other arrangements as compensation to help defray the costs of services offered by KIS and made available to fund families such as for distribution, shareholder services, record keeping, administrative services, and the costs of KIS financial professional training and continuing education and sales events. Such payments may be distributed from the fund's total assets. In addition, Key has entered into arrangements with Non-Proprietary Mutual Fund companies under which the Non-Proprietary Mutual Funds and/or the Non-Proprietary Mutual Fund companies compensate Key for services provided to the Non-Proprietary Mutual Funds and/or the Non-Proprietary Mutual Fund companies. These fees for services are in addition to, and

will not reduce, Key’s compensation for other services provided to Clients’ accounts. Such fees for services will not be paid directly by Clients’ accounts but will be paid to Key by the Non-Proprietary Mutual Fund company or the Non-Proprietary Mutual Fund itself.

KIS has a financial incentive to recommend these mutual funds to Clients over mutual funds that don’t make these payments. Individual KIS financial professionals do not directly receive any portion of these payments. The 12b-1 fees received by KIS and other fee arrangements will be disclosed upon Client request and are typically disclosed in the applicable fund’s prospectus. KIS will credit or cause to be credited any 12b-1 fees that it may receive from a mutual fund in connection with a Client’s wrap account back to the Client’s wrap account. KIS will retain any other fee and that fee is in addition to the Advisory Product Fees discussed herein. For further information, Clients should carefully review their KIS Standard Advisory Contract and Client Agreement and the prospectus for the applicable mutual fund.

Pershing has entered into agreements with certain mutual fund companies that pay Pershing for performing certain services for the mutual fund. Pursuant to these agreements, Pershing receives fees for operational services from mutual funds in the form of networking or omnibus processing fees. The reimbursements are remitted to Pershing for its work on behalf of the funds. This work may include, but is not limited to, sub-accounting services, dividend calculation and posting, accounting, reconciliation, Client confirmation and statement preparation and mailing and tax statement preparation and mailing. These reimbursements are based either on (a) a flat fee ranging from \$10 to \$20 per holding or (b) a percentage of assets that can range from 0 to 15 basis points for domestic funds and 0 to 30 basis points for offshore funds. Mutual funds that are available in Pershing’s FundVest no-transaction fee mutual fund program may pay Pershing servicing fees in exchange for being offered in Pershing’s FundVest Program (“FundVest Program”). These payments are based on a percentage of assets and can range from 7 to 40 basis points. KIS is entitled to receive certain asset-based revenue sharing fees from Pershing if assets under management in mutual funds in the FundVest Program from KIS’s Clients exceed \$10,000,000. Such payment will be at the rate of 0.0040 multiplied by assets under management in funds participating in the FundVest Program. While KIS does not have discretion to invest in such funds, the additional compensation gives KIS a financial incentive to recommend funds participating in the FundVest Program over other funds.

In addition, Pershing will pay KIS for certain distribution assistance services regarding the money market fund(s) or bank-based money market account(s) held in a Client’s underlying brokerage account as sweep options. This fee varies depending on the type of fund held and the average fund balance held by Clients. The fee varies from 0.15% to 0.65% of the average fund balances.

## Item 5: Account Requirements and Types of Clients

The following are the minimum investment dollars required to open and maintain an account, unless otherwise agreed to in KIS’s sole and absolute discretion (see Item 4 at KIS Program Services):

<u>Account Type</u>	<u>Size</u>
SMA Program	\$100,000
UMA Program	\$ 75,000*
BNY Mellon Advisor <i>Flex</i> Portfolios	\$ 25,000
BlackRock Program I	\$ 25,000
Calvert Program	\$ 25,000
BNY Mellon/American Funds Program	\$ 10,000
BNY Mellon Target Risk Focus Program	\$ 10,000
Russell Program I	\$ 10,000
Vanguard Program I	\$ 10,000

BlackRock Program II	\$ 10,000
BlackRock Program III	\$ 10,000
Key Program I	\$ 10,000
Key Program II	\$ 25,000
Key Program III	\$ 25,000
Key Program IV	\$ 25,000
Key Program V	\$ 25,000
Key Program VI	\$ 25,000

\* The minimum overall account size required to participate in the UMA Program is \$75,000. The minimum required investment for each Investment Manager model selected within the UMA Program varies, between \$10,000 - \$100,000.

