

Key Investment Services LLC

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FORM ADV PART 2A

NOTICES TO ADVISORY CLIENTS

This brochure provides information about the qualifications and business practices of Key Investment Services LLC (“KIS”). If you have any questions about the contents of this brochure, please contact us at 888-547-2968. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about KIS also is available on the SEC’s website at www.adviserinfo.sec.gov.

KIS is a registered investment adviser with the SEC. Registration does not imply a certain level of skill or training.

Pershing LLC (“Pershing”) acts as a qualified custodian for all KIS advisory account assets. You can contact Pershing at the following address:

Pershing LLC
One Pershing Place
Jersey City, New Jersey 07399

Investment products are offered through KIS, member FINRA/SIPC and carried by Pershing, 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 Material Changes

This is the initial Form ADV Part 2A for Key Investment Services LLC's financial planning services.

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Item 4 Advisory Business

Key Investment Services LLC (“KIS”) offers the investment advisory services listed in this brochure. KIS may from time-to-time refine its investment advisory product and service offerings and introduce new products and services 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 and service offerings.

KIS, through its Financial Advisors (“FA”), provides its clients with financial planning services for various purposes, including the following:

- Asset Allocation
- Education
- Retirement
- Other Accumulation Goals (such as a vacation house purchase)
- Life, Annuity and Long-Term Care Protection

KIS offers its financial planning services using one or more computer software programs, including, but not limited to, MoneyGuidePro™. MoneyGuidePro™ is a product of PIEtech, Inc. a subsidiary of Envestnet, Inc. Envestnet, Inc.’s subsidiary, Envestnet Asset Management, Inc. is a money manager for KIS’s advisory program. For further information please see KIS’s Form ADV Part 2A Appendix 1. The client provides personal financial and other relevant information and goals which the computer program uses to generate a customized financial plan for the client. Projections or other information generated through the computer software regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. There can be no assurance that the projected or simulated results will be achieved or sustained.

As part of its financial planning services, KIS may or may not render advice as to the purchase of securities, and may offer life, annuity, or long-term care insurance through its affiliated insurance agency, KeyCorp Insurance Agency USA, Inc. (“KIA”). KIS FAs do not receive referral fees from the products and services selected to implement a financial plan but may receive a portion of any: 1) investment management fees paid to KIS if the financial planning client opens an investment advisory account at KIS and/or 2) commissions for securities or insurance, or other sales charges paid if any of the transactions referenced in the financial plan are carried out by KIS as broker-dealer or KIA as an insurance agency. KIS may receive compensation from unaffiliated entities, such as broker-dealers, investment advisers or insurance agencies, for the referral of clients to them for their products or services. In addition, if a client selects KIS or an affiliate as the entity whose products and services will be used to carry out the financial plan’s recommendations, KIS and/or the affiliate will receive customary commissions and fees associated with their products and services. Whether or not KIS or an affiliate is selected as the provider of products and services, all commissions, advisory or other fees and charges incurred by client are the client’s sole responsibility.

In addition, KIS offers wrap accounts which contain certain model based and other managed portfolios in investment advisory accounts which establish a brokerage account at KIS’s clearing broker, Pershing LLC (“Pershing”). These wrap accounts are more fully described in KIS’s Form ADV Part 2A Appendix 1 which provides information about the KIS wrap fee program. Please

read that document carefully before investing or to find out further information about products you previously purchased.

In addition to the investment programs and options discussed above, KIS also sponsors the Key Digital Portfolio AdvisorSM (“Key Digital Program”) which is an on-line lower cost digital advice program offered to any interested investor. For more information about the Key Digital Program, please review the separate KIS Part 2A Appendix 1 of Form ADV for Key Digital Portfolio AdvisorSM.

As of June 21, 2019, KIS had nondiscretionary client assets of \$2,367,671,030.

Item 5 Fees and Compensation

KIS does not charge a fee to create a financial plan through use of the MoneyGuideProTM software program. KIS may, in its sole discretion, institute a separate fee for any portion or all of such services at any time (subject to applicable state and federal securities laws). A KIS FA may recommend the purchase of various securities, insurance products, certificates of deposit or wrap fee programs based on the results of the financial planning services described above.

If a KIS FA recommends the purchase of a wrap fee or other managed account product, you can find the associated fees and compensation received by KIS in the appropriate Form ADV Part 2A Appendix 1. Wrap fees are normally not reduced by commissions or markups paid by the underlying investment funds or portfolios.

If a KIS FA recommends the purchase of mutual funds, unit investment trusts, fixed, indexed or variable annuities, or certificates of deposit, KIS may purchase these investments on behalf of a client acting in its capacity as a broker-dealer. If KIS acts as a broker or dealer for that transaction, it will receive transaction-based compensation. KIS will receive a commission, placement fee, or other sales charge calculated as a percentage of the purchase price of the asset and will share a portion of such commission received with its FA. In addition, KIS or Pershing may receive additional compensation from certain mutual funds or insurers, including 12b-1 fees, shareholder services, training and education payments, revenue sharing payments, payments for operational services and other fees for services provided. Please review the Form ADV Part 2, prospectus or other offering materials of the particular investment that you are planning to purchase or already hold or ask your FA for details. In addition, for mutual funds, you can go to http://tools.finra.org/fund_analyzer.

