

Key Investment Services LLC

4900 Tiedeman Road

Brooklyn, Ohio 44144

888.547.2968

March 30, 2012

Part 2A Appendix 1 of Form ADV

NOTICES TO ADVISORY ACCOUNT CUSTOMERS

You either signed or will sign the documents to establish a wrap account. This is an investment advisory account, with Key Investment Services LLC, by which you established a brokerage account at Pershing LLC. Pershing acts as a qualified custodian for all Key Investment Services LLC advisory account assets. It 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 Place
Jersey City, New Jersey 07399

This wrap fee program brochure provides information about the qualification and business practices of Key Investment Services LLC. 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 or by any state securities authority. Additional information about Key Investment Services LLC also is available on the SEC's website at www.adviserinfo.sec.gov. Key Investment Services LLC is a registered investment adviser with the SEC. Registration does not imply a certain level of skill or training.

Investment products are offered through Key Investment Services LLC (KIS), member FINRA/SIPC and carried by Pershing LLC, member FINRA/NYSE/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.

Investment and insurance products 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
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Item 2: Summary of Material Changes

The following material changes pertinent to the provision of Key Investment Services LLC's investment advisory services have occurred since the date of the last annual update of its brochure in March, 2011.

KIS has established an advisory product committee to perform due diligence and monitoring of existing and potential new third-party investment advisory products and portfolio managers participating in KIS' wrap fee programs. Please see Items 4 and 6 for additional information.

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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 and administered by third-party service providers (“Product Sponsors”) 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 advisory product committee to perform due diligence and monitoring of existing and potentially new Product Sponsors and portfolio managers. KIS may refine its Advisory Product offerings and introduce new products as part of its continuous efforts 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.

Current Advisory Products offered by KIS through its Wrap Programs include:

(1) Lockwood Investment Strategies (“LIS”) – Lockwood Advisors, Inc. (“Lockwood”) is a federally registered investment advisory firm that specializes in processing and administering individually managed accounts and in providing managed account services and technologies to, among others, sponsors of wrap account programs. Lockwood is the Product Sponsor of and a portfolio manager in LIS, and acts as a third-party service provider to KIS. LIS is a discretionary, multi-discipline managed account product housed in a single portfolio with five core models. The five (5) core models span the risk/return spectrum from current income model to growth model within the context of a diversified portfolio. Clients may also choose from four (4) additional models which include exposure to non-traditional asset classes, as described more fully below. Lockwood, serving as a discretionary portfolio manager, determines asset allocation and selects both sub-managers and specific investment vehicles for each investment style based on its proprietary modeling strategies, as well as its macroeconomic outlook and investment discipline.

Clients are charged a wrap fee every calendar quarter. The maximum wrap fee that clients may be charged is set forth in the table below. The wrap fee actually paid by a particular client is set forth in the Client Agreement. KIS may in its sole discretion change the actual fee charged upon thirty days’ written notice to the client. Clients may accept the change or close the account.

	<u>Maximum Annual Fee</u>	
<u>Portfolio Value</u>	<u>≥50% Equities</u>	<u>≥50% Fixed Income</u>
First \$500,000	3.00%	2.50%
Next \$500,000	2.50%	2.00%
Next \$1,500,000	2.00%	1.50%
Next \$7,500,000	1.50%	1.00%

Fees for LIS are negotiable. Please read carefully Lockwood’s Form ADV Part 2A to learn what portion of the fees the respective portfolio and other managers receive.

(2) Lockwood AdvisorFlex Portfolios (“AFP”) – Lockwood is also the Product Sponsor of AFP. AFP is a series of model portfolios diversified at the asset class level and among different security types. Clients may choose from sixteen (16) models spanning the risk/return spectrum from income to capital appreciation. Lockwood, serving as a third-party service provider, Product Sponsor and money manager, reviews and approves the allocations and investment selections to be included in the AFP portfolios. In addition, Lockwood periodically reviews the asset allocation strategies and investment selections with the AFP model portfolios seeking to ensure that the portfolios continue to adhere to their respective original investment objectives.