KIS provides Wrap Programs to individuals, trusts, estates, and small businesses. Please read carefully BNYMA’s Form ADV Part 2A for information about BNYMA’s clients.

## Item 6: Portfolio Manager Selection and Evaluation

As described in Item 4, KIS is a Wrap Program Sponsor by which it provides access to certain investment advisory products including: the Programs offered through BNYMA (i.e., the AFP Program, the Russell Programs, the BlackRock Programs, the BNY Mellon Target Risk Focus Program, the Calvert Program, the Vanguard Program, the BNY Mellon/American Funds Program, the SMA Program, the Key Programs, and the UMA Program).

BNYMA is the third-party Money Manager of the Target Risk Focus Program, the BNY Mellon/American Funds Program and the AFP Program. BNYMA is the discretionary money manager with respect to covered SMA managers on BNYMA’s SMA platform, including the Key Programs, and the UMA Program. BNYMA selects, reviews and replaces the investment vehicles and sub-managers for the BNY Mellon Target Risk Focus Program, the BNY Mellon/American Funds Program, the AFP Program, the SMA Program, and the UMA Program. According to BNYMA’s Form ADV Part 2A, the Manager Research Group of BNY Mellon (“BYNMMRG”) is the primary manager research provider to and provides manager and investment vehicle research to BNYMA. BNYMA is an indirect, wholly-owned subsidiary of BNY Mellon. BNYMA retains decision-making responsibility regarding managers and investment vehicles included in its programs and products. According to information in BNYMA’s Form ADV Part 2A, BNYMA considers various sources of information and criteria in selecting and the ongoing evaluation of investment vehicles and sub-managers for its wrap products and programs, which include the BNY Mellon Target Risk Focus Program, the BNY Mellon/American Funds Program and the AFP Program. According to BNYMA’s Form ADV Part 2A, with respect to portfolio managers and model managers, BNYMA, through BYNMMRG, may consider a variety of criteria such as reviews of assets under management, personnel, registration, disclosures and regulatory history. The criteria employed for each manager may not be identical and instead may be based on the nature of the manager’s portfolios and investment philosophy.

According to BNYMA’s Form ADV Part 2A, BNYMA, through BYNMMRG, uses a screening process to evaluate mutual funds. According to BNYMA’s Form ADV Part 2A, criteria employed in the screening process may vary depending on a variety of factors, but may include a range of criteria including analysis of:

- Particular investment style;
- Evaluation of the portfolio management team;
- Performance criteria; and



- Costs associated with the fund.

According to BNYMA's Form ADV Part 2A, BNYMA, through BYNMMRG, uses a comparable screening process to evaluate ETFs, and may consider a range of factors including:

- Tracked index or benchmark;
- Performance;
- Comparables;
- Personnel; and
- Content of the particular ETF.

Clients should read carefully BNYMA's Form ADV Part 2A for required disclosures concerning the Target Risk Focus Program, the BNY Mellon/American Funds Program, the AFP Program, the SMA Program, and the UMA Program, including with respect to BNYMA's investment vehicle and sub-manager selection and evaluation process and potential conflicts of interest created by BNYMA's use of the BYNMMRG.

KIS utilizes a monitoring program, which is administered by an Investment Advisory Sub-Committee to its Product Due Diligence Committee as set forth in Item 4, to evaluate its third-party service providers participating in KIS's Wrap Programs. KIS utilizes various analysts, some of whom may be third party firms and its affiliated bank, KeyBank, to assist in the review of the analysis performed and supplied by BNYMA regarding its review of the Target Risk Focus Program, the BNY Mellon/American Funds Program, the AFP Program, the SMA Program, and the UMA Program. The Investment Advisory Sub-Committee reviews annually the performance of BNYMA as Money Manager of the Target Risk Focus Program, the BNY Mellon/American Funds Program, and the AFP Program. This review considers a combination of factors based on aggregated or summary information to evaluate BNYMA's overall management and selection of investment vehicles and sub-managers within the Target Risk Focus Program, the BNY Mellon/American Funds Program, the AFP Program, SMA Program, and the UMA Program products, including details regarding performance consistency and performance relative to peers, among other factors.

