

Uniform Application for Investment Adviser Registration

OMB APPROVAL	
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Name of Investment Adviser: <b>KCM Investment Advisors LLC</b>				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code Telephone Number
<b>750 Lindaro Street, Suite 250</b>	<b>San Rafael</b>	<b>CA</b>	<b>94901</b>	<b>(415 ) 461-7788</b>

This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form  
are not required to respond unless the form displays a currently valid OMB control number.

<b>1. A. Advisory Services and Fees.</b> (check the applicable boxes)		For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)	
<b>Applicant:</b>			
<input checked="" type="checkbox"/>	(1) Provides investment supervisory services . . . . .	<b>100</b>	%
<input type="checkbox"/>	(2) Manages investment advisory accounts not involving investment supervisory services . . . . .		%
<input type="checkbox"/>	(3) Furnishes investment advice through consultations not included in either service described above . . . . .		%
<input type="checkbox"/>	(4) Issues periodicals about securities by subscription . . . . .		%
<input type="checkbox"/>	(5) Issues special reports about securities not included in any service described above . . . . .		%
<input type="checkbox"/>	(6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities . . . . .		%
<input type="checkbox"/>	(7) On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . . .		%
<input type="checkbox"/>	(8) Provides a timing service . . . . .		%
<input type="checkbox"/>	(9) Furnishes advice about securities in any manner not described above . . . . .		%
(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)			
<b>B.</b> Does applicant call any of the services it checked above financial planning or some similar term? . . . . .		Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>C.</b> Applicant offers investment advisory services for: (check all that apply)			
<input checked="" type="checkbox"/>	(1) A percentage of assets under management	<input type="checkbox"/>	(4) Subscription fees
<input type="checkbox"/>	(2) Hourly charges	<input type="checkbox"/>	(5) Commissions
<input type="checkbox"/>	(3) Fixed fees (not including subscription fees)	<input type="checkbox"/>	(6) Other
<b>D.</b> For each checked box in A above, describe on Schedule F:			
<ul style="list-style-type: none"> <li>the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee</li> <li>applicant's basic fee schedule, how fees are charged and whether its fees are negotiable</li> <li>when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date</li> </ul>			
<b>2. Types of Clients</b> — Applicant generally provides investment advice to: (check those that apply)			
<input checked="" type="checkbox"/>	A. Individuals	<input checked="" type="checkbox"/>	E. Trusts, estates, or charitable organizations
<input type="checkbox"/>	B. Banks or thrift institutions	<input checked="" type="checkbox"/>	F. Corporations or business entities other than those listed above
<input checked="" type="checkbox"/>	C. Investment companies	<input checked="" type="checkbox"/>	G. Other (describe on Schedule F)
<input checked="" type="checkbox"/>	D. Pension and profit sharing plans		

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

<b>3. Types of Investments.</b> Applicant offers advice on the following: (check those that apply)			
A. Equity securities		<input checked="" type="checkbox"/>	H. United States government securities
<input checked="" type="checkbox"/> (1) exchange-listed securities			
<input checked="" type="checkbox"/> (2) securities traded over-the-counter			I. Options contracts on:
<input checked="" type="checkbox"/> (3) foreign issuers		<input checked="" type="checkbox"/> (1) securities	
		<input type="checkbox"/> (2) commodities	
<input checked="" type="checkbox"/> B. Warrants			J. Futures contracts on:
<input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper)		<input type="checkbox"/> (1) tangibles	
<input checked="" type="checkbox"/> D. Commercial paper		<input type="checkbox"/> (2) intangibles	
<input checked="" type="checkbox"/> E. Certificates of deposit			K. Interests in partnerships investing in:
<input checked="" type="checkbox"/> F. Municipal securities		<input type="checkbox"/> (1) real estate	
		<input type="checkbox"/> (2) oil and gas interests	
G. Investment company securities:		<input type="checkbox"/> (3) other (explain on Schedule F)	
<input type="checkbox"/> (1) variable life insurance			
<input type="checkbox"/> (2) variable annuities			
<input checked="" type="checkbox"/> (3) mutual fund shares		<input checked="" type="checkbox"/> L. Other (explain on Schedule F)	

<b>4. Methods of Analysis, Sources of Information, and Investment Strategies.</b>			
A. Applicant's security analysis methods include: (check those that apply)			
(1) <input checked="" type="checkbox"/> Charting	(4) <input checked="" type="checkbox"/> Cyclical		
(2) <input checked="" type="checkbox"/> Fundamental	(5) <input type="checkbox"/> Other (explain on Schedule F)		
(3) <input checked="" type="checkbox"/> Technical			
B. The main sources of information applicant uses include: (check those that apply)			
(1) <input checked="" type="checkbox"/> Financial newspapers and magazines	(5) <input type="checkbox"/> Timing services		
(2) <input checked="" type="checkbox"/> Inspections of corporate activities	(6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission		
(3) <input checked="" type="checkbox"/> Research materials prepared by others	(7) <input checked="" type="checkbox"/> Company press releases		
(4) <input checked="" type="checkbox"/> Corporate rating services	(8) <input checked="" type="checkbox"/> Other (explain on Schedule F)		
C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)			
(1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year)	(5) <input checked="" type="checkbox"/> Margin transactions		
(2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year)	(6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered options, or spreading strategies		
(3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)	(7) <input type="checkbox"/> Other (explain on Schedule F)		
(4) <input checked="" type="checkbox"/> Short sales			

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ..... Yes No  
☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| ● name          | ● formal education after high school               |
| ● year of birth | ● business background for the preceding five years |

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input checked="" type="checkbox"/> (2) investment company   | <input type="checkbox"/> (8) law firm  |
| <input checked="" type="checkbox"/> (3) other investment adviser   | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? ..... Yes No  
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? .....