The fee for AFP accounts is billed quarterly in advance and is:

<u>Portfolio Value</u>	<u>Maximum Annual Fee</u>
First \$500,000	2.00%
Next \$500,000	1.50%
Over \$1,000,000	1.00%

Fees for AFP are negotiable. Please read Lockwood's Form ADV Part 2A carefully to learn what portion of the fees the respective portfolio and other managers receive.

(3) Key Managed Solutions – an individually managed investment program designed for individuals, trusts, estates, and small businesses using the skill of appropriate, pre-qualified investment managers to provide the benefits of institutional money management to clients with a minimum of \$100,000 to invest with each manager selected. KIS will allow its clients to continue to hold Key Managed Solutions, provided that the client entered into the wrap fee program while with McDonald Investments Inc., now known as KeyBanc Capital Markets Inc., prior to January 1, 2006. **No new accounts may participate in this program.**

KIS's current fee schedule for Key Managed Solutions accounts is as follows:

<u>Portfolio Value</u>	<u>Maximum Annual Fee</u>	
	<u>Equities/Balanced</u>	<u>Fixed Income</u>
First \$500,000	3.00%	1.50%
Next \$500,000	2.50%	1.25%
Next \$1,500,000	2.00%	1.00%
Remainder	1.50%	1.00%

Fees for Key Managed Solutions are negotiable. The portfolio manager receives such amounts as set forth in Table 1 attached to this Brochure.

KIS Program Services

For potential Wrap Program clients, KIS assists clients in the formulation of their investment objectives, and advises clients regarding the suitability of KIS' Wrap Programs for 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 in light of the client's risk tolerance and investment objectives.

For all Advisory Products, KIS through a KIS financial advisor will consult with the client and complete with the client's assistance, a client profile and investment information document to determine the client's financial circumstances, investment objectives and reasonable restrictions on management of the wrap account, if any. Based upon the consultation and information provided, KIS will assist the client in selecting investment options from 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 account to Pershing LLC ("Pershing"), which will act as custodian for the account. Services offered by Pershing as custodian of the account will 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 fee arrangement should consider that, depending on the level of the wrap fee charged, the amount of portfolio activity in the client's account, the value of the custodial and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed 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 advisors may have an incentive to recommend the wrap fee programs over alternative programs or over the purchase of such services separately. There is also a potential conflict in wrap fee arrangements in that limiting the amount of trading in an account would increase KIS's net income from wrap fees. Because wrap fee accounts, within trading limits, do not impose brokerage commissions, the best interests of the client (trading when appropriate) may differ from the self-interest of financial advisors and KIS (no trading).

Investments in mutual funds and ETFs are subject to various other fees that are paid by those portfolios, but ultimately borne by shareholders. These expenses, which are described in the portfolios' prospectuses, 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 a portfolio manager may require spreads be paid to market makers as markups or markdowns of the price of the security purchased.

KIS is generally compensated on the basis of 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 client agreements at any time by 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 an 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 wrap fee every calendar quarter for services that generally include advisory, transactional and custodial services. With respect to Lockwood advisory products, KIS, through Lockwood, shares a portion of the wrap fee with the underlying money manager(s) selected. No wrap fee adjustments are made for any billing period with respect to partial withdrawals within a billing period. Wrap fees do not include exchange fees, transfer taxes, electronic fund and wire transfer fees, odd-lot differentials and fees required by law, fees that cover services rendered by KIS affiliates or redemption fees, mark ups, mark downs or spreads paid to market makers or other transaction or product based fees.

Because KIS's advisory fees (and Lockwood's portion of the fees) are based on assets under management, KIS and Lockwood have a conflict of interest in valuing securities held in client accounts, since a higher valuation produces higher advisory fees. In order to ensure that client assets are accurately valued, for purposes of calculating fees where Pershing acts as the client's 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 they are traded. Any other securities or investments shall be valued in a manner determined 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 the assets. 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 is obtained from recognized sources and is believed to be reliable but has not been verified by Pershing or KIS. In cases in which Pershing is not the client's custodian, the client's custodian will provide valuations of securities.

KIS receives payments from mutual fund families in addition to any servicing fees or 12b-1 fees received, which payments are used to help defray various costs, including the costs of training and continuing education offered by KIS and made available to such fund families. KIS financial advisors do not receive any portion of these payments.