KIS, through BNYMA, engages KeyBank to structure the Key Models used in the Key Programs. KeyBank selects, reviews and replaces securities and other investments comprising the Key Models. BNYMA will review and replace mutual funds and other investments comprising the Key Models as directed by KeyBank. BNYMA does not conduct investment due diligence on the Key Models or KeyBank, and BNYMA is not responsible for the selection of the underlying investment vehicles in the Key Models. KIS, through its Investment Advisory Sub-Committee of its Product Due Diligence Committee, reviews the Key Models for general suitability for its Clients and reviews and monitors KeyBank, the Key Models comprising its Key Programs and BNYMA for their performance in the same manner as described in Item 4. KIS uses a third-party due diligence adviser to review KeyBank and its Key Models to avoid any conflict of interest it may have in approving the use of its affiliated bank's models as part of its investment advisory business. For additional information concerning the Key Program, please see BNYMA's Form ADV Part 2A.

KIS, through BNYMA, engages RIMCo to structure the Models used in the Russell Program I. RIMCo selects, reviews and replaces Russell Fund mutual funds comprising the Russell Models. BNYMA will review and replace mutual funds comprising the Russell Models as directed by RIMCo. BNYMA does not conduct investment due diligence on the Russell Models or RIMCo, and BNYMA is not responsible for the selection of the underlying investment vehicles in the Russell Models. BNYMA has represented and warranted to KIS that BNYMA has verified RIMCo's status as a registered investment adviser prior to making the Russell Program available, including review of RIMCo's Form ADV Part 1 and 2 filings, and BNYMA requires RIMCo to complete a compliance due diligence questionnaire on an annual basis. KIS,

through its Investment Advisory Sub-Committee of its Product Due Diligence Committee, reviews the Russell Models for general suitability for its Clients and reviews and monitors RIMCo, the Russell Models, and BNYMA for their performance in the same manner as described in Item 4. For additional information concerning the Russell Programs, please see BNYMA's and RIMCo's respective Form ADV Part 2A.

KIS through BNYMA engages VAI to structure the Vanguard Models used in the Vanguard Program I. VAI selects, reviews and replaces mutual funds and/or ETFs comprising the Vanguard Models. BNYMA will review and replace mutual funds and/or ETFs comprising the Vanguard Models as directed by VAI. BNYMA does not conduct investment due diligence on the Vanguard Models or VAI, and BNYMA is not responsible for the selection of the underlying investment vehicles in the Vanguard Models. BNYMA has represented and warranted to KIS that BNYMA has verified VAI's status as a registered investment adviser prior to making the Vanguard Programs available, including review of VAI's Form ADV Part 1 and 2 filings, and BNYMA requires VAI to complete a compliance due diligence questionnaire on an annual basis. KIS, through its Investment Advisory Sub-Committee of its Product Due Diligence Committee, reviews the Vanguard Models for general suitability for its Clients and reviews and monitors VAI, the Vanguard Models comprising the Vanguard Program, and BNYMA for their performance in the same manner as described in Item 4. For additional information concerning the Vanguard Programs, please see BNYMA's and VAI's respective Form ADV Part 2A.

KIS, through BNYMA, engages BIM to structure the BlackRock Program I Models and BlackRock Program II Models (collectively, the "BlackRock Models") of the BlackRock Program I and BlackRock Program II (collectively, the "BlackRock Programs"). BIM selects, reviews and replaces BlackRock Funds comprising the BlackRock Models. BNYMA reviews and replaces the BlackRock Funds comprising the BlackRock Models as directed by BIM. BNYMA does not conduct investment due diligence on the BlackRock Models or BIM, and BNYMA is not responsible for the selection of the underlying BlackRock Funds in the BlackRock Models. BNYMA has represented and warranted to KIS that BNYMA has verified BIM's status as a registered investment adviser prior to making the BlackRock Programs available, including review of BIM's Form ADV Part 1 and 2 filings, and BNYMA requires BIM to complete a compliance due diligence questionnaire on an annual basis. KIS, through its Investment Advisory Sub-Committee of its Product Due Diligence Committee, reviews the BlackRock Models for general suitability for its Clients and reviews and monitors BIM, the BlackRock Models comprising its BlackRock Programs, and BNYMA for their performance in the same manner as described in Item 4. For additional information concerning the BlackRock Programs, please see BNYMA's and BIM's respective Form ADV Part 2A.

