

KEYSTONE WEALTH PARTNERS FORM ADV 2A

August 18, 2020

2701 W. Queen Creek Rd., Suite 3
Chandler, AZ 85248

This Brochure provides information about the qualifications and business practices of Keystone Wealth Partners, LLC (collectively herein referred to as “Keystone” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (480) 782-1034 and/or compliance@keystonewealthpartners.com. Currently, our Brochure may be requested free of charge by contacting Keystone Wealth Management at (480) 782-1034 or compliance@keystonewealthpartners.com.

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 Keystone, including a copy of this brochure, is also available on the SEC’s website at: www.adviserinfo.sec.gov. The CRD number for Keystone is 171811.

References herein to Keystone as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.



ITEM 2 – MATERIAL CHANGES

The material changes in this brochure from the last annual updating amendment of Keystone Wealth Partners, LLC, made on March 3, 2020 are described below. Material changes relate to Keystone Wealth Partners, LLC's policies, practices or conflicts of interests.

- The firm updated Item 18 to provide information surrounding the CARES Act.

You may also obtain a copy of this brochure by contacting Christopher L. Payne, Chief Compliance Officer, by phone at 513-399-8091, or by email at compliance@keystonewealthpartners.com.

Additional information about Keystone Wealth Partners, LLC is available via the SEC's website www.adviserinfo.sec.gov.

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ITEM 4 – ADVISORY BUSINESS

About Keystone Wealth Partners

Keystone Wealth Partners, LLC (“Keystone”) is a Limited Liability Company organized in the State of Arizona. The firm was formed in June 2014, and the principal owner is John Thomas Hagensen. As a wealth management firm, we seek to empower investors by providing personalized financial planning and investment management services. Keystone provides wealth management services to individuals, high net worth individuals, and corporations.

Keystone is a registered investment adviser and is therefore held to a fiduciary standard, which requires us to always put our clients’ interests first, and to full disclose any potential conflicts of interest.

Keystone does not act as a custodian of clients’ assets. Assets managed by the firm are held by independent custodians such as E*TRADE Advisor Services, TD Ameritrade, and TIAA-CREF. Keystone places trades for clients under a discretionary agreement that gives Keystone a limited power of attorney.

Financial Planning Services

As a wealth management firm, we work to develop a comprehensive financial plan for many of our clients. Financial planning service can be bundled alongside our discretionary investment management services, but they may also be offered independently. Financial plans and financial planning may include, but are not limited to:

- investment planning;
- life insurance and annuities;
- tax concerns;
- retirement planning;
- college planning; and
- debt/credit planning.

Investment Management

Investment management services are provided to clients primarily with full investment discretion, although in some limited instances, typically legacy situations, we furnish investment advice through consultations or relationships without full investment discretion.

Through a series of meetings, we will sit down with you to discuss your concerns and objectives and walk you through Keystone's investment process and philosophy. We will examine your current financial situation, and then work with you to identify an appropriate investment strategy, considered in the context of your overall financial plan, investment objectives, and risk tolerance. Based upon these conversations, we will create an investment policy statement and select an appropriate asset allocation based upon your unique objectives, goals, and risk tolerance.

All client portfolios are generally invested in a mix of no-load mutual funds, exchange-traded funds, and a small allocation to cash or cash equivalents, although some client accounts may contain inherited positions (non-traded REITs or other securities) until we are able to employ a suitable divesting strategy. All client securities and assets are held at a separate, independent qualified custodian.

We tailor our portfolios for each individual client and provide significant emphasis on behavioral finance issues through investor coaching, which focuses on maintaining discipline within stated objectives and concerns over a standard risk-tolerance appraisal. We provide coaching through a combination of our initial onboarding meetings, periodic meetings, and through seminars which we host periodically. You can impose reasonable restrictions on the management of your account(s), but we ultimately have the discretion to reject restrictions that we consider unreasonable or untenable.

Keystone "Launch" Program

Launch is an automated online platform powered by Keystone Wealth Partners that guides clients through the entire investment management process and provides management services. Clients subscribing to the Launch service authorize Keystone to select investments to implement our proprietary portfolio models. Just like our full-service investment management service, we generally create diversified model portfolios of investments consisting of low-cost exchange traded funds ("ETFs"), mutual funds, and other similar equity-related index funds, stocks, or investment products tailored to your specific needs. You will be asked to complete an online personal risk tolerance assessment questionnaire and provide additional information about your financial goals.