Fees for individual customers may be negotiated. In KIS's discretion, certain related accounts may be aggregated for purposes of applying the applicable blended fee schedule as if the accounts were one account. Account minimums may also be waived in KIS's discretion. KIS may also charge different fees than the fees summarized in this brochure, based upon a number of factors, such as additional assets under management in different programs, other business relationships with the client, and other factors deemed relevant by KIS. This could cause customers who do not receive such treatment to pay more for the similar services.

From time to time, KIS may provide additional compensation to its personnel in connection with new accounts opened and/or additional amounts added to advisory client accounts during specified periods of time. The amount of such compensation may be greater than what the KIS employee would receive if the client purchased separately KIS's advisory, brokerage or other services as such services. Such personnel may, therefore, have a financial incentive to recommend these products over other programs or services.

Item 5: Account Requirements and Types of Clients

The following are the minimum investment dollars required to open an account:

<u>Account Type</u>	<u>Size</u>
Lockwood Investment Strategies	\$250,000
Lockwood Advisor Flex Portfolios	\$ 50,000
Key Managed Solutions	\$100,000 (per investment manager)

KIS provides Wrap Programs to individuals, trust, estates, and small businesses. Please read carefully Lockwood's Form ADV Part 2A Appendix 1 for information about Lockwood'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 Lockwood LIS and AFP Products in addition to KMS. With regard to the portfolio managers selected for the LIS and AFP products, Lockwood is the third party Product Sponsor that selects, reviews and replaces the portfolio managers for the LIS and AFP products. According to information in Lockwood's Form ADV Part 2A, it considers various sources of information and criteria in selecting and ongoing evaluation of portfolio managers for its wrap programs and products, which would include LIS and AFP, including some combination of the following:

- The Forms ADV of the proposed portfolio manager;
- Due diligence questionnaires;
- Investment objectives;

- Investment process;
- Assets under management;
- Personnel experience and overall quality
- Performance track record relative to an appropriate benchmark;
- Performance consistency;
- Performance relative to peers;
- Asset class/style;
- Risk-adjusted return;
- Total return;
- Alpha (a statistical measure that quantifies the amount by which a portfolio or investment strategy obtained additional investment return relative to the risk taken);
- Beta (a statistical measure of the relative volatility of a security or portfolio to that of another security, portfolio or benchmark);
- R-squared (a statistical measure that quantifies the degree to which one variable – for example a portfolio’s investment performance) correlates with another (e.g., the investment performance of a benchmark index such as the S&P 500 index) for relevant benchmark);
- Sharpe ratio (return in excess of the risk free (Treasury Bill) rate per unit of risk);
- Rolling period return;
- Style analysis;
- Tracking error (a statistical calculation that measures to what extent a portfolio’s investment returns vary from a benchmark index’s returns);
- Up/down market performance;
- Diversification and sector allocation;
- Equity and fixed income portfolio characteristics;
- Portfolio turnover; and
- Portfolio holdings / transactions consistent with stated investment process.

KIS is also engaged in discussions with and may retain Lockwood to assist KIS with regard to initial and ongoing due diligence efforts with respect to investment managers within the KMS product. For this, Lockwood would also provide selection, review, replacement or recommendations to replace for any manager selected for a KMS client account.

In addition to the initial selection and ongoing review of portfolio managers and investment managers by Lockwood, 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 Wrap Product Sponsors, such as Lockwood. KIS utilizes various analysts, some of whom may be third party firms, to assist in the review of the analysis performed and supplied by Lockwood, including portfolio and investment manager “scorecards,” with regard to its review of the LIS, AFP and KMS Advisory Products. The Investment Advisory Sub-Committee has also implemented a process for the initial selection and ongoing monitoring of product sponsors to its Wrap Programs. While it is not presently contemplated that KIS will retain new product sponsors for its Wrap Programs, the Investment Advisory Sub-Committee will review annually the performance of Lockwood as Product Sponsor to the Wrap Programs. This review will consider a combination of factors based on aggregated or summary information to evaluate Lockwood’s overall management and selection of portfolio managers within the LIS and AFP products, including details regarding performance consistency and performance relative to peers, among other factors.