KIS, through BNYMA, engages Calvert to structure the Calvert Models comprising the Calvert Program. Calvert selects, reviews and replaces mutual funds comprising the Calvert Models. BNYMA reviews and replaces mutual funds comprising the Calvert Models as directed by Calvert. BNYMA does not conduct investment due diligence on the Calvert Models or Calvert, and BNYMA is not responsible for the selection of the underlying investment vehicles in the Calvert Models. BNYMA has represented and warranted to KIS that BNYMA has verified Calvert's status as a registered investment adviser prior to making the Calvert Program available, including review of Calvert's Form ADV Part 1 and 2 filings, and BNYMA requires Calvert to complete a compliance due diligence questionnaire on an annual basis. KIS, through its Investment Advisory Sub-Committee of its Product Due Diligence Committee, reviews the Calvert Models for general suitability for its Clients and reviews and monitors Calvert, the Calvert Models comprising its Calvert Program, and BNYMA for their performance in the same manner as described in Item 4. For additional information concerning the Calvert Program, please see BNYMA's and Calvert's respective Form ADV Part 2A.

In addition, KIS's monitoring program for its Wrap Programs requires its financial professionals to meet regularly, no less than annually and more frequently as circumstances warrant, with Clients to review performance of their accounts, conduct a suitability analysis of investments, verify and confirm risk tolerance with the Client, address diversification and risk issues attendant to certain investments, make any

necessary adjustments to the account based on the changes to the Client's financial situation, and evaluate with Clients whether portfolio managers remain suitable for the Client or should be adjusted. For additional information regarding Review of Accounts, please see Item 9(4).

BNYMA, Dreyfus and Promontory are affiliated with Pershing. This could result in conflicts of interest where one firm hires an affiliate as a portfolio manager or other service provider. For further information, please read carefully BNYMA's Form ADV Part 2A and the Dreyfus Insured Deposit Program Disclosure Statement and Terms and Conditions for Single Rate Program, either of which is supplied at account opening or is available on request from a Client's KIS financial professional. BNYMA, Promontory, Dreyfus and Pershing are not affiliated with KIS.

Certain Investment Managers or sub-managers may, as part of their independent trading strategies, purchase securities issued by KeyCorp or may purchase securities through or securities underwritten by KeyBanc Capital Markets, Inc., KIS's corporate parent company, and in the SMA Program or other Programs. KIS and its financial professionals:

- do not exercise discretion over these Programs;
- do not require, encourage, or have advance notice of or coordinate with BNYMA, or any other Investment Manager to purchase affiliated securities, to purchase securities through a KIS affiliate, or to purchase securities underwritten by a KIS affiliate; or
- do not receive compensation in the event an Investment Manager was to purchase such securities.

Nevertheless, the benefits to KIS's parent and holding company from the purchase of securities issued by, through or underwritten by such entities may create a potential conflict of interest.

BNYMA is an indirect, wholly owned subsidiary of BNY Mellon. According to BNYMA's Form ADV Part 2A brochure, Vanguard Group, Inc. and BlackRock Fund Advisers (affiliates of VAI and BIM, respectively) are two of the top ten institutional owners of BNY Mellon common stock. The BNY Mellon stock holdings by the parents of VAI and BIM and other fund managers participating in the KIS advisory program, may create a conflict of interest by incenting BNYMA to include these managers and their affiliated investment managers or their products in BNYMA's managed account program. BNYMA represents in its Form ADV Part 2A that the holdings of its parent's shares by Vanguard Group and BlackRock Fund Advisers did not and does not affect BNYMA's decision to include these managers and their affiliated investment managers or their products in BNYMA's managed account program, and that these managers and their products are subject to BNYMA's due diligence. For further information, please see BNYMA's Form ADV Part 2A.

## **Item 7: Client Information Provided to Portfolio Managers**

Privacy is an important issue. KeyCorp's Privacy Notice is initially given to the Client upon the opening of an account and is subsequently provided at least annually thereafter and upon request. KIS solicits information concerning a Client's name, address, financial situation, investment experience, tax status, tax reporting information and other personal non-public information. KIS will ask for this prior to recommending a wrap account and on an annual basis thereafter. KIS will provide that information to participating third-party service providers so that they may service the Client's account. The third-party service provider may then provide it to the portfolio manager, if any, for account servicing purposes. Please review BNYMA's Form ADV Part 2A for further information on this item with respect to BNYMA advisory products. For KIS SMA Program Clients, please also review your selected Investment Manager(s) Form ADV Part 2A for further information. In addition, KIS will also provide such Client information to Pershing or other service providers as necessary in connection with the performance of services for Client accounts.