Based on the information provided, the appropriate Keystone model portfolio is selected on your behalf. Information about your portfolio will be available on the online platform, which includes your model's investment style, objectives, and a list of ETFs and other investments with shares that are included in and traded through them. You may also

submit or modify risk preferences, investment objectives, investment size and any other restrictions for their accounts directly through the online platform.

The Launch Program is offered through a sub-advisory relationship with RobustWealth, a SEC-registered investment advisory firm that provides investment advice and portfolio management services through their proprietary platform. Through this relationship, RobustWealth has the discretionary authority to implement Keystone's investment strategies through the placement of trades and the periodically rebalancing of client model portfolios based upon the client's individual needs, stated goals and objectives. Once allocated, RobustWealth provides ongoing monitoring and review as compared to your investment objective and the model created by Keystone.

Assets Under Management as of December 31, 2019	
Discretionary:	\$276,798,382
Non-Discretionary:	0
Total Assets Under Management	\$276,798,382

ITEM 5 – FEES AND COMPENSATION

Clients pay Keystone fees for financial planning, investment management, and investment consulting services. Our general policy is to charge fees in accordance with the standard fee schedule in effect at the time of the charge, however, all fees and account minimums are subject to negotiation. The specific manner in which we charge fees will be described in the client's written investment advisory agreement or fee supplement, but fees are generally assessed in accordance with the following sections. We are not a custodian of client assets or securities; however, we are deemed to have custody of certain assets due to our ability to instruct the custodian to deduct advisory fees on your behalf. Fees in our advisory accounts are generally deducted quarterly and are paid in advance based upon the fair market value of the assets of the account as reasonably determined by Keystone Wealth Partners on the last business day of each quarter. However, in some circumstances we will agree to a different fee methodology (or be required to, depending on the custodian).

Investment Advisory Fees

For our standard managed account program, we charge an annual investment advisory fee for our ongoing investment management services. Client fees are calculated in advance and are applied to the fair market value of the assets of the account as reasonably determined by Keystone Wealth Partners on the last business day of each quarter.

Keystone bases its fees on a percentage of client assets under management, assets under advisement, or may charge flat fees. All fees are negotiable and fees among clients could differ depending on the services provided to them and the complexity of their situations.

Expressed on an annual basis, the standard fee schedule for both discretionary and non-discretionary accounts is as follows:

Investment Advisory Fee Schedule	
Total Assets Under Management	Annual Fee
Up to \$1,000,000	1.50%
Next \$1,000,000 - \$1,999,999	1.00%
If Account is \$2,000,000+	0.95% Flat Fee on All Assets

Although you are under no obligation to do so, this fee schedule generally includes complimentary access to the tax preparation services of Keystone's sister company, Keystone Tax, provided the account maintains billable assets under management of \$250,000 or more with the firm. The minimum for tax preparation services can be negotiated or waived and is ultimately at the discretion of Keystone. Keystone reserves the right to offer the Keystone Tax's services to legacy clients free-of-charge, as well as the right to decline the service to certain clients where the facts-and-circumstances warrant it.

Legacy accounts are charged under different fee schedules, and therefore may be required to complete a separate written agreement with Keystone Tax to receive the same tax services.

Fees Under the Keystone “Launch” Program

In connection with the Keystone “Launch” managed account program, clients will pay a 0.99% on any assets under management. The asset-based fee will be charged quarterly in advance based upon the market value of the Platform Account as of the last business day of the previous calendar quarter.

The Client shall also pay a 0.14% fee to RobustWealth to remain on the Platform. This annual fee will be charged based on the client’s assets under management in the Platform Account calculated on a daily basis and is deducted directly from the client’s account by RobustWealth.

Account Minimums

To participate in Keystone’s Investment Management Program, investors are required to have a household minimum of \$250,000 of investable assets to use Keystone’s ongoing services. The minimum can be negotiated or waived and is at the discretion of Keystone.

We require a minimum first year annual fee of \$3,000 (exclusive of the \$500 Engagement Fee described below). This minimum fee may be satisfied through a combination of advisory fees and financial planning fees. Fees for financial planning services will be described separately in the Financial Planning Agreement. Fees are negotiable and the minimum fee or requirements can be waived at our discretion.

