

# KeyBank EB MaGIC<sup>®</sup> Fund Product Description

December 2020

## KeyBank EB Managed Guaranteed Investment Contract Fund

A Collective Investment Fund for Employee Benefit Trusts and Plans

## KEYBANK EB MAGIC® FUND PRODUCT DESCRIPTION AND DISCLOSURES 2020

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THE KEYBANK EB MaGIC® FUND IS MAINTAINED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED AND THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED FOR INTERESTS IN A COLLECTIVE INVESTMENT FUND MAINTAINED BY A BANK FOR EMPLOYEE BENEFIT TRUSTS AND PLANS. NOTHING IN THIS PRODUCT DESCRIPTION SHALL BE DEEMED TO MAKE SUCH EXEMPTIONS INAPPLICABLE. NO PUBLIC MARKET WILL DEVELOP FOR THE UNITS OF PARTICIPATION OF THE EB MaGIC® FUND. THE UNITS OF PARTICIPATION ARE NOT TRANSFERABLE OR REDEEMABLE EXCEPT UPON SATISFACTION OF CERTAIN CONDITIONS AND SUBJECT TO THE RESTRICTIONS DESCRIBED UNDER “PURCHASE AND REDEMPTION OF UNITS”.

THE UNITS OF PARTICIPATION IN THE KEYBANK EB MaGIC® FUND HAVE NOT BEEN REGISTERED WITH OR APPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS ANY SUCH COMMISSION OR REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRODUCT DESCRIPTION.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS PRODUCT DESCRIPTION AS INVESTMENT, TAX, OR LEGAL ADVICE. THIS PRODUCT DESCRIPTION, AS WELL AS THE NATURE OF THE INVESTMENT, SHOULD BE REVIEWED BY EACH PROSPECTIVE INVESTOR AND ITS INVESTMENT, TAX OR OTHER ADVISORS, OR ITS ACCOUNTANTS OR LEGAL COUNSEL.

EXCEPT FOR CERTAIN PERSONS IDENTIFIED IN THIS PRODUCT DESCRIPTION, NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PRODUCT DESCRIPTION, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON.

THIS PRODUCT DESCRIPTION CONTAINS SUMMARIES, BELIEVED TO BE ACCURATE, OF CERTAIN TERMS OF CERTAIN DOCUMENTS RELATING TO THE KEYBANK EB MaGIC® FUND, INCLUDING THE DECLARATION OF TRUST. REFERENCE IS HEREBY MADE TO THE ACTUAL DOCUMENTS, WHICH WILL BE FURNISHED TO PROSPECTIVE INVESTORS UPON THEIR REQUEST. FOR COMPLETE INFORMATION CONCERNING THE RIGHTS AND OBLIGATIONS OF THE PARTIES THERETO, ALL SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY THIS REFERENCE. THE ACTUAL DOCUMENTS SHOULD ALSO BE REVIEWED BY EACH PROSPECTIVE INVESTOR AND ITS INVESTMENT, TAX OR OTHER ADVISORS, OR ITS ACCOUNTANTS OR LEGAL COUNSEL.

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## GENERAL INFORMATION

The KeyBank EB MaGIC<sup>®</sup> Fund (“the Fund”) is a collective investment fund established by KeyBank National Association (“KeyBank”). The Fund governing instrument is the 2005 Amendment and Restatement of KeyBank EB Managed Guaranteed Investment Contract Fund (as subsequently amended, the “Declaration of Trust”).

The KeyBank EB MaGIC<sup>®</sup> Fund is designed for investment by employee benefit trusts and plans, and, subject to KeyBank’s prior approval, for financial institutions and registered investment advisors acting as trustee, investment manager, custodian, or agent for one or more employee benefit trusts and plans, as a convenient means of participating in a professionally managed, diversified portfolio consisting of a diversified group of high-quality securities which may include Traditional GICs, Synthetic GICs, BICs, and Cash or Cash Equivalents, as more fully described in the Declaration of Trust. The KeyBank EB MaGIC<sup>®</sup> Fund has been in existence since 1987 and is used by many defined contribution (and historically, defined benefit) retirement plans. The Fund is made available for purchase primarily through KeyBank, as well as multiple defined contribution investment platform sponsors.

The KeyBank EB MaGIC<sup>®</sup> Fund is designed to be a Stable Value fund, geared towards principal preservation. The fund is comprised of multiple contracts issued by an insurance company or other financial services provider. The issuer provides book value benefit responsiveness to plan participants and protects the participants from market volatility. The Fund looks to deliver returns comparable to an intermediate duration bond fund with volatility similar to a money market fund.

The information contained in this Product Description and Disclosure statement, including the description of the Fund’s investment policies set forth in the section entitled “Investment Information,” is subject to change from time to time and is qualified in its entirety by reference to the terms and provisions of the Declaration of Trust.

# KEYBANK EB MAGIC<sup>®</sup> FUND OVERVIEW

The KeyBank EB MaGIC<sup>®</sup> Fund has a long standing history as one of the first Stable Value pooled funds; the Fund has a twenty plus year history dating back to 1987.