## **Item 8: Client Contact with Portfolio Managers**

Clients should first contact their KIS financial professional for the financial professional to arrange a direct consultation between the Client and BNYMA. For further information on contacting portfolio managers, please read carefully BNYMA's Form ADV Part 2A.

## **Item 9: Additional Information**

### **(1) Disciplinary Information**

On May 21, 2024, KIS consented to the entry of an Order with the SEC (the "May 2024 Order"), which found that KIS willfully violated Rule 15l-1(a)(1) of the Exchange Act and Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. Without admitting or denying the SEC's findings, KIS has agreed to a cease-and-desist order, a censure, and a civil money penalty of \$223,228. According to the May 2024 Order, between June 30, 2020 and February 2022, KIS failed to comply with Regulation Best Interest by recommending, through its registered representatives and investment adviser representatives, that certain of its brokerage customers and advisory clients transfer securities from KIS accounts to new investment accounts with KIS's affiliate KeyBank National Association that is part of the same parent organization, without disclosing that the representatives would receive compensation for making the recommendations and for any securities transfers, and therefore had a conflict of interest. The May 2024 Order further finds that KIS's written policies and procedures were not reasonably designed to achieve compliance with KIS's disclosure obligations under Regulation Best Interest and the Advisers Act with regard to conflicts of interest associated with the recommendations to transfer securities out of KIS brokerage and advisory accounts to investment accounts held at KeyBank National Association or to identify and address the associated conflicts of interest.

In February 2024, KIS and KeyBanc Capital Markets, Inc. ("KBCM") consented to the entry of an Order with the SEC (the "February 2024 Order"), which found that KIS and KBCM willfully violated Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder and KIS willfully violated Section 204 of the Advisers Act and Rule 204-2(a)(7) thereunder, in connection with a failure to maintain or preserve records of certain business-related communications made by KIS and KBCM associates when they used their personal devices ("off-channel communications"). The February 2024 Order also found that KIS and KBCM failed to implement their policies and procedures that prohibited such communications leading to a failure to reasonably supervise its associates within the meaning of Section 15(b)(4)(E) of the Exchange Act and, for KIS, within the meaning of Section 203(e)(6) of the Advisers Act. The February 2024 Order was related to an SEC risk-based initiative, whereby the SEC investigated a large number of financial services firms to determine whether those firms were properly retaining business-related messages sent and received on employees' personal devices. Following the commencement of the SEC's initiative, KIS and KBCM cooperated with the SEC, enhanced their policies and procedures, and increased training concerning the use of approved communications methods, including on personal devices, and began implementing changes to the technology available to employees. As part of the February Order, KIS and KBCM admitted to the facts in the February 2024 Order, were censured, were ordered to cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder, and agreed to pay a civil monetary penalty of \$10 million. KIS was also ordered to cease and desist from committing or causing any violations and any future violations of Section 204 of the Advisers Act and Rule 204-2(a)(7) thereunder. In addition, KIS and KBCM agreed to certain undertakings, including retaining an independent compliance consultant to conduct a review of each firm's policies and procedures, training, surveillance program, technology solutions and similar matters related to off-channel communications.