Due to the fee minimums, the fees you will pay may potentially be higher than the stated maximum rate included in the schedule.

There is no minimum to participate in the Keystone Launch Program.

Financial Planning Fees

Financial planning fees are charged on a per-plan (i.e. a flat fee) basis. The amount of the financial planning fee is based upon several factors, including net worth, gross income, complexity of one’s financial affairs, and the time necessary to meet each individual client’s goals and priorities. Certain unforeseen expenses are not included in the financial planning fee and would be billed directly. As a wealth management firm, we consider our financial planning services to be a key extension of the wealth management process, and, at the firm’s discretion, can waive the related financial planning fees and expenses as part of our overall investment management services. Financial planning fees are charged 100% in advance, but never more than six months in advance.

Initial Engagement Fee

As part of our initial engagement, clients will generally be required to pay an on-boarding fee of \$500 at the conclusion of the Retirement Map Review to continue on in the process. This fee is nonrefundable and covers the front-end administrative work necessary to bring you on as a client of the firm. In subsequent appointments, we will begin more thoroughly developing your financial and investment plans to provide comprehensive and dynamic guidance, far beyond what was outlined in the initial Retirement Map Review. The initial engagement fee does not cover creation of a comprehensive financial plan but rather the time and effort that goes into collecting and organizing all the necessary documentation/paperwork necessary during the new client on-boarding and application process.

After signing documents to officially move forward with us we will then provide ongoing financial planning services and act as your investment manager. Once assets have been transferred to our management, the \$500 fee will be donated to charity: water, a non-profit organization bringing clean and safe drinking water to people in developing countries. You will also be required to complete a separate financial planning and/or investment advisory agreement. The donation is at our discretion and may be altered or changed at any time.

We will use the information gathered during the initial engagement to begin reviewing and prioritizing your goals and objectives in a more comprehensive capacity. The review of your current investment portfolio and the development of an asset management strategy, the completion of a retirement planning assessment, including financial projections of assets required at estimated retirement date, and the development of an action plan to implement the agreed upon recommendations. At any point during our relationship, you may disengage from our services without additional penalties or costs beyond what has already been paid.

Selection of Other Investment Advisers

Although we no longer do so for new clients, Keystone has in the past earned fees for soliciting/directing and maintaining clients at one or more third-party investment advisers. This relationship is memorialized in each contract between the client, Keystone and the Third-Party Adviser. Third-Party Advisor fees were disclosed in the respective contracts between the client, Keystone and the Third-Party Adviser. Our advisory fees for the Selection and Monitoring of Third-Party Advisors were not in addition to the fees identified in the third-party adviser's fee disclosure forms. These fees are calculated based upon the market value at quarter end, and due quarterly in advance. Under some circumstances our fees may be lower than the standard rate and

can be negotiated. Accordingly, rates may vary based on a variety of factors. For example, in determining fees, rates, and minimums, we seek to aggregate related accounts and, for billing purposes, treat them like one account.

General Information

Termination of the Advisory Relationship

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice, or as indicated in your Investment Advisory Agreement. Upon termination of an account where fees are paid in advance, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees

All fees paid to Keystone for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or exchange traded funds ("ETFs") in which we invest your assets. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, you could pay an initial or deferred sales charge. Our fees pay for our services in advising you as to the investment of your assets including, among other things, our assistance in deciding which mutual fund or funds may be most appropriate to your financial condition and objectives. The mutual fund fees and expenses, on the other hand, pay for the costs of managing and investing the fund's portfolio of investments. A client could invest in a mutual fund directly, without our services, but the client would not receive the benefit of our services. Clients should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. Clients should also understand that mutual funds offer a variety of share classes, some including fees that are more expensive than others and some with no fees. The fund prospectus will describe these fees in detail.

Additional Fees & Expenses

In addition to the advisory fees we charge, you are also responsible for fees and expenses charged by custodians and imposed by broker/dealers. These additional charges include transaction charges, custodial fees, and commission costs. Please

refer to the “Brokerage Practices” section of this Form ADV (Item 12) for additional information.

Advisory Fees in General

You should be aware that similar advisory services may or may not be available from other registered (or unregistered) investment advisors for similar or lower fees.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of your assets.