KIS brokerage accounts are carried by Pershing. In connection with opening a brokerage account, a client may choose to have uninvested cash in their account swept into the Dreyfus Insured Deposit Program (the “Program”) offered through Pershing. Pursuant to this Program, a client’s excess cash in his/her brokerage account is swept into interest-bearing bank deposit accounts (“Deposit Accounts”) at various depository institutions (“Program Banks”) until Pershing sweeps such cash from the various Program Banks to cover purchases of securities and other debits in the client’s brokerage account. The client receives interest on balances held on deposit at the various Program Banks at rates determined and paid by the respective Program Banks in which a client’s balances are invested. For further information concerning the Program (including the eligibility of deposited funds for FDIC insurance of up to \$250,000 per insurable interest) please read the Dreyfus Insured Deposit Program Disclosure Statement and Terms and Conditions for Single Rate Program which is supplied at account opening or is available on request from a client’s FA.

The FDIC Variable Rate Deposit is an interest-bearing bank deposit account held at KeyBank National Association (“KeyBank”) in the name of Pershing as agent. KeyBank and KIS are owned by the same financial holding company, KeyCorp. The FDIC Variable Rate Deposit is a sweep option for your brokerage account with KIS. You may not write checks or negotiable orders of withdrawal or make deposits or withdrawals directly at KeyBank against this FDIC Variable Rate Deposit account. All activity regarding this deposit account must be conducted through your KIS brokerage account. All deposits to and withdrawals from this account will be made by Pershing. Information regarding this deposit account, including monthly interest paid, will be included on a client’s periodic brokerage account statement. The FDIC Variable Rate Deposit pays interest at a variable interest rate. For further information please read paragraph 23 of the KIS brokerage account agreement. **This product is not available to wrap fee or other managed account products offered through KIS.**

Commissions and fees provide KIS’s primary source of revenue. Receipt of transaction based or fee-based compensation by a KIS FA may present a conflict of interest and give incentive to the FA to recommend products based on amounts they will be paid and not on what is suitable for the client. KIS requires all sales of fee-generating products to be approved by a centralized supervisory unit which it calls its Principal Review Desk. These professionals review all recommended sales to ensure that the sale is suitable for the client. In addition, KIS has written supervisory procedures in place which require any FA to recommend only suitable investments in securities or other financial products.

KIS FAs are required to be licensed to sell securities, insurance and advisory products. Some may have further training or designations by various organizations, but such is not required by KIS.

Item 6 Performance Based Fees and Side by Side Management

Neither KIS nor any of its supervised persons receives performance-based fees.

Item 7 Types of Clients

KIS provides its financial planning services to individuals.

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

KIS uses a computer software program known as MoneyGuidePro™ to assist in the development of financial plans. MoneyGuidePro™ offers various methods of calculating hypothetical results, each of which provides one outcome from a wide range of possible outcomes, in planning for retirement, asset allocation, education, and long-term care and disability needs. Clients should be aware that any computer software program bases its results on certain assumptions concerning a client’s earnings, assumed rates of return on investments, assumed inflation rate and other economic and financial factors. If actual results are different from any of these assumptions, the financial plan’s performance could be materially different from what was forecast. There can be no assurance that the projected or simulated results will be achieved or sustained. Clients should be aware that the potential for loss (or gain) may be greater than demonstrated in the simulation or as presented in the financial plan. Clients should contact their FA if any significant change occurs in their financial situation or objectives because such changes may affect the assumptions used by the computer software programs and cause the plan previously produced to no longer be suitable.

In formulating investment advice given, KIS FAs act as either registered representatives or investment advisory representatives. Accordingly, they will only recommend purchases which are either 1) suitable for the client given their age, investment experience, risk tolerance, tax status and other information provided to KIS (registered representative for mutual funds, unit investment trusts, fixed or variable annuities or certificates of deposit) or in the client's best interests (investment advisory representative for wrap accounts). As with any investment program the client must be prepared to bear the risk of loss of part or all of the principal invested.

Item 9 Disciplinary History

There are no legal or disciplinary events to report that would be material to a client's evaluation of KIS or the integrity of its management other than the following:

On January 27, 2016, KIS entered into a Letter of Acceptance, Waiver and Consent ("AWC") to conclude an investigation by the Financial Industry Regulatory Authority, Inc. ("FINRA"). Without admitting or denying FINRA's findings, KIS consented to a censure, a fine of \$100,000, restitution of \$100,247.02, and to FINRA's findings that KIS, in its broker-dealer operations, failed to identify and apply sales charge discounts to certain clients' eligible purchases of unit investment trusts resulting in clients paying excessive sales charges of approximately \$95,254.34. The AWC included a finding that KIS had already paid restitution to all affected clients in addition to interest of \$4,992.68. The AWC also included a finding that, with respect to price discounts for unit investment trust rollover transactions, KIS failed to establish, maintain and enforce a supervisory system and written supervisory procedures reasonably designed so that clients received rollover discounts on all eligible unit investment trust purchases.