Yes No

☒ ☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**Accounts are reviewed, in most cases on a weekly basis. Specific events that would trigger a special review include an unusually large market move or when cash is added or removed from an account. Other events which would trigger a review would be, but not limited to: (i) A change in investment objectives, financial situation and/or guidelines; (ii) Diversification; (iii) Equity ratio rebalance; (iv) Tax consideration.**

**Each portfolio is monitored for compliance with any specific guidelines directed by the client or used by the manager. Jay Kellett - CEO and CIO, William Prince - COO, Richard Vanscoy - Managing Director, and John Lundin - Managing Director, John Pogue - Managing Director, and Patricia Small-Kellett - Managing Director, review accounts on a regular basis. Each manager has the ability to view and monitor all accounts of the firm for peer review, audit and control.**

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

**Written reports are mailed to each client on a quarterly basis. They include a performance review, a Portfolio Appraisal, and an invoice for the prior quarter's management fees.**

**Some clients receive additional or customized reports on request, such as a Quarterly Cash Ledger, Statement of Income and Expenses, and Realized Gains and Losses.**

**KCM provides clients with year-end summary of transactions for capital gains and losses, dividend income, interest and expenses, prepared on a cash basis, trade date method of accounting.**

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  | Yes                                 | No                       |
|--|-------------------------------------|--------------------------|
| (1) securities to be bought or sold? .....               | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? .....                   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? .....                         | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ..... ☐ Yes ☒ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |   |  |
|---|---|--|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? ..... ☐ Yes ☒ No

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

<b>Schedule F of Form ADV</b> <b>Continuation Sheet for Form ADV Part II</b>	Applicant:	SEC File Number:	Date:
	KCM Investment Advisors LLC	801- 55395	09/30/2008

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

<b>1</b> Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: KCM Investment Advisors LLC	IRS Empl. Ident. No.: 91-1756649
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Item of Form (identify)	Answer
<b>Part II Section 1 A</b>	<p>1A. Investment Supervisory Services For Individually Managed Accounts:</p> <p>KCM Investment Advisors LLC (KCM) is an independent, employee owned Registered Investment Advisor. KCM provides investment supervisory services on a discretionary basis. KCM has been in operation since 1997. KCM provides fee based investment management and investment advisory services to a variety of institutions and individual clients. These investment portfolios are individually designed investment strategies developed by KCM and that KCM uses one or a combination of these strategies to individually manages client assets.</p> <p>Growth equity accounts are managed with the investment objective of long-term growth of capital. In seeking this objective, KCM will invest in growth equities on behalf its clients, primarily in companies that we believe offer the potential for long-term capital appreciation. Fixed Income and Balanced Accounts are managed in a more individual client-by-client basis. We meet with current and prospective clients to determine the most suitable allocation to growth equity, current income, fixed income and inflation protection assets based upon your risk profile, return objectives and investment time horizon.</p> <p>KCM encourages all current and prospective clients to carefully consider; (i) committing to management only those funds that are not going to be needed for current purposes, and that can be invested on a long-term basis, usually a minimum of three to five years, (iii) that volatility from investing in securities can be expected to occur, and (iii) that current income and interest from dividends will most likely be minimal for equity only accounts, or from the equity portions of balanced portfolios.</p> <p>KCM does not warrant or guarantee any type of return, nor assure or imply any kind of assurance or guarantee against loss of principal. All investments involve some type of risk, and KCM will work with each client to determine an optimal investment solution based upon your individual return requirements and objectives. <b><u>Any disclosure of past returns achieved by KCM or the broader markets should not be considered as a reliable predictor of future results.</u></b></p> <p>In providing its services, KCM shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.</p> <p>The investment advice given to each client is based on the client's investment objectives and individual needs. <b><u>KCM will rely upon you,</u></b> the client, to update us about any changes in your life or in the status of the account that may affect issues such as risk tolerance, income requirements, taxes, investment time horizon, downside risk, or return requirement. KCM does not believe in a one-size-fits-all approach, and our business is structured to provide individualized and customized accounts advice, structure and management</p> <p><b>Client Directed Trades, Unsupervised Holdings and Unsolicited Orders</b></p> <p>KCM manages many accounts held at brokerage firms and custodian banks . These custodial agents (Charles Schwab, Smith Barney, Union Bank, etc) will accept orders from you, the registered account holder. These orders are generally coded "unsolicited." Should you, the registered account holder place orders to buy or sell securities in your account, either at a branch office, over the telephone or through some kind of on-line electronic mechanism, KCM <b><u>will not</u></b> be responsible for this security transaction, nor will be assumed to have knowledge of the value nor merits of the investment. KCM will not, in most instances be qualified to offer more than a cursory opinion about this security holding. We will code any such purchase in your</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).	<b>PAGE 1</b>
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1 Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: KCM Investment Advisors LLC		IRS Empl. Ident. No.: 91-1756649																	
Item of Form (identify)	Answer																		
Part II 1(C)	<p>account as "Unsupervised." In doing so, KCM will forego any trading and/or voting authority relating to this holding(s), and shall not vote proxies or make judgements regarding tender offers, mergers, reorganizations or other corporate governance issues that may arise in the future. Accordingly, all assets marked "Unsupervised" are not included as billable assets. When KCM sends you a monthly and/or quarterly statement of account, "Unsupervised Assets" are segregated away from the securities managed by KCM on your periodic statement of account, and clearly labeled as "Unsupervised" securities.</p> <p>In a similar fashion, client accounts may come to KCM with stock, bond or mutual fund holdings identified by the client that he/she wishes to retain or desires to control the size and value of this holding in the portfolio account. At the beginning of our client/advisor relationship, KCM will code these securities as "Unsupervised." We shall not vote proxies, have dispositive power, nor vote on issues relating to tender offers or recapitalizations. Accordingly, it is incumbent upon you, the de-facto shareholder to obtain the necessary forms from your broker or custodian to vote proxies and other corporate governance issues that arise from time to time. As with the paragraph above, KCM will identify these holdings clearly and distinctly as "Unsupervised" on each regularly prepared statement of account. Through this disclosure, KCM relinquishes all responsibility for these securities, their merits or suitability for the portfolio or the account holder, and will not be included as a billable asset or part of the billable account in accordance with our fee schedule as defined in this document.</p> <p>Under unique circumstances, KCM invests in mutual funds for its clients' separate accounts. However, if a client's portfolio holds mutual funds or money market funds, the client will be paying two fees for the management of these assets, one to KCM and one to the fund manager. KCM may also find it beneficial for the client account to own Exchange Traded Funds (ETF's) which likewise charge a management fee from their sponsor or issuing company in addition to the fees charged by KCM.</p>																		
	<p>KCM has been retained as a sub-advisor for other SEC Act Registered Investment Advisors as well as a Preferred Provider and sub-advisor for broker-dealers, and consultants. KCM also provides similar management services to clients that have been introduced to us by a designated broker who offers comprehensive brokerage, custodial, and/or consulting services to the client, but where the client enters into a separate, individual contract directly with the Broker/Dealer for the management of the client's portfolio.</p>																		
	<p>Under these terms, the scope of services provided to these sub-advisory clients may be more narrowly defined and the fees charged by KCM may be less accordingly.</p>																		
	<p>KCM has active advisory or sub-advisory relationships with the following organizations/sponsors.</p> <table><tr><td>RW Baird</td><td>Baird Preferred Managers</td><td>Milwaukee</td><td>WI</td></tr><tr><td>Charles Schwab</td><td>Advisor Network</td><td>San Francisco</td><td>CA</td></tr><tr><td>Reliance Trust</td><td></td><td>Atlanta</td><td>GA</td></tr><tr><td>Bank of Marin</td><td>SAM</td><td>Corte Madera</td><td>CA</td></tr></table>			RW Baird	Baird Preferred Managers	Milwaukee	WI	Charles Schwab	Advisor Network	San Francisco	CA	Reliance Trust		Atlanta	GA	Bank of Marin	SAM	Corte Madera	CA
	RW Baird	Baird Preferred Managers	Milwaukee	WI															
Charles Schwab	Advisor Network	San Francisco	CA																
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Bank of Marin	SAM	Corte Madera	CA																
<p>KCM provides non-discretionary securities recommendations in the form of a model portfolio for the Large Cap Growth portion of a multi manager program sponsored by Reliance Trust. Reliance Trust, in its sole discretion, may choose to implement the strategy and recommendations for their accounts. KCM has no control over any modification, suitability or other criteria used by Reliance that would be part of an ordinary client/advisor relationship.</p>																			