In addition, KIS’ monitoring program for its Wrap Program also provides that its financial advisors meet regularly, no less than annually and more frequently as circumstances permit, 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. To support its financial advisors in these tasks, KIS anticipates entering into an agreement with Lockwood in or about second quarter 2012 whereby Lockwood will provide KIS and its financial advisors with money manager research, assets and style allocation and recommended account proposals to clients, including Lockwood scorecards on portfolio managers. For additional information regarding Review of Accounts, please see Item 9(4).

Lockwood and Pershing are also affiliated companies. 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 Lockwood's Form ADV Part 2A.

Item 7: Client Information Provided to Portfolio Managers

Privacy is an important issue. KeyCorp's Privacy Policy is initially given to the client upon the opening of an account and is subsequently provided at least annually thereafter and also upon request to KIS advisory clients. 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 Product Sponsors such as Lockwood so that they may service the client's account. The Product Sponsor may then provide it to the portfolio manager for account servicing purposes. Please review Lockwood's Form ADV Part 2A Appendix 1 for further information on this item with respect to Lockwood advisory products.

Item 8: Client Contact with Portfolio Managers

Please read carefully participating Product Sponsors', such as Lockwood's, Form ADV Part 2A for information on contacting portfolio managers.

Item 9: Additional Information

(1) Disciplinary Information

Neither KIS nor any management person has had a reportable fine or penalty levied against it or such management person. Nor has it or any management person been involved in any arbitrations which implicate wrongdoing or reflect on its or such respective management person's integrity.

(2) Other Financial Industry Activities and Affiliations

KeyCorp, one of the nation's largest bank holding companies, is the sole owner of KIS through its subsidiary KeyBank National Association ("KeyBank").

KIS's principal business is as an introducing broker-dealer registered with the U.S. Securities and Exchange Commission, a member of Financial Industry Regulatory Authority, and various other regulatory bodies. As a broker-dealer, KIS may provide a variety of services (including non-advisory services) and 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. The principal business of KIS's executive officers is the day-to-day management of the broker-dealer activities. KIS's executive officers are: Marc A. Vosen, President; Paul A. Hansen, Chief Operations Officer; Gary J. Marousek, Chief Compliance Officer; Matthew T. Gulla, Chief Financial Officer; and

Paul A. Weick, Chief Legal Officer. All executive officers are KIS registered representatives and hold appropriate supervisory licenses.

KIS also provides advisory services through the programs as described in this brochure. 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.

KIS financial advisors may also act as insurance agents for the sale of insurance products and policies that are available through KeyCorp-affiliated insurance agencies. KIS financial advisors may recommend the purchase of insurance products to clients and may receive commissions in connection with such purchases.

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.

Victory Capital Management, Inc. ("Victory") manages or gives advice regarding investment portfolios for a national client base, including corporations, labor unions, not-for-profit organizations, governments and individuals. These portfolios may be managed in separate accounts, common funds or the Victory family of mutual funds.

KeyBanc Capital Markets, Inc. ("KBCM") is an affiliated broker-dealer registered with the United States Securities and Exchange Commission and member New York Stock Exchange and Financial Industry Regulatory Authority. KBCM provides brokerage services to institutional clients and also provides investment banking services. It does not provide services to KIS.

(3) Code of Ethics

As discussed below, KIS has in place a Code of Ethics that provides for KIS and its financial advisors 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 staff to comply with such rules and regulations, as well as with KIS' policies and procedures.

Code of Ethics

KIS has a 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 staff to comply with such rules and regulations as well as KIS' policies and procedures. Further, KIS strives to handle clients' non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides clients with KIS' Privacy Policy. As such, KIS maintains a Code of Ethics for its financial advisors, supervised persons and staff.

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

KIS' Code of Ethics is distributed to each employee and financial advisor at the time of hire/contact, and as the Code is modified. In addition, KIS requires an annual certification by all employees/financial advisors regarding their understanding and compliance with the Code of Ethics. KIS also supplements the Code with annual training and on-going monitoring of employee activity.

A copy of our 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

Financial advisors are registered representatives with KIS and must execute securities transactions through KIS, unless financial advisors obtain authorization to execute securities transactions through another broker-dealer.