ITEM 7 –TYPES OF CLIENTS

Our firm generally provides advisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Corporations or Business Entities

Keystone has a household minimum of \$250,000 of investable assets to use our ongoing investment management services. This minimum may be negotiated and is at the discretion of Keystone.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

Keystone manages client funds utilizing a passive investment management philosophy, which seeks to incorporate the Efficient Market Hypothesis, the Modern Portfolio Theory and the Fama-French Three Factor Model. Below are the academics behind these three philosophies:

The Efficient Market Hypothesis asserts that the financial markets are “informationally efficient.” In consequence of this, one cannot consistently achieve returns in excess of average market returns on a risk-adjusted basis, given the information available at the

time the investment is made. In short, this theory, which is supported by most academic literature, states that market timing and stock picking (i.e. “active” investing do not work.

Modern Portfolio Theory, or MPT, was developed in the 1950s, and several of its creators won a Nobel Memorial Prize for the theory. It attempts to maximize portfolio expected returns for a given amount of risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets. MPT defines risk as the standard deviation of return and models a portfolio as a weighted combination of assets, so the return of a portfolio is the weighted combination of the assets’ returns. By combining different assets that have returns that are not perfectly positively correlated, MPT seeks to reduce the total variance of the portfolio return. MPT also assumes that investors are rational and disciplined, and that markets are efficient.

The Fama-French Three Factor Model, or FTFM, is a model designed to describe stock returns. Eugene Fama and Kenneth French were professors at the University of Chicago Booth School of Business. Contrary to the Capital Asset Pricing Model, the FTFM defines three independent dimensions of equity returns, rather than only one. It is possible to apply these factors to measure the role of each factor in returns. The three factors are:

- The Market Factor — the extra risk of stocks vs. fixed income
 - The Size Effect — the extra risk of small-cap stocks over large-cap stock
 - The Value Effect — the extra risk of high book-to-market over low book-to-market
- stocks methods of analysis include fundamental analysis, quantitative analysis and modern portfolio theory.

Based on the above academic theories, we seek to establish and adhere to an appropriate long-term investment strategy built on goal-focused, long-term financial planning, consisting of low-cost funds, ETFs and disciplined rebalancing.

Our Process, Types of Investments and Risk of Loss

Keystone’s investment process is rigorously focused on the long term. We are intentional about risk reduction and mitigation. Rather than unnecessarily taking inappropriate risks, one of our primary objectives for many of our portfolios is preservation of capital. Then, and only then, based upon your stated objectives, we insert calculated risks as efficiently and prudently as possible to achieve your goals. To deploy risk effectively, we do the following:

- **Start with Goals:** Identify investment objectives; your time horizon; cash flow needs and risk preferences; assess financial resources required; evaluate savings ability and other strategies.
- **Design Efficient Portfolios:** Diversify across asset classes that are academically shown to offer expected risk premiums, in order to efficiently balance market; inflation and longevity risks considering time horizon and cash flow needs; strategically allocate assets and classes so that overall portfolio volatility is lower than the sum of individual components.
- **Identify Appropriate Components:** Identify appropriate funds for each asset class based on both design and total cost.
- **Apply Disciplined and Rigorous Rebalancing:** We systematically “sell high, buy low” by maintaining target asset allocations based upon each client’s risk tolerance and investment objectives.

In determining the client’s long-term investment objectives, we work with our clients to help them understand the inherent risks involved in investing in the capital markets. As with all investment securities, including mutual funds and ETFs, there is a risk of loss of both income and principal. Clients should not assume that future performance of any specific investment or investment strategy, including those recommended by Keystone will be profitable or achieve any specific performance level.

While we seek to manage accounts so that the risks are appropriate to the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. We tailor our portfolios for each individual client and provide significant emphasis on behavioral finance issues through investor coaching, which focuses on maintaining discipline within stated objectives and concerns over a standard risk-tolerance appraisal.