(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: KCM Investment Advisors LLC		IRS Empl. Ident. No.: 91-1756649								
Item of Form (identify)	Answer									
Part II 1(D)	<p>KCM provides professional management of stock and bond portfolios, for a fee based on the market values of the portfolios at the end of each quarter, payable quarterly, in arrears. Applicant's fees are negotiable. No particular ranges have been pre-established with respect to accounts that are the subject of negotiated fees. Applicant's basic annual fee structure is:</p> <table><tr><td>Cash Management</td><td>0.40%</td></tr><tr><td>Investment Grade Fixed Income</td><td>0.50%</td></tr><tr><td>ETF Global Opportunity Strategy</td><td>0.75%</td></tr><tr><td>Growth Equity</td><td>0.90%</td></tr></table> <p>Investment advisory fees are billed quarterly generally in arrears based upon the market value of the account at the end of the current quarter. In some cases, a client is also billed for the balance of the quarter in which his account was opened in addition to the following full quarter. The term "quarter" refers to either a calendar quarter or the client's fiscal quarter. The initial quarterly fee for new clients is pro-rated based upon the date the account is opened.</p> <p>Clients of KCM are subject to a 30 day termination fee based upon assets under management at the date of termination. This fee may be charged, at the sole discretion of the Advisor.</p> <p>At KCM's discretion, and often in circumstances involving larger accounts, including Cash Management Accounts, KCM's fees are negotiable. No particular ranges have been pre-established with respect to accounts that are the subject of negotiated fees. If performance fees are to be assessed, they will be in compliance with Rule 205-3. There are no fees payable before service is provided. Clients and/or KCM may terminate the investment advisory contract upon 30 day written notice.</p> <p>Special circumstances may cause fees to vary from the above schedule. KCM may group multiple accounts of one client relationship together for purposes of calculating the fee. Or, KCM may not charge a fee to small accounts of a client because of the fee the client is paying on the total relationship. KCM reserves the right to negotiate fees with clients. KCM may charge higher or lower fees than those described above.</p> <p>KCM acts as portfolio manager for several wrap fee or special sub-advisor to an investment consultant type programs. These programs are sponsored by RW Baird Milwaukee, WI. Wachovia Financial, NY, NY, Raymond James Financial, St Petersburg, FL and others. KCM may add similar programs and relationships in the future. KCM's fees for portfolio management of wrap fee programs are based on assets managed and may be different from accounts managed by KCM directly.</p>		Cash Management	0.40%	Investment Grade Fixed Income	0.50%	ETF Global Opportunity Strategy	0.75%	Growth Equity	0.90%
Cash Management	0.40%									
Investment Grade Fixed Income	0.50%									
ETF Global Opportunity Strategy	0.75%									
Growth Equity	0.90%									
Part II 2(G)	<p>KCM presently acts and/or reserves the right in the future to act as a Sub-Advisor for other Investment Consultants, Investment Advisors, Registered Investment Advisors and to various broker and broker-dealers as a preferred provider or managed account provider. KCM has agreements with certain outside and independent firms whereby KCM agrees to manage accounts, which select KCM as an investment advisor. Under these agreements, the client typically will pay a single fee based on a percentage of assets under management. In some arrangements the client has a separate agreement with KCM and pays KCM separately. In others arrangements, the client will pay one fee to the referring broker or advisors which would include consulting, manager search, performance measurement, custodial services with a single fee based on a percentage of assets under management. In some programs, brokerage commissions may be included in the single fee.</p>									