Item 10 Other Financial Activities and Affiliations

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

KIS's principal business is as an introducing broker-dealer registered with the SEC, a member of FINRA, and various state 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.

KIS also is an SEC-registered investment adviser and in such capacity provides advisory services, including the provision of financial planning services as described in this brochure.

KIS FAs may also act as insurance agents for the sale of insurance products and policies that are available through KIA, an affiliated insurance agency. KIS FAs 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 does not recommend that its advisory clients invest in these entities and has no arrangements that are material to its financial planning, broker-dealer or advisory business or its clients with any of these entities, or with their affiliated sponsors with respect to such entities.

KeyBank offers personal and corporate trust services, personal financial services, financial planning, access to mutual funds, cash management services, and international banking services. KeyBank also provides investment management services to clients that include large corporate and public retirement plans, foundations and endowments, high net worth individuals and Taft-Hartley plans. In addition, KeyBank is a registered municipal advisor. KeyBank provides certain investment due diligence and analysis, adviser support, new product, trading, investment operations and other investment related services to KIS. It also provides certain shared services to KIS including real estate services, payroll and other services.

Item 11 Code of Ethics

As discussed below, KIS has in place an Investment Advisory Code of Ethics (“Code”) that provides for KIS and its FAs 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.

The Code contains, among other things, provisions for standards of business conduct 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.

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

KIS’s employees also adhere to KeyCorp’s Code of Ethics. All employees must acknowledge the terms of the KeyCorp Code of Ethics as well.

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

Item 12 Brokerage Practices

KIS’s financial planning service is completed upon delivery of a financial plan to a client. Clients are under no obligation to implement any recommendation made in a financial plan, and if they choose to implement a recommendation, are not obligated to use KIS to implement it. If a client chooses to obtain brokerage services through KIS to implement a financial plan, KIS, in its capacity as an introducing broker-dealer, will provide these services through Pershing, its fully disclosed clearing broker. Pershing has responsibility for ensuring best execution when it acts as broker. For purchases of mutual funds, unit investment trusts, fixed, indexed or variable annuities and certificates of deposit, KIS will act as the broker-dealer or introducing broker through Pershing, its fully disclosed clearing broker. Not all advisers place trades through only one broker. This may

result in KIS not achieving the most favorable execution of your transactions. This could cost you more for the transaction as a result.

KIS does not permit its clients to direct brokerage for wrap accounts or recommended purchases. Further, it does not receive any soft dollar payments or benefits for directing brokerage. KIS does not receive brokerage referrals from any non-affiliated broker-dealer. KIS does allow clients to direct their own brokerage in accounts where it and its FAs make no investment recommendations, and investment decisions are the client's own.

Item 13 Review of Accounts

For Wrap Fee Accounts: A Committee of senior KIS managers reviews KIS's programs on an annual basis to ensure general suitability and that the respective program's investment performance is appropriate. Your KIS FA will review your account annually to ensure that it is still a suitable investment for you.

For Other Recommended Products: KIS FAs may recommend approved securities, insurance and other products. These are purchased as brokerage products and thus the account is not reviewed on any regular basis. KIS does not review accounts on a periodic basis where the client makes their own investment decisions without any recommendation from KIS or its FAs.

Review and updating of any financial plan does not occur periodically. It will occur on client request or when the client advises the FA of a significant change in the client's financial status.

Item 14 Client Referrals or Other Compensation

KIS does not receive any compensation from any third party for providing its investment advice (including compensation from sales contests or other prizes). It does receive commissions, fees or other payments previously described for approved securities, insurance or other products which it recommends.

KIS does not pay referral fees to any third party that is not supervised by it. Certain compensation plans which KIS's affiliate, KeyBank, sponsors are discretionary bonus plans. Revenues from KIS may be one of many factors (most of them not securities related). This revenue might be affected by a referral from a non-supervised banker and thus might affect the payout to that banker.

Item 15 Custody

Wrap fee accounts will have their assets held at Pershing as qualified custodian, which will provide quarterly statements to you. In addition, you may receive performance statements from money managers. Please review these statements carefully.

Other recommended products will have their assets held either directly at the issuer or at Pershing. Either the issuer or Pershing will provide quarterly statements to you. Please review these statements carefully.

Item 16 Investment Discretion

KIS does not exercise investment discretion over a client's account. Wrap fee accounts may, however, include programs with discretionary asset managers who determine the investments to be bought and sold in client accounts, as described in the applicable disclosure document(s) for such programs.

Item 17 Voting Client Securities

KIS does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for all securities maintained in client portfolios. Wrap fee accounts may have their securities voted by either the portfolio manager or discretionary investment advisor. Please see the discretionary investment advisor's respective Form ADV Part 2A for further details.

Item 18 Financial Information

KIS does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance.

KIS has not filed or been the subject of a bankruptcy petition in the last 10 years.

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