You should always keep in mind that past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

ITEM 9 – DISCIPLINARY INFORMATION

As an investment adviser, we are required to disclose any legal or disciplinary events that are material to a client’s or prospective client’s evaluation of our advisory business or the integrity of our management. Neither Keystone, nor any of its employees have any legal or disciplinary events to disclose.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS AND CONFLICTS OF INTEREST

Financial Industry Affiliations

Neither Keystone nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

Affiliations

Accounting Services. Keystone Wealth Partners does not provide accounting advice or tax preparation services to its clients directly. Keystone has established a relationship with Keystone Tax to provide its clients access to Keystone Tax's accounting advice and/or tax preparation services. John Hagensen, owner of Keystone Wealth Partners, and Aaron Coates, a Keystone IAR, jointly own Keystone Tax. Keystone clients are under no obligation to use Keystone Tax for their tax form preparation and planning needs, however, Keystone clients who sign current Keystone Investment Advisory Agreements generally receive complimentary access to Keystone Tax's services provided they maintain billable assets under management of \$250,000 or more with the firm. The minimum for tax preparation services can be negotiated or waived and is ultimately at the discretion of Keystone. Keystone reserves the right to offer the Keystone Tax's services to legacy clients free-of-charge, as well as the right to decline the service to certain clients where the facts-and-circumstances warrant it.

To the extent that existing clients require accounting advice and/or tax preparation services, Keystone may recommend the services of Keystone Tax, whose services shall be rendered independent of Keystone pursuant to a separate agreement between the client and Keystone Tax. Clients should be aware that there is a service level agreement between Keystone and Keystone Tax, and that the agreement provides Keystone Tax will be compensated for giving access to its tax services to Keystone clients.

Since representatives of Keystone own Keystone Tax, a conflict of interest exists in Keystone recommending the use of Keystone Tax to its clients versus that of other tax services. No client of Keystone is required to use the services of Keystone Tax.

Larry W. Warren, a Keystone investment adviser representative, is the owner of Liberty Tax Service. At times, Mr. Warren may refer clients to Liberty Tax Service. Clients should be aware that Mr. Warren's interest in Liberty Tax Service creates an inherent conflict of interest.

Insurance Products. Many of the financial professionals at our firm are licensed insurance agents. As a wealth management firm, Keystone recommends the use of various insurance products during our financial planning recommendations where we believe it is in your best interest. You should be aware that these services pay a commission or other compensation and present a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Keystone always seeks to act in the best interest of the client; including the sale of commissionable products to advisory clients, and we will disclose the commission prior to the sale. If a financial plan recommends the use of an insurance product, you are in no way required to implement the plan through any representative of Keystone in such individual's capacity as an insurance agent.

Legal Services. Francisco Paul Sirvent is an IAR of Keystone Wealth Partners, and a lawyer and the owner and operator of Keystone Law Firm, a law firm focused on estate planning and probate. Because estate planning is often a key component of financial planning, there is an inherent conflict of interest in Keystone representatives recommending the use of Keystone Law Firm. This conflict will be disclosed at the time of the recommendation, and you are under no obligation to engage Francisco Sirvent or Keystone Law Firm in the event your financial plan's recommendations recommend services that require an attorney.

Francisco Paul Sirvent is also the owner of Barstow 46, LLC, an entity used to manage cash flows for rental properties.

Keystone always seeks to act in the best interest of the client and clients are in no way required to use the services of any representative of Keystone in connection with such individual's activities outside of Keystone.

Recommending Rollovers and Transfers to Keystone

Our firm has an inherent conflict of interest in recommending you rollover or transfer your accounts to an account managed by Keystone since we have an incentive to generate compensation for the firm.

Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

Although we are no longer actively doing so, we still have a small number of clients who were directed to third-party investment advisers to manage all or a portion of their assets. For clients that were previously referred to these advisers (or if we elect to do so again in the future), our firm is compensated via a fee share from the third-party adviser

in exchange for the referral and for maintaining the client relationship. This relationship is memorialized in each contract between each client, Keystone, and the third-party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. These fees create a conflict of interest in that we have an incentive to direct clients to the third-party investment advisers that provide us with a larger fee split. Keystone will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. Keystone Wealth Partners will ensure that all recommended advisers are licensed, or notice filed in the states in which we are recommending them to clients.

ITEM 11 – CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct. Keystone Wealth Partners and each Keystone employee owe a duty of loyalty, fairness, and good faith towards our clients, and have a fiduciary duty to adhere not only to specific provisions of the Code of Ethics, but to the general principles that guide the Code of Ethics. Our firm also maintains and enforces written policies reasonably designed to prevent the Adviser or any person associated with Adviser from misusing material non-public information to comply with Section 204A of the Investment Advisers Act. Neither the Adviser, nor any related person of the Adviser, will recommend, buy, or sell securities within client accounts which the Adviser or a related person of the Adviser has a material financial interest.