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: KCM Investment Advisors LLC		IRS Empl. Ident. No.: 91-1756649																	
Item of Form (identify)	Answer																		
	<p>The services provided under these agreements and smaller sized managed accounts generally differ from services provided to our typical KCM account. For example, KCM generally will have little, if any, contact with accounts under these programs and will not typically service these accounts with issues relating taxes, change in time horizon, risk tolerance and how the KCM portfolio fits into the clients entire net worth.</p> <p>KCM has active advisory or sub-advisory relationships with the following organizations/sponsors.</p> <table><tr><td>RW Baird</td><td>Premier Management</td><td>Milwaukee</td><td>WI</td></tr><tr><td>Charles Schwab</td><td>Advisor Network</td><td>San Francisco</td><td>CA</td></tr><tr><td>Bank of Marin</td><td>SAM</td><td>Corte Madera</td><td>CA</td></tr><tr><td>Reliance Trust</td><td></td><td>Atlanta</td><td>GA</td></tr></table>			RW Baird	Premier Management	Milwaukee	WI	Charles Schwab	Advisor Network	San Francisco	CA	Bank of Marin	SAM	Corte Madera	CA	Reliance Trust		Atlanta	GA
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Reliance Trust		Atlanta	GA																
PART II 3(L)	<p>Types of Investments</p> <p>From time to time, KCM has and may in the future invest in Exchange Traded Funds (ETF's) and/or Closed or Open End Mutual Funds for certain clients and circumstances. ETF's and Mutual Funds charge a management fee from their sponsor. Present and prospective clients should realize that if KCM purchases ETF's and/or Mutual Funds in their account(s) they are paying two fees, one to the fund sponsor and an additional one to KCM.</p>																		
PART II 4(A)(B)	<p>KCM has developed and utilizes proprietary portfolio analysis and portfolio construction tools in the management of our client accounts. KCM believes these modeling and re-balancing technologies give us a unique advantage over our peers and has added value to our processes.</p>																		
Part II 5	<p>Applicant requires 10 years of business experience for those involved in giving investment advice to clients. Additionally, persons associated with Applicant who provide investment advice to clients are generally required to have a university degree.</p>																		
Part II 6	<p>All portfolios are advised by Jay A. Kellett, Richard N. Vanscoy, John A. Lundin, William Prince, Patricia Small, John Pogue and Don Jesberg.</p> <p>Mr. Kellett was born in 1945, received a BS from the University of Wisconsin. Mr. Kellett serves as the company CEO and Chief Investment Officer. Since 1996 he has served as CEO and CIO for KCM Advisors, and for the 5 years was earlier Western Regional Manager, Institutional Sales, for Prudential Securities.</p> <p>Mr. Vanscoy was born in 1932 and received a BS from Davis &amp; Elkins College. For the last nine years, he was a Managing Director with KCM, and for the previous 5 years, he was a Vice President and Fixed Income Manager with Barclays Global Investors.</p> <p>Mr. Lundin was born in 1950 and received a BS from the University of California, Berkeley, and an MBA from Golden Gate University. Prior to joining KCM, he was a Portfolio Manager and Senior Vice President with Scudder Investments.</p> <p>Mr. Prince was born in 1956 and received a BA from Boston University. Prior to joining KCM Mr. Prince was Vice President at Wall Street Associates in La Jolla California, and a Senior Regulatory Accountant at Jefferies. Mr. Prince is a CFA Charterholder and a member of the San Francisco and New York Societies of Financial Analysts.</p> <p>Ms. Small was born in 1945 and received a BA in Economics from Marymount College in New York. Prior to joining KCM Ms. Small served as Treasurer of the Regents of The University of</p>																		

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PART II 9(E)	<p>California responsible for the internal management of all equity and fixed income assets representing over \$58 Billion.</p> <p>Mr. Pogue was born in 1943 and received a BA in Economics from Trinity College in Connecticut. Prior to joining KCM Mr. Pogue's career was in institutional bond management and sales with Wells Fargo, A.G. Becker, Briggs, Schaedel &amp; Co and Dean Witter Reynolds.</p> <p>Mr. Donald Jesberg was born in 1955 and received his BA in Business from the University of Southern California Prior to joining KCM Mr. Jesberg's career was with Pacific Growth Equities, Smith Barney, Chase Manhattan, Westec Marina Management, and as Vice President and Fund Officer for Reynolds Capital Management.</p> <p>KCM has in place a Code of Ethics (the "Code") that addresses issues of Personal Trading, Gift Policy, Outside Employment and Portfolio Holdings Disclosure Policy. The Code is designed to ensure that KCM's personnel (i) observe applicable legal and ethical stewards in the performance of their duties; (ii) at all times place the interests of KCM's clients first; (iii) disclose actual or potential conflicts; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to its clients; (v) conduct all personal trading consistent with the Code and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Code also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.</p> <p>The Code of Ethics governs, among other things, the personal securities transactions of KCM employees. KCM employees may purchase or sell for their own accounts, securities that are recommended to clients or placed in discretionary accounts. However, KCM and its employees generally are prohibited from purchasing or selling for their own accounts in anticipation of (1) a purchase or sale in an account as to which KCM exercises investment discretion, or (2) a recommendation of a purchase or sale to a client. The Code of Ethics provides an exception to these personal trading prohibitions for common stocks of companies with market capitalizations of \$5 billion or more if consistent with KCM's policies governing insider trading. Under most circumstances, no security may be bought or sold on the same day as that security is bought or sold for a client account(s) until all client accounts have had the opportunity to trade the particular security first. KCM permits all Portfolio Managers, Traders and Analysts to buy securities held in Client Accounts. A copy of KCM's Code of Ethics is available to all clients, as well as interested parties or prospects upon request. KCM's CEO and Chief Compliance Office have established safeguards to insure against any real or perceived conflict of interest relating to our obligation to our "client first" policy and the account buying or selling the security in question.</p>	
	PART II 10	<p>New advisory clients are usually required to have a minimum size of \$1 Million for fixed income, and \$750,000 for equity only. KCM may waive the minimum account size for a new portfolio under special circumstances.</p> <p>Each client entering into a contract with KCM for investment management services should take special note that while management fees are computed based on assets under management and payable in arrears, the contract includes a 30 day termination which may or may not be enforced at the sole discretion of the Advisor.</p>