Related persons of KIS (any advisory affiliate and any person that is under common control with KIS) can buy or sell securities identical to those securities recommended 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 advisors 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 advisor 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 advisor or related person buys or sells the same securities for the adviser's own or related person's account.

KIS requires that all registered employees' brokerage accounts be held at KIS. If an employee cannot obtain needed services at KIS, it requires copies of all brokerage statements be provided to it directly from the third party broker.

(4) Review of Accounts

KIS maintains a compliance program designed to ensure that financial advisors conduct periodic reviews of client accounts.

In addition, before a wrap fee account is recommended, the KIS financial advisor 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 advisor considers whether the account recommended is appropriate in

light of 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 financial advisor if any significant change in their financial situation occurs so that their plan may be reviewed.

Investment managers (Lockwood or other portfolio managers) monitor and review their clients' accounts pursuant to their own compliance and supervisory systems of account review. Lockwood advisory personnel review client accounts quarterly by comparing their performance with comparable indices to detect deviations. Accounts with performance deviations are subjected to further scrutiny by Lockwood or the investment manager, but not by KIS.

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 an account statement which includes a summary of transactions, an inventory of holdings, and other information. Lockwood may also make available quarterly performance statements of client accounts detailing account performance, positions and activity to KIS and its financial advisors. The quarterly performance statements are intended to provide KIS and its financial advisors 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 respect to the performance of a relevant index, other investment managers who advise with respect to investment objectives similar to the client's, and other factors as KIS may determine. The quarterly performance statement data may be based upon information obtained from third parties. KIS believes that the data obtained from these third parties is accurate, but does not independently verify such accuracy. Clients also receive brokerage confirmations unless this option is waived by the client.

As set forth in Item 4, KIS has established an advisory product committee of senior KIS managers to review Product Sponsors and their advisory products on an annual basis to ensure general suitability and that the respective Advisory Product's investment performance is appropriate. Your KIS financial advisor will review your account annually with you to ensure that it is still a suitable investment for you.

(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 parent, KeyBank, sponsors are discretionary bonus plans. Revenues from KIS may be one of many factors (most of them not securities related) that determine the amount of the bonus under the plan. This revenue might be affected by a referral from a non-supervised banker and thus might affect the payout to that banker.

(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.

Manager Account Style Code Guide

Contracted Managers

Sponsor: Key Investment Services LLC

Program Group: Key Managed Solutions

Wednesday, 16 March 2011

Product Name	Manager Code	Style Code	Minimum Acct. Size	Manager Fee Schedules				
				(Basis Points)				
AllianceBernstein International Value (ADR)	ALB	IECMVA	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 50.0	\$5,000,000 50.0
AllianceBernstein Strategic Research Balanced	ALB	DBLCCO	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 50.0	\$5,000,000 50.0
Ashfield Capital Partners Large Cap Growth	ASH	DELCGR	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 45.0	\$1,000,000 40.0	\$5,000,000 40.0
Ashfield Capital Partners Tax-Aware Lrg Cap Growth	ASH	TDLCGR	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 45.0	\$1,000,000 40.0	\$5,000,000 40.0
Breckinridge Capital Adv. Municipal Bonds - Nat'l	BCA	DFITMU	\$500,000	\$0 35.0	\$250,000 35.0	\$500,000 25.0	\$1,000,000 20.0	\$5,000,000 20.0
Cincinnati Asset Mgmt. High Yield Bond	CIN	DFLBHY	\$100,000	\$0 60.0	\$250,000 60.0	\$500,000 50.0	\$2,000,000 45.0	\$5,000,000 45.0
Dalton Greiner Hartman Maher Sml Cap Val	DGH	DESCVA	\$250,000	\$0 75.0	\$250,000 75.0	\$500,000 75.0	\$1,000,000 75.0	\$5,000,000 75.0
Davis Advisors Lrg Cap Value	DSA	DELCVA	\$100,000	\$0 40.0	\$250,000 40.0	\$500,000 40.0	\$1,000,000 40.0	\$5,000,000 40.0
Denver Investments Sml Cap Core	DEN	DESCCO	\$100,000	\$0 60.0	\$250,000 60.0	\$500,000 60.0	\$1,000,000 60.0	\$5,000,000 60.0
Dreman Large Cap Value Equity	DVM	DELCVA	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 45.0	\$5,000,000 40.0
Eaton Vance/Parametric Tax Aware Lrg Cap Value	PPA	TDLCVA	\$250,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 50.0	\$5,000,000 50.0
EDMP, Inc. Large Cap Growth	GCS	DELCGR	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 50.0	\$5,000,000 50.0
Fred Alger Capital Appreciation	FAM	DEACGR	\$100,000	\$0 50.0	\$250,000 45.0	\$500,000 40.0	\$1,000,000 35.0	\$5,000,000 35.0
Fred Alger Mid Cap Growth	FAM	DEMCGR	\$100,000	\$0 50.0	\$250,000 45.0	\$500,000 40.0	\$1,000,000 35.0	\$5,000,000 35.0
Glenmede Investment Mgmt. Small Cap Conc Equity	GMD	DECNSC	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 50.0	\$5,000,000 50.0
Glenmede Investment Mgmt. Small Cap Core Equity	GMD	DESCCO	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 50.0	\$5,000,000 50.0