You may request a copy of the firm's Code of Ethics by contacting its Chief Compliance Officer, Christopher L. Payne at 513-399-8091.

Personal Trading & Other Conflicts of Interests

To address the potential for conflict of interests, we have adopted a Code that applies to our representatives who have access to non-public information relating to advisory client accounts ("Access Persons"). Access Persons must take the following steps when making personal securities transactions:

- Report initial holdings
- Certify all holdings on a quarterly and annual basis
- Pre-clear certain transactions

The Code prohibits Access Persons from using knowledge about advisory client account transactions to profit personally, directly or indirectly, by trading in his/her personal accounts. In addition, an Access Person who has discretionary authority over client accounts must generally pre-clear his/her trades or obtain prior authorization from the Adviser's Chief Compliance Officer before executing a trade. Unless an enumerated exception exists, the Code also prohibits Access Persons who have discretionary authority over client accounts from executing a security transaction for their personal accounts during a blackout period that can extend from one to seven days before or after the date that a client transaction in that same security is executed.

Other procedures regarding other potential Conflicts of Interest include:

- **Confidentiality**

Our firm prohibits the use of material non-public information. Where we have access to nonpublic information, all employees are reminded that such information may not be used in a personal or professional capacity and is subject to the firm's insider trading policy.

- **Gifts**

Typically gifts of a nominal value may be offered or received. Gifts in excess of a nominal value must be declined or returned. Keystone's Political Contributions Policy, which aims to ensure compliance with SEC Rule 206(4), however, places significant restrictions on the ability of Keystone supervised persons to make political contributions.

- **Outside Business Activities**

Any outside business activity involving a non-affiliated company must be pre-approved.

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients, and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Participation or Interest in Client Transactions

Our firm representatives may engage in securities transactions for their own accounts, including the same or related securities that are recommended to or owned by clients of the Adviser. These transactions may include trading in securities in a manner that differs from, or is inconsistent with, the advice given to clients of the Adviser, and the transactions may occur at or about the same time that such securities are

recommended to or are purchased or sold for client accounts. This creates a potential for a conflict between the interest of the clients and the interests of the Adviser and/or its representatives. We will ensure, however, that such transactions are in compliance with all under the provisions under Section 206(3) of the Advisers Act governing principal transactions to advisory clients. Keystone is prohibited from engaging in agency cross transactions.

ITEM 12 – BROKERAGE PRACTICES

We do not maintain custody of your assets on which we advise, although we are deemed to have custody of your assets where you give us authority to withdraw assets from your account (see Item 15 Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We are independently owned and operated and not affiliated with any qualified custodian. Custodians will hold your assets in a brokerage account and buy and sell securities when instructed. We have allowed multiple custodians to be used as custodian/broker, and for each one, you will ultimately decide whether to open your account by entering into an account agreement directly with them. We may assist in the account opening process, but we do not open the account for you.

We generally recommend that you use the brokerage and custodial services of TD Ameritrade Institutional (“TD Ameritrade”), a Division of TD Ameritrade, Inc., member FINRA/SIPC/NFA or E*TRADE Savings Bank, doing business as “E*TRADE Advisor Services”, member FDIC, as its custodian and broker, (collectively, the “Custodian”) to take and have possession of the assets (including funds and securities) in Client’s account and to execute securities transactions. Both firms are independently owned and operated, and neither is affiliated with our firm. The custodians will hold client assets in a brokerage account and buy and sell securities when instructed. While we recommend that you utilize either TD Ameritrade or E*TRADE Advisor Services as your custodian/broker, the decision whether to do so is ultimately your decision. If you do not wish to place your assets with TD Ameritrade or E*TRADE ADVISOR SERVICES, you may select another custodian, although we may choose to not manage your account.

Keystone also has a signed master agreement with TIAA-CREF which enables Keystone to manage a client’s TIAA-CREF account if the client so authorizes. TIAA-CREF provides Keystone clients access to certain products such as variable annuities and variable universal life insurance, amongst others.