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12A(1)(2)(3)(4)	<p>Pursuant to the Advisory Contract, Jay A. Kellett, William Prince, Richard N. Vanscoy, John A. Lundin, John Pogue, Patricia Small Kellett, and Don Jesberg, will direct orders for the purchase and sale of securities with brokers or dealers selected by their discretion (without consultation with its clients on a transaction-by-transaction basis). In effecting the purchase or sale of securities, they will seek the best price and execution of the order. In doing so, they may pay higher commission rates than the lowest available if they believe it is reasonable to do so in light of the trading or research services provided by the broker effecting the transaction. However, KCM's authority may be subject to conditions imposed by the client, including the restriction for trading particular individual stocks or industries, or where the clients direct those transactions be effected through specific brokers.</p>	
PART II 12(B) 13(A)	<p><b>Best Execution and Broker Selection</b></p> <p>KCM has several criteria that govern the selection of brokers. First, when brokers add value to our investment process, we reward them with trades.</p> <p>How Brokers are Selected and How Reasonableness of Commissions are Determined:</p> <p>Brokers are selected for their proven ability to execute, clear and settle transactions (at competitive prices) report promptly and accurately, provide prompt and efficient delivery of securities, supply information on securities including, but not limited to; written and oral research reports, economic and financial data, financial publications, and provide services of direct benefit to clients such as acting as custodian for the account, providing quotation and similar services that facilitate trading, performance evaluation and information.</p> <p>Subject to the policy of seeking best execution for all transactions, and also subject to the criteria of Section 28(e) of the Securities and Exchange Act of 1934, KCM may, in certain circumstances give preference to a broker, that is providing brokerage and research services to KCM. Brokerage and research services provided by a research providing brokers may include effecting securities transactions and performing services incidental thereto, and providing information regarding the economy, industries, sectors or securities, individual companies, statistical information, taxation, political analysis, technical analysis, pricing and appraisal services, credit analysis, risk measurement analysis and performance analysis. The research services provided by the such a broker may be proprietary and/or third party. In no case will KCM make binding commitments as to the level of brokerage commissions it will allocate to any broker, nor will it commit to pay cash if an informal target is not met.</p> <p>In selecting such a research providing broker, KCM will make a good faith determination that the amount of commission is reasonable in relation to the value of the brokerage and research services received, viewed in terms of either the specific transaction or KCM's overall responsibility to the accounts for which it exercises investment discretion.</p> <p>Subject to Section 28(e), KCM may pay a research providing broker a brokerage commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of the value of the brokerage and research services provided by or through the broker. KCM believes this access to timely and quality research is integral to its investment decision-making processes.</p> <p>Starting 1/03/00, KCM negotiated with Charles Schwab &amp; Co. (a research broker) to pay for Bloomberg research services used by KCM. These services are used extensively to manage all</p>	