Manager Account Style Code Guide

Contracted Managers

Sponsor: Key Investment Services LLC

Program Group: Key Managed Solutions

Wednesday, 16 March 2011

Product Name	Manager Code	Style Code	Minimum Acct. Size	Manager Fee Schedules					
				(Basis Points)					
Karpus Investment Mgmt. Taxable Fixed Income	KPS	DFITG6	\$500,000	\$0 79.0	\$1,000,000 69.0	\$2,000,000 59.0	\$5,000,000 54.0	\$10,000,000 49.0	\$20,000,000 39.0
Kayne Anderson Rudnick Small Cap Core	KAI	DESCCO	\$100,000	\$0 60.0	\$250,000 60.0	\$500,000 60.0	\$1,000,000 60.0	\$5,000,000 60.0	
Kayne Anderson Rudnick Small Cap Quality Value	KAI	DESCVA	\$100,000	\$0 60.0	\$250,000 60.0	\$500,000 60.0	\$1,000,000 60.0	\$5,000,000 60.0	
Lazard Asset Mgmt. International Equity Select ADR	LFA	IECMVA	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 50.0	\$5,000,000 50.0	
Lotsoff Capital Mgmt. Small Cap Core (Trf Only)	LOT	DESCCO	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 50.0	\$5,000,000 50.0	
Madison Investment Advisors Taxable Fixed Income	MAD	DFITGC	\$100,000	\$0 30.0	\$250,000 30.0	\$500,000 30.0	\$1,000,000 30.0	\$5,000,000 30.0	
NorthRoad Capital Mgmt. Int'l Equity	NRC	IECMVA	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 50.0	\$5,000,000 50.0	
Oak Ridge Investments Large Cap Growth	OAK	DELCGR	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 50.0	\$5,000,000 50.0	
Oak Ridge Investments Small-Mid Cap Growth	OAK	DESMG5	\$100,000	\$0 75.0	\$250,000 75.0	\$500,000 75.0	\$1,000,000 75.0	\$5,000,000 50.0	
Philadelphia Intl Advisors Tax Aware Int'l Equity	PIA	TICMVA	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 50.0	\$5,000,000 50.0	
Reinhart Partners Active Intermediate Fixed Income	REIN	DFITC2	\$100,000	\$0 30.0	\$250,000 30.0	\$500,000 30.0	\$1,000,000 30.0	\$5,000,000 30.0	
Santa Barbara Asset Management Dividend Growth	SAB	DELCCO	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 50.0	\$5,000,000 50.0	
Santa Barbara Asset Management Large Stable Growth	SAB	DELCGR	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 50.0	\$5,000,000 50.0	
Schafer Cullen High Dividend Equity	SCF	DELCVA	\$250,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 50.0	\$5,000,000 50.0	
TCW Investment Concentrated Core Equity (Tfr Only)	TCW	DECNC2	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 50.0	\$5,000,000 50.0	
TCW Investment Relative Value Large Cap	TCW	DELCV2	\$100,000	\$0 50.0	\$250,000 50.0	\$500,000 50.0	\$1,000,000 50.0	\$5,000,000 50.0	