How we select brokers/custodians

We seek to recommend custodians and brokers that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see "Products and services available to us from TD Ameritrade and E*TRADE Advisor Services")

Your brokerage and custody costs

For our clients' accounts that TD Ameritrade and E*TRADE Advisor Services maintain, the custodians generally charge you a separate asset-based fee for custody services. You may also be responsible for commissions or other fees on trades that it executes or that settle into your TD Ameritrade or E*TRADE Advisor Services account. Certain trades (for example, many mutual funds and ETFs) may not incur commissions or transaction fees. The custodians may also be compensated by earning interest on the uninvested cash in your account. Although it is unlikely that we would ever do so, both custodians charge you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we

have the custodian execute most trades for your account. We have determined that having TD Ameritrade and E*TRADE Advisor Services execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians").

Products and Services Available to Us from our Custodians

The custodians we utilize provide the firm's clients and the firm with access to its institutional brokerage-trading, custody, reporting, and related services-many of which are not typically available to retail customers. TD Ameritrade and E*TRADE Advisor Services also makes available various support services. Some of those services help manage or administer clients' accounts; while others help the firm manage and grow our business. Here is a more detailed description of our preferred custodians' support services:

Services that benefit you. The Custodians' brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through each custodian include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by the firm's clients. The custodians' services described in this paragraph generally benefit you and your accounts.

Services that may not directly benefit you. Each of our preferred custodians also makes available to Keystone other products and services that benefit us but may not directly benefit your or your accounts. These products and services assist us in managing and administering your accounts. They include investment research; both the Custodians own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts. In addition to investment research, the custodians also make available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide pricing and other market data;
- Facilitate payment of our fees from our clients' accounts; and
- Assist with back-office functions, recordkeeping, and client reporting.

Services that generally benefit only us. The Custodians also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events;
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support.

The Custodians provides some of these services themselves. In other cases, the custodian will arrange for third-party vendors to provide the services to the firm. Both custodians may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. The Custodians may also provide the firm with other benefits such as occasional business entertainment of our personnel.

Our interest in the Custodians' services

The availability of these services from the Custodians benefits us because we do not have to produce or purchase them. We don't have to pay for the custodian's services. These services are not contingent upon us committing any specific amount of business to the Custodians in trading commissions or assets in custody. This creates an incentive to recommend that you maintain your account with the custodian, based on our interest in receiving the custodians' services that benefit our business and the receipt of services for which we would otherwise have to pay rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of both TD Ameritrade and E*TRADE Advisor Services as custodians and brokers is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of TD Ameritrade and E*TRADE Advisor Services' services (see "How we select brokers/ custodians") and not custodial services that benefit only us.

Research and Other Soft Dollar Benefits

We do not receive or other products or services other execution from a broker-dealer or a third party in connection with client securities transaction ("soft dollar benefits").

Brokerage for Client Referrals

We do not consider, in selecting or recommending broker-dealers, whether we or a related person receives client referrals from such broker-dealer or third party.

Best Execution and Directed Brokerage

As indicated above, we generally recommend the use of TD Ameritrade or E*TRADE Advisor Services as custodian and broker/dealer to you. Keystone has an obligation to seek the best execution for client transactions. Best execution means the most favorable terms for a transaction based on all relevant factors, including, without limitation, quality of execution, services and research provided, commission rates, volume discounts offered, execution capability, reliability, and responsiveness of the broker/dealer. Therefore, we may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third-party research (or any combination) and may be used in servicing any or all our clients. Therefore, research services received may not be used for the account for which the particular transaction was affected.

Although we recommend the use of certain preferred broker/dealers and custodians, you may request that we direct brokerage elsewhere for transaction execution. If you direct brokerage and we accept, you should be aware that we will generally be unable to negotiate commissions or other fees and charges for your account. As a result of your directing trades to a broker-dealer, we would be unable to ensure that your trades receive “best execution”. As such, you may pay more in transaction charges than if you executed trades through our preferred custodians. Therefore, directed brokerage may cost you more money.

Order Aggregation

Transactions for each client account generally will be affected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may bunch such orders to obtain better price execution, to negotiate more favorable commission rates, or to allocate equitably among our client’s differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Keystone shall not receive any additional compensation or remuneration as a result of such aggregation.

ITEM 13 – REVIEW OF ACCOUNTS

Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Keystone's Portfolio Manager monitors client portfolios daily using portfolio accounting software to monitor account allocations. By request or on at least an annual basis, we also conduct reviews of clients' accounts. Reviews are performed by examining each client's stated investment objectives and guidelines, as outlined in their account agreements or investment policy statements. More frequent reviews may be triggered by material changes in such factors as the client's individual circumstances (marriage/divorce, job change, children, etc.), or increased/decreased risk due to external factors, such as market volatility resulting in asset allocations deviating significantly from target.