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PART II 13(B)	<p>of KCM's accounts. KCM may add other "soft-dollar" services in the future as deemed appropriate and in accordance with Section 28(e) of the Advisors Act of 1934 as amended. These research services arranged by brokers through which the Advisor effects securities transactions may be used in servicing all of the Advisor's accounts or may not be used in connection with any particular account which may have paid commissions to the broker. Some of the securities purchased by KCM, as a result of some particular research, may be appropriate for more than one account. If the purchase or sale of securities is consistent with the investment policies of more than one client, the transaction in such securities will be allocated among the clients in a manner deemed fair, equitable and reasonable.</p> <p>Starting in 2002 KCM has begun trading with the Instinet LLC. KCM believes that having the ability to trade with a leading trading technology partner enhance its trading abilities with the objective to lower transaction and execution costs when and where appropriate for its clients. Instinet (the company) has agreed to pay for certain research services in exchange of our using their network but only those services which would qualify as safe harbor and in accordance with Section 28(3) of the Investment Advisors Act of 1934 as revised. Accordingly, research that is obtained normally benefits many accounts rather than just the one(s) for which the order is being executed, and not all research may be used by the Applicant in connection with the account which paid commissions to the broker providing research.</p> <p>Soft Dollar 28(e) Participation - (Includes But Not Limited To)</p> <table><tr><td><u>Payor</u></td><td><u>Service Received</u></td></tr><tr><td>Charles Schwab</td><td>Bloomberg</td></tr><tr><td>Charles Schwab</td><td>Advent Software</td></tr><tr><td>Instinet</td><td>Advent Software</td></tr><tr><td>Instinet</td><td>Bloomberg</td></tr><tr><td>Instinet</td><td>Zacks Research</td></tr><tr><td>Instinet</td><td>Telemet ORION</td></tr><tr><td>Instinet</td><td>Thomson Financial</td></tr><tr><td>ISI</td><td>ISI Research</td></tr></table>		<u>Payor</u>	<u>Service Received</u>	Charles Schwab	Bloomberg	Charles Schwab	Advent Software	Instinet	Advent Software	Instinet	Bloomberg	Instinet	Zacks Research	Instinet	Telemet ORION	Instinet	Thomson Financial	ISI	ISI Research
	<u>Payor</u>	<u>Service Received</u>																		
Charles Schwab	Bloomberg																			
Charles Schwab	Advent Software																			
Instinet	Advent Software																			
Instinet	Bloomberg																			
Instinet	Zacks Research																			
Instinet	Telemet ORION																			
Instinet	Thomson Financial																			
ISI	ISI Research																			
<p>KCM has entered into an agreement with Charles Schwab &amp; Co., Inc., an independent and unaffiliated broker-dealer ("Schwab") to participate in Schwab Advisor Network ("the Service"), an advisor referral service designed to help investors find an independent professional Investment Manager in their area. KCM has agreed to pay Schwab a fee for participating in the Service. This fee may be increased, decreased or waived by Schwab from time to time. KCM may charge advisor clients introduced by the Service, fees or costs greater than the fees or costs KCM charges its advisory clients who were not introduced by the Service, and who have similar portfolios under management with KCM.</p> <p>KCM's participation in the Service may raise potential conflicts of interest. Although not required by the Service, KCM's participating in the Service is likely to execute transactions for their advisory clients referred through the Service with Schwab. KCM acknowledges its duty of best execution for its clients, and at the Portfolio Manager and Trading Desk level determine the adequacy of trading through the Service affiliated brokers, trading desks and platforms.</p> <p>KCM receives client referrals from Charles Schwab &amp; Co., Inc. ("Schwab") through KCM's participation in Schwab Advisor Network (the "Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer and unaffiliated with KCM. Schwab does not supervise KCM, and has no responsibility for KCM's management of clients' portfolio or KCM's other advice or services. KCM pays Schwab fees to receive client</p>																				

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	<p>referrals through the Service. KCM's participation in the Service may raise potential conflicts of interest described below.</p> <p>KCM pays Schwab Participation Fees on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. Participation Fees are a percentage of the value of the assets in the client's account. KCM pays Schwab Participation Fees for so long as the referred client remains in custody at Schwab. Participation Fees are billed to KCM quarterly and may be increased, decreased or waived by Schwab from time to time. Participation Fees are paid by KCM and not by client. KCM may at it's discretion charge clients referred through the Service fees or costs greater than the fees or costs KCM charges clients with similar portfolios who are not referred through the Services.</p> <p>For clients referred through the Schwab Advisor Network beginning January 1, 2007, KCM has adopted a standardized annual fee rate of 0.90% for Equities, 0.75% for ETF Portions, and 0.50% for Fixed Income Portfolios. This rate is higher than the standard rate charged to clients not referred via the Schwab Advisor Network and higher than the fees charged for accounts that were opened before Jan. 1st, 2007. KCM is not obligated to charge this rate, and KCM at it's sole discretion may modify this fee based upon financial circumstances of the client, the number of accounts client may represent to KCM both now and in the future, and for other reasons outside the realm and scope of the relationship between KCM and Schwab.</p> <p>KCM generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with the custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, KCM will have an incentive to recommend that client accounts be held in custody at Schwab, however, KCM will at all times put the clients interest first. If it is deemed to be in the clients best interest, KCM will advise the Schwab Advisor Network client maintain the account outside of Schwab.</p> <p>The Participation and Non-Schwab Custody Fees are based on the amount of assets in accounts of KCM's clients who were referred to KCM by Schwab and those referred clients' family members living in the same household. Thus, KCM may have incentives to encourage household members of clients through the Service to maintain custody of their accounts at Schwab.</p> <p>For accounts of KCM's clients maintained in custody at Schwab, Schwab generally does not charge the client separately for custody, but receives compensation from the client in the form commissions or other transaction-related compensation on securities trades Schwab executes for the client's account. Clients also pay Schwab a fee for clearance and settlement of trades executed through broker-dealers other than Schwab (trade-away fee). Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealers fees. Thus, KCM may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. KCM nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker dealer than trades for KCM's other client. Thus trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed by other broker-dealers.</p>	

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	<div><div>KCM Investment Advisors Privacy Notice</div><div><div>Your Privacy at KCM</div><p>At KCM Investment Advisors LLC, keeping client information secure is a top priority. KCM is fully committed to protecting your right to privacy. We maintain high standards to protect your personal information and we will prudently protect that information. KCM will not sell or share your personal information.</p><p>KCM will only use information about you and your accounts to help us better serve your investment and financial needs, to fulfill our regulatory obligations, to suggest other products and services to you and to administer our business.</p><p>Keeping client information secure, and using it only as our clients would want us to, is a top priority for KCM and we are committed to upholding this policy whether you are a current or former client.</p><div>SUMMARY OF PROXY VOTING POLICY AND PROCEDURES</div><p>Unless instructed by the client, KCM will vote proxies for securities held in client account.</p><p>Proxy voting decisions will be made according to guidelines designed and geared to protect the economic interests of the client. Ethical, moral and social proposals will be examined for economic relevancy; if no significant economic consequences appear likely, than these proposals will be voted with management.</p><p>In general, KCM will vote in accordance with management's recommendations as to matter dealing with;</p><div><div>(i) Appointment of auditors</div><div>(ii) Routine election of directors</div><div>(iii) Improvements in employee stock option plan (dilution not to exceed 3%)</div><div>(iv) Stock splits</div><div>(v) Amendment of Articles of Incorporation or By-laws to coincide with changes in Federal or State regulations.</div></div><p>In general KCM will vote against management as to matters dealing with;</p><div><div>(i) Poison pill initiatives</div><div>(ii) Classifying the Board of Directors</div><div>(iii) Outside Non-employee stock option or stock compensation scheme</div><div>(iv) Anti-takeover measures</div></div><p>Each account's custodian will be relied upon to forward all relevant proxy materials to KCM, either electronically or in physical form to the address of record. Receipt of proxies will be recorded and will be voted upon on a timely basis.</p></div></div>	