On December 5, 2019, KIS entered into a Letter of Acceptance, Waiver and Consent (“AWC”) to conclude an investigation by the Financial Industry Regulatory Authority, Inc. (“FINRA”) with respect to the firm’s broker-dealer operations. Without admitting or denying the findings, KIS consented to: a censure; a fine of \$425,000; restitution to certain customers of \$589,221.66; disgorgement to certain customers of \$134,169.40; and certify within 120 days in writing to FINRA that it has implemented supervisory systems and written supervisory procedures reasonably designed to address each of the areas of conduct identified. The findings stated among other things that: (1) between November 2010 and June 2014, KIS failed to establish and maintain supervisory systems and procedures that were reasonably designed to achieve compliance with its suitability obligations when recommending certain unit investment trusts (“UIT”) which invested in leveraged closed-end funds, including to provide reasonable guidance or training to its registered representatives and supervisors about the potential risks and volatility of these products; although the firm manually reviewed these transactions, it failed to identify or follow up on red flags in approximately 100 recommended purchases of UITs that raised suitability concerns due to the customers’ risk tolerance and investment profile; and, the firm has since undertaken significant efforts to address the supervisory and operational issues that FINRA raised during its investigation, including independently retaining compliance and product consultants; (2) between July 2012 and June 2014, KIS failed to enforce its supervisory procedures that required the collection and documentation of customer-specific suitability factors on account update forms when making new recommendations of securities to existing customers; and the firm addressed the issue by authorizing registered representatives to enter account update information directly into the firm’s system with confirmations sent to the customers, and among other things, by blocking newly solicited trades until the account update form had been obtained or the information had been otherwise entered into the system; and (3) between November 2010 and October 2013, KIS provided inaccurate information to customers in approximately 189 switch disclosure letters (“SDL”) regarding the sales charges, costs, and expenses of the UITs; although the firm also provided the customers a copy of the prospectus for the UITs which included a fee table, the inaccurate information on the SDL potentially confused certain customers by making switching into the new UIT appear more financially advantageous; the firm’s compliance department identified through its surveillance that SDLs were not always disclosing completely or accurately the fees on UIT switches, it issued guidance to its sales force including regarding the calculation of fees which reduced but did not eliminate the exception rates previously identified; and the firm corrected the problem when it eliminated the manual estimation and transcription of sales charges and/or expenses and instead attached to the SDL a copy of the fee table from the UIT prospectus.

On January 27, 2016, KIS entered into an AWC to conclude an investigation by FINRA. Without admitting or denying FINRA’s findings, KIS consented to a censure, a fine of \$100,000, restitution of \$100,247.02, and to FINRA’s findings that KIS in its broker-dealer operations failed to identify and apply sales charge discounts to certain customers’ eligible purchases of UITs resulting in customers paying excessive sales charges of approximately \$95,254.34. The findings stated that KIS had already paid restitution to all affected customers in addition to interest of \$4,992.68. The findings also stated with respect to price discounts for UIT rollover transactions that KIS failed to establish, maintain and enforce a supervisory system and written supervisory procedures reasonably designed so that customers received rollover discounts on all eligible UIT purchases.

## **(2) Other Financial Industry Activities and Affiliations**

KIS is an indirect wholly-owned subsidiary of KeyCorp, one of the nation’s largest bank holding companies. KeyCorp owns KIS’s parent corporation, KeyBanc Capital Markets Inc. (“Key Capital Markets”). Key Capital Markets is a SEC-registered broker-dealer and FINRA member and, since July 1, 2019, has been KIS’s direct parent corporation. Key Capital Markets provides brokerage services to institutional clients and investment banking services, and provides operational, financial, and compliance services to KIS. It does not provide brokerage or investment management services to KIS, but it may provide such services to certain managers or sub-managers in KIS’s advisory program and it may be an underwriter of certain securities held in certain wrap products which KIS makes available to its clients.

KIS is an introducing broker-dealer registered with the SEC, a member of FINRA, and regulated by various other state regulatory bodies. As a broker-dealer, KIS provides a variety of brokerage services and may render advice as to the value and/or advisability of purchasing or selling securities, without receiving special compensation and solely incidental to the conduct of its business as a broker-dealer.

KIS, as a SEC-registered investment adviser, also provides advisory services through the programs as described in this brochure.

KIS financial professionals may also act as insurance agents in connection with the sale of insurance products that are available through KeyCorp Insurance Agency USA Inc., an affiliated insurance agency. KIS financial professionals may recommend the purchase of insurance products to Clients and may receive commissions in connection with such purchases.

Certain of KIS's affiliates also provide investment banking, foreign exchange, interest rate risk and equity risk management services and equity and fixed income proprietary research. Various affiliates of KIS sponsor investment-related limited partnerships and limited liability companies and serve as general partner and manager, respectively, of such entities. KIS generally does not recommend that its advisory Clients invest in these entities and has no arrangements that are material to its advisory business or its Clients with any of these entities, or with their affiliated sponsors with respect to such entities.