In addition to the statements and confirmations of transactions that clients receive from their custodian(s), we generally provide reports summarizing account performance, balances, and holdings on a quarterly basis depending on the client's preference. Clients can also access their accounts online directly through the custodian or through our website.

Financial Planning

Financial planning reviews may occur at different stages depending on the nature and the terms of each client's specific financial planning engagement. With respect to financial plans, Keystone's services will generally conclude upon delivery of the financial plan. Should a financial planning client engage Keystone to implement their recommended plan, the client will receive continued and ongoing guidance as a part of our investment management services according to the fee structure previously disclosed.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

As a matter of firm practice, we do not pay referral fees to affiliated or independent persons or firms ("Solicitors") for introducing certain clients to us.

We do receive an economic benefit from E*TRADE Advisor Services and TD Ameritrade in the form of the support products and services it makes available to the firm and other independent investment advisors that have their clients maintain accounts at their firms. These products and services, how they benefit the firm, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

The availability of the custodians' products and services to the firm is not based on our giving particular investment advice, such as buying particular securities for our clients.

ITEM 15 – CUSTODY

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct your custodian to deduct advisory fees directly from your account.

Your custodian will maintain actual custody of client assets. You will receive account statements directly from the custodian at least quarterly. They will be sent to the email or postal mailing addresses you provided to the custodian in your account application or subsequent change of address forms. You should carefully review those statements promptly when they receive them. We also strongly urge you to compare the account statements that you receive from the custodian with the periodic portfolio reports that you receive from us.

ITEM 16 – INVESTMENT DISCRETION

As part of our investment management services, we typically receive discretionary authority from you at the outset of our advisory relationship. Granting us discretionary authority permits us to make investment decisions and place trades in your account without first consulting you. Our discretionary authority gives us the ability to do the following without first contacting you:

- Determine the security to buy or sell
- Determine the amount of the security to buy or sell
- Exchange or convert securities, including money market instruments
- Determine the timing of securities transactions
- Select a broker to effect securities transactions
- Determine the terms of transaction, including commission amounts (if any)

We are granted discretionary authority when you sign a discretionary agreement with our firm. You will have the ability limit the authority through restrictions, written instructions, or based on your new account paperwork or investment policy statements. You can change or amend limitations at any time by providing us with written instructions or revising your initial account paperwork.

Using model portfolios, we frequently seek to manage portfolios with similar instructions or guidelines in the same way. In some instance, accounts with restrictive guidelines (for example, avoiding certain asset classes or types of securities) will be unable to

participate in aggregated orders and can be disadvantaged by the market impact of trading for other accounts.

If you do not grant us discretionary authority over your accounts, we are limited to make periodic recommendations to you regarding which securities to be purchased or sold and the size of the transactions. Although we can effect transaction(s) on your behalf, you will ultimately be responsible for implementation of those recommendations and the timing of the transaction.

ITEM 17 – VOTING CLIENT SECURITIES

As a matter of firm policy and practice, we do not have any authority to, and does not vote proxies on behalf of, advisory clients. You will retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. We may provide advice to clients regarding the clients' voting of proxies.

ITEM 18 – FINANCIAL INFORMATION

Keystone has not been the subject of a bankruptcy petition. We have no additional financial circumstances to report and we are not currently subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

Recently, Keystone elected to participate in the Paycheck Participation Program ("PPP") offered under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The firm's participation in the program was related to the ongoing economic uncertainty surrounding the COVID-19 pandemic and its potential negative impact on the capital markets. We expect the funds will be used to support the payroll of employees who perform advisory functions as well as those employees who support the firm's advisory services, e.g. employees who assist in opening new accounts, transfers, customer service, operations, and marketing.

We do not solicit fees of more than \$1,200 per client, six months or more in advance of services rendered under any circumstances and we are therefore not required to include a financial statement with this brochure.

If you have any questions about this disclosure brochure, Keystone's Chief Compliance Officer, Christopher Payne, remains available to address your questions. You may contact him at 513-399-8091 or cpayne@keybridgecompliance.com.