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	<div>TRADING POLICY &amp; PROCEDURES</div> <p>KCM Investment Advisors LLC is a registered investment advisor (hereinafter sometimes “KCM”) that provides discretionary management services. It has adopted the following policies to guide its trading activities on behalf of its clients.</p> <div>TRADING</div> <p>The firm has designated Jay A. Kellett, CEO for overseeing the firm’s brokerage and trading policies. The CEO will implement and follow procedures that are reasonably designated to ensure that the KCM’s trading activities are carried out in the best interests of clients and that all clients are treated fairly. The CEO will conduct periodic (but not less than annually) testing to verify the firm’s trades and to confirm compliance with the firm’s policies and procedures and will report directly to the Chief Compliance Officer.</p> <p>For most clients, KCM has full investment discretion over their accounts. Such authorization allows KCM to trade with such brokers, dealers, issuers, investment bankers, underwriters, and other firms as KCM may select unless otherwise explicitly stated in writing by the client. For other clients, KCM is restricted by certain limitations imposed by the clients and it directs investment of the accounts, within any limitations imposed by the client.</p> <p>In general, on bunched transactions, KCM pays a commission of \$0.05 or less per share on all shares and uses average pricing. Shares are allocated pro-rata across accounts.</p> <div>CLIENT-DIRECTED BROKERAGE</div> <p>Some of KCM’s clients may ask for their trades to be directed to a broker of their choice (Client Directed Brokerage). A detailed record of all such arrangements is maintained on the Client Information Summary located in the Client files and notes. Clients may also use custodial, investment consulting or other services from such brokers.</p> <p>For Client Directed Brokerage arrangements:</p> <p>KCM usually does not attempt to negotiate commission rates with such brokers, and as a result, the client may pay higher commissions, greater spreads, or less favorable net prices.</p> <p>In addition to not receiving the benefit of negotiated commissions, the client may not be able to participate in “bunched trades” executed on behalf of multiple clients, thus affecting the quality of execution.</p> <div>BEST EXECUTION</div> <p>Transactions are executed through established and reputable brokers at commissions comparable to those normally charged by other brokers to customers similar to those offered KCM. KCM maintains a list of approved brokers and performs a annual review to evaluate whether to retain a particular broker or to cease trading activities with them. When evaluating a particular broker, KCM considers factors such as:</p> <p>The commission rates charged by the broker in comparison to the charges of other brokers for similar transactions;</p>	



<b>Schedule F of Form ADV</b> <b>Continuation Sheet for Form ADV Part II</b>	Applicant:	SEC File Number:	Date:
	KCM Investment Advisors LLC	801- 55395	09/30/2008