KeyCorp's bank and trust company subsidiaries offer personal and corporate trust services, personal financial services, access to mutual funds, cash management services, investment banking and capital markets products, and international banking services. Through its bank, trust company and registered investment subsidiaries, KeyCorp provides investment management services to Clients that include large corporate and public retirement plans, foundations and endowments, high net worth individuals and Taft-Hartley plans. In addition, KeyCorp's national banking subsidiary, KeyBank National Association, is a registered municipal advisor. KeyBank provides certain investment due diligence and analysis, adviser support, new product, trading, investment operations and other investment related services to KIS. It also provides certain shared services to KIS including real estate services, payroll and other services.

### **(3) Code of Ethics**

KIS has adopted an Investment Advisory Code of Ethics ("Advisory Code of Ethics") that governs the activities of KIS supervised personnel, which requires KIS and its financial professionals to exercise their fiduciary duty to Clients, to act in the best interest of the Client and always place the Client's interests first and foremost. KIS takes seriously its compliance and regulatory obligations and requires all KIS personnel to comply with such rules and regulations, as well as with KIS' policies and procedures and Advisory Code of Ethics.

Further, KIS strives to handle Clients' non-public information in such a way to protect such information from falling into hands that have no business reason to know such information and provides Clients with KeyCorp's Privacy Policy.

The Advisory Code of Ethics contains provisions for standards of business conduct to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, reporting requirements for Advisory Code of Ethics violations, and the safeguarding of material non-public information about Client transactions. Further, KIS's Advisory Code of Ethics establishes KIS's expectation for business conduct.

KIS's Advisory Code of Ethics is distributed to each KIS employee at the time of hire/contract, and as it is modified. In addition, KIS requires an annual certification by all employees regarding their understanding and compliance with the Advisory Code of Ethics, as amended. KIS also supplements the Advisory Code of Ethics with annual training and ongoing monitoring of employee activity.

KIS's employees also are required to adhere to KeyCorp's Code of Business Conduct and Ethics. All employees must acknowledge the terms of KeyCorp's Code of Business Conduct and Ethics, as amended, annually.

A copy of KIS's Advisory Code of Ethics will be provided to any Client or prospective Client upon request to our Compliance Department at 1-888-547-2968.

### **Participation or Interest in Client Transactions**

KIS financial professionals are registered representatives with KIS and must execute securities transactions through KIS.

Related persons of KIS (i.e., any advisory affiliate and any person that is under common control with KIS) can buy or sell securities identical to those securities recommended by KIS financial professionals to Clients. Therefore, related persons will have an interest or position in certain securities that are also recommended and bought or sold to Clients. The policy of KIS is that related persons shall not put their interests before a Client's interest. Financial professionals may not trade ahead of their Clients or trade in such a way to obtain a better price for themselves than for their Clients. KIS is required to maintain a list of all securities holdings for its associated persons. Further, associated persons are prohibited from trading on non-public information or sharing such information. KIS and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

In accordance with Section 204A of the Investment Advisers Act of 1940, KIS also maintains and enforces written policies and procedures reasonably designed to prevent the misuse of non-public information by KIS or any person associated with KIS. Further, the Code of Ethics contains prohibitions against such transactions.

No KIS financial professional or related person is permitted to recommend securities to advisory accounts or buy or sell securities for advisory accounts at or about the same time that the financial professional or related person buys or sells the same securities for the financial professional's own or related person's account.

KIS requires that all financial professionals' personal brokerage accounts be held at KIS. If an employee cannot obtain needed services at KIS, it requires firm approval and copies of all brokerage statements be provided to it directly from the third-party broker.

### **(4) Review of Accounts**

As set forth in Item 4, KIS has established an Investment Advisory Sub-Committee of senior KIS managers to review third party service providers and their advisory products on an annual basis to ensure general suitability and that the respective Advisory Product's investment performance is appropriate. Additionally, BNYMA will present semi-annually for review to the KIS Investment Advisory Sub-Committee their research and reviews of the Investment Managers that participate in our SMA Program. Your KIS financial professional will review your account annually with you to ensure that it is still a suitable investment for you.