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<b>1</b> Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>KCM Investment Advisors LLC</b>	IRS Empl. Ident. No.: <b>91-1756649</b>
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Item of Form (identify)	Answer
	<p>Direct access to the broker's trading desk and the familiarity of the contact person with KCM's business and interests and the responsiveness to KCM's transaction requests;</p> <p>The ability of the broker to maintain confidentiality while executing trades to prevent the disclosure of KCM's investment strategy or the details of an order in a way that will adversely affect the market price;</p> <p>The broker's execution abilities, including the level of accuracy in executing orders, speed of execution, and the ability to obtain best net price;</p> <p>The broker's communications and administrative abilities, including efficiency of reporting, settlement efficiency, and proper correction of trade errors;</p> <p>The broker's proprietary research capabilities and ability to provide market information;</p> <p>The quality and flexibility of any custodian services provided by the broker; and</p> <p>The financial stability of the broker (the Trading Designee reviews and retains the financial statements of the entity of each broker that conducts and executes trades, on an annual basis in each broker's respective file).</p> <p>The role of the CEO as it pertains to best execution is to review and oversee the disclosures related to best execution by the Advisor in its Form ADV and advisory agreements. The Trading Desk also conducts periodic analysis of trades after execution.</p> <p>Generally, KCM decides to trade with soft dollar brokers if the broker offers substantial research that eventually leads to the final decision to buy or sell a particular security. Trades are conducted on a rotational basis among the clients to ensure that each client is treated fairly over time. When allocating trades, KCM does not favor clients that have a performance based fee structure over clients whose fees are based on assets under management.</p> <p>The Portfolio Manager may determine that it is overall more beneficial to execute a trade away from the custodian broker for a particular client. While this may increase the commission charged to the client, the Advisor feels that it will be better able to serve the client in terms of efficiency of record keeping and reporting.</p> <p><b>SOFT DOLLARS</b></p> <p>KCM makes extensive use of computers, computer peripherals, software, and computer databases in its investment management and securities analysis process. KCM uses a centralized portfolio management system, which includes block trading, portfolio management and securities price data collection.</p> <p>Under KCM's "Section 28(e)" soft dollar policy, our research and trading departments make use of the following:</p> <p>Bloomberg , (news, technical and fundamental analysis)          Thomson Financial Baseline, (portfolio analytics and securities analysis)          Zacks Investment Research (research aggregator)          Advent Software (portfolio management, analysis)          Advent Software (Moxy trade execution and routing software)          ISI Group (economics and portfolio strategy)</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). <span style="float: right;"><b>PAGE 11</b></span>
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	<p>KCM has from time to time determined that some services may conservatively be considered mixed-use product as defined by the Advisors Act. In such instances, KCM makes a good faith effort to determine the percentage of such products or services, which may be considered as investment research.</p> <p>KCM conducts trades with brokers that provide internally generated proprietary research in the form of research reports on economic data, industries and individual firms. The research services may be useful in servicing any of the Advisor’s accounts, but not all of the research may be useful to the account for which the particular transaction was effected. KCM conducts trades with brokers who pay for related software and hardware tools used for the sole benefit of our client accounts, which may be for portfolio modeling, analysis, and trading execution. The Advisor does not allow for soft dollars to be used to correct trading errors. We maintain these policies regarding soft dollars are in full compliance with Section 28(e) of the Securities Exchange Act and the Advisor does not engage in any activity that is outside the scope of Section 28(e).</p> <p>Brokerage transactions in OTC equity securities affected on behalf of our clients may sometimes be done on an agency basis rather than through market makers. Hence, clients pay commissions to broker-dealers for effecting such transactions and pay the market makers the mark-ups or mark-downs included in the offering or bid prices of the securities purchased or sold.</p> <p>The role of the CEO as it pertains to soft dollar arrangements includes, but is not limited to (annually):</p> <p>Reviewing soft dollar arrangements with all brokers; Determining if the soft dollar arrangements are within the scope of Section 28(e) and approving them;</p> <p>Making appropriate mixed-use determinations and allocations for trade decisions that were supported by soft dollar research and trades that were not; Discussing and documenting the value of the research obtained with soft dollars; Monitoring soft dollar arrangements and bringing any material deviations from policy to the attention of the Chief Compliance Officer.</p> <p><b>TRADE ALLOCATIONS</b></p> <p>KCM simultaneously effect transactions in the same security for a number of client accounts. Orders for the same security may be combined or “bunched” to facilitate execution and lower overall commissions. Accounts that are affiliated with the Advisor may participate in “bunched orders.” Subject to availability of cash, KCM would execute bunched transactions in a manner designed to ensure that no client (including affiliated accounts) is favored over any other client. Generally, each client would receive the same average price as other participants in the bunched transaction. Securities in a bunched transaction are allocated pro-rata, when possible, in proportion to the size of the order placed for each account. KCM could, however, increase or decrease the amount of securities allocated to each account, if necessary, to avoid holding odd lot or small numbers of shares for particular clients. If KCM is not able to fully execute a bunched order, it may allocate the partial execution in a manner determined in good faith to be a fair and equitable allocation. Generally, each portfolio is allocated the same positions and similar weightings in each position unless a particular client has imposed certain restrictions.</p>	

<b>Schedule F of</b> <b>Form ADV</b> <b>Continuation Sheet for Form ADV Part II</b>	Applicant:	SEC File Number:	Date:
	KCM Investment Advisors LLC	801- 55395	09/30/2008

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	<p>In order to ensure fair and equitable treatment to all clients, KCM has decided to allocate trades on a rotational basis for its clients when trading in a single security is done through more than one broker.</p> <p>Typical trading process works as follows:</p> <ol style="list-style-type: none"> <li>1. The portfolio manager identifies the security he would like to buy or sell and the allocation to each security in the form of a model according to a model portfolio and passes on the decision to the Trading Desk for implementation. The Trading Desk cross-checks the portfolios to make sure there is enough cash to cover all purchases and verifies security positions for sale.</li> <li>2. Typically, the Trading Desk places the order with a broker from the "Approved Broker List."</li> <li>3. At the end of each day, execution price for each trade is recorded and information is sent to the portfolio accountant.</li> <li>4. The portfolio accountant verifies all trades placed on Trade Date +1 as confirmations are received and posts all trade data to the portfolio accounting system. The Trading Desk affirms all correct confirmations, as necessary, for settlement by the custodians.</li> <li>5. Trade discrepancies or errors are researched and resolved by the portfolio accountant or analyst.</li> <li>6. At the end of the month, portfolio statements are provided by custodians. These statements are used to verify all trades for the month. If there are discrepancies, the portfolio accountant resolves them with the Custodian.</li> </ol> <p><b>TRADE ERRORS</b></p> <p>A trade error is defined as a deviation from the applicable standard of care in the placement, execution, or settlement of any trade that affects a client's account either negatively or positively. Trade errors can include innocent errors and negligent acts such as trades for the wrong account; purchases or sales of wrong securities; buying securities when insufficient cash is available to settle the purchase; and selling securities that are not in the account.</p> <p>All trading errors and investment policy breaches are brought to the attention of the Chief Compliance Officer and CEO and documented for the files.</p> <p>All trade errors are documented in memo format for client files and recorded on the Trade Errors Log. KCM has an obligation to place trades correctly and will ensure that any loss as a result of a trading error will be reimbursed to the client. Any error resulting in a gain will generally accrue to the benefit of the client account in which the error was made, and any error resulting in a loss will be purged from the client account and generally be resolved by KCM making a payment to the KCM Error Account established with the executing broker.</p> <p>From time to time a trade error will be reversed resulting in a loss of less than \$100. It has been our experience that most broker dealers we trade with would rather absorb the loss themselves rather than processing the requisite paperwork and human capital to run this trade through the KCM error account. Under these circumstances, the trade is cancelled, and no compliance filing is made. In no circumstance would a trade error be charged against a client account, or made up with trading commission.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).	<b>PAGE 13</b>
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