In addition, before a wrap fee account is recommended, the KIS financial professional makes reasonable efforts to obtain information about the Client's financial status, investment objectives, trading history, size of portfolio, nature of securities held and account diversification. Based on these factors and any other relevant information, the financial professional considers whether the account recommended is appropriate considering the services provided, the projected cost to the Client, alternative fee structures that may be available, and the Client's fee structure preferences. Continued suitability is monitored annually with the

Client based on the initial factors set forth previously and any new information received concerning the Client's financial situation. Clients are urged to contact their KIS financial professional if any significant change in their financial situation occurs so that their plan may be reviewed.

Generally, for each month in which there is activity in a Client's account, or, if there is no activity, on a quarterly basis, Clients receive, through Pershing, a written account statement which includes, among other information, a summary of transactions and an inventory of holdings. BNYMA may also make available quarterly performance statements of Client accounts detailing account performance, securities positions, and investment activity to KIS and its financial professionals. The quarterly performance statements are intended to provide KIS and its financial professionals with sufficient information to determine whether the investment managers are performing in accordance with certain objective standards, such as a comparison of a Client's account performance with the performance of a relevant index, other investment managers with investment objectives similar to the Client's account, and other factors as KIS may deem appropriate. The quarterly performance statement data may be based upon information obtained from third parties. The data contained in those statements is not verified by KIS. Clients also receive brokerage confirmations unless this option is waived by the Client.

BNYMA and other Investment Managers monitor and review their Clients' accounts pursuant to their own compliance and supervisory systems of account review. Please read carefully BNYMA's Form ADV Part 2A. For KIS SMA Program Clients, please also review your selected Investment Manager(s) Form ADV Part 2A for further information.

## **(5) Client Referrals and Other Compensation**

KIS does not pay referral fees to any third party that is not supervised by it. Certain compensation plans which its affiliate, KeyBank, sponsors are discretionary bonus plans. Revenues from KIS may be one of several factors (most of which are not based on the revenues generated by securities transactions) that determine the amount of the bonus under such discretionary bonus plans. KIS's revenue may be higher as a result of a referral from a non-supervised banker and thus might affect the payout to that banker. However, referrals by a non-supervised banker may not be considered in determining bonus payments.

### **Referrals to KeyBank for Banking Products and Services**

Your financial professional may act as a finder for KeyBank products including trust and private banking, and may recommend that you speak with a KeyBank associate in determining whether to open an investment or trust account with KeyBank. If you have an account at KIS, you are referred to KeyBank and you decide to move your account to KeyBank your financial professional will receive a quarterly payment of 90 basis points (.0090 times the value of the assets moved times 25%) for two years. These payments do not directly affect your fees that were agreed to with KeyBank.

These payments present a conflict of interest because they create an incentive for KIS and your financial professional to refer you to KeyBank for investments that entail such payments rather than investments that do not entail these payments or entail less of these payments. Additionally, investments with an affiliate such as KeyBank benefit the affiliate, KIS and their parent financial holding company more than non-affiliate investments. This may induce the financial professional to refer you to invest with an affiliate over investing with others which creates a conflict of interest.

### **Referrals from KeyBank**

Clients and prospective clients are often introduced to KIS through referrals from our affiliate KeyBank and its associates. KeyBank associates are bank employees, and most are not licensed to recommend the purchase or sale of securities or investment advisory services. KIS maintains a networking agreement with KeyBank pursuant to which KeyBank will pay its non-licensed KeyBank associates a one-time referral fee of \$20 for each referral of a prospective client to us for our broker-dealer and investment advisory services. KeyBank pays this one-time referral fee to the non-licensed KeyBank associate irrespective of



whether the prospective referred client opens a brokerage or investment advisory account with, or purchases a securities product from, KIS. These payments come from KeyBank and do not affect your fees that were agreed to with KIS. KeyBank associates who are licensed with KIS may receive referral compensation ranging from 0.15% to 0.40% on transaction volume.

These payments present a conflict of interest because they create an incentive for KeyBank and the KeyBank associate to refer you to KIS for investments that entail such payments rather than investments that do not entail these payments or entail less of these payments. Additionally, investments with an affiliate such as KIS benefit the affiliate, KeyBank and their parent financial holding company more than non-affiliate investments. This may induce KeyBank and the KeyBank associate to refer you to invest with KIS over investing with others which creates a conflict of interest.

## **(6) Financial Information**

KIS does not require its Clients to pre-pay more than \$1,200 in fees per Client six months in advance.

KIS is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to Clients.

KIS has never filed or been the subject of a bankruptcy petition.