The KeyBank EB MaGIC<sup>®</sup> Fund is team managed employing a mix of investment professionals from KeyBank N.A and Mellon Investment Corporation.

KeyBank will have exclusive authority and control with respect to assets of the KeyBank EB MaGIC<sup>®</sup> Fund and will make all final investment decisions for the Fund. The Mellon Investment Corporation Stable Value Team is a non-discretionary investment advisor involved in the KeyBank EB MaGIC<sup>®</sup> Fund management since its inception. The Mellon Stable Value team brings historical strengths, experience and pioneering work in the management of Stable Value investment strategies spanning over half a century. The advisor receives a fee for its services which is paid out of the Fund.

KeyBank National Association will charge the participating plans investing in the KeyBank EB MaGIC<sup>®</sup> Fund an investment management fee for investing in the Fund in accordance with the KeyBank fee schedule in effect; the fee schedule may be amended by KeyBank and is subject to change from time to time.

The reasonable and proper expenses which KeyBank incurs in the administration of the KeyBank EB MaGIC<sup>®</sup> Fund, including without limitation audit fees and fees for custodians and record keepers, and any other expenses incurred by KeyBank in connection with the operation of the Fund, including, without limitation, the fees of the sub-advisors, may be paid out of the assets of the Fund, as permitted by applicable law.

You may enter into compensation arrangements with certain persons or entities (including, without limitation, a plan's service provider which makes the KeyBank EB MaGIC<sup>®</sup> Fund available for selection as a plan investment option) for payment out of Fund assets for recordkeeping and other administrative services rendered to a plan in connection with its investment in the Fund.

The KeyBank EB MaGIC<sup>®</sup> Fund is audited annually by an independent certified public accounting firm and the audited annual financial statement will be available within 120 days of the end of the fiscal year.

UNITS IN THE KEYBANK EB MAGIC<sup>®</sup> FUND ARE NOT DEPOSITS OR OBLIGATIONS OF OR GUARANTEED OR ENDORSED BY KEYBANK OR ANY OTHER BANK, CREDIT UNION OR INSURANCE COMPANY AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD, OR ANY OTHER AGENCY AND THERE CAN BE NO ASSURANCE THAT THE VALUE OF UNITS IN THE KEYBANK EB MAGIC<sup>®</sup> FUND WILL NOT FLUCTUATE.

## INVESTMENT INFORMATION

The investment objective of the KeyBank EB MaGIC<sup>®</sup> Fund and a description of the types of investments made by the Fund are set forth in the Declaration of Trust. The Fund may invest in a diversified portfolio of traditional guaranteed investment contracts (“GICs”), synthetic GICs, bank investment contracts (“BICs”), separate account GICs, repurchase agreements, other collective investment trusts whether or not maintained by KeyBank or its affiliates, cash and cash equivalents, including money market instruments, and other investments having the characteristics of a guaranteed return of principal and fixed rate of interest.

A traditional or synthetic GIC is a contract issued by an insurance company or other financial services provider that generally guarantees a stated rate of return on invested assets for the life of the contract and the return of principal at maturity. A GIC is a general obligation of the issuing company and not a separate account; the purchase price paid for a GIC becomes part of the general assets of the issuer and the contract is paid at maturity from the general assets of the issuer. Thus, the credit risk and ability of the insurance company or other issuer to make timely payment of principal is particularly important. The Fund risks possible loss of principal if the issuer is unable to pay on or before maturity.

BICs are instruments which operate in much the same manner and are subject to similar risks as GICs.

Synthetic GICs are contracts that are intended to minimize volatility, backed by high-quality debt securities or units of collective trusts including government, mortgage-backed, asset-backed and corporate securities which seek, at a cost, to provide an investor with certain protections from the credit risk associated with a traditional GIC instrument. Synthetic GICs may be subject to other types of risks including cash flow and interest rate risk.

A portion of the KeyBank EB MaGIC<sup>®</sup> Fund may be invested in units of one or more collective investment funds maintained by KeyBank or any of its direct or indirect parents, subsidiaries, or affiliates, or to the extent permitted by applicable law, an entity unaffiliated with KeyBank. Such an investment may include units invested in one or more money market mutual funds, fixed income fund that may or may not be held as part of a synthetic GIC arrangement. The fees for participating in a collective investment trust maintained by an unaffiliated entity may be paid out of the assets of the Fund.

The KeyBank EB MaGIC<sup>®</sup> Fund will only purchase GICs from issuers which, at the time of contract placement, are rated on the Stable Value Issuer Universe, comprised of creditworthy insurance companies and commercial banks that are approved for purchase of GICs and synthetic GICs in this KeyBank EB MaGIC<sup>®</sup> Fund by the Trustee.

A list of the investments including the issuers of the GICs and similar instruments which have been selected by KeyBank for inclusion in the KeyBank EB MaGIC<sup>®</sup> Fund may be obtained by contacting KeyBank.

As a general rule, GICs, BICs and similar instruments are not assignable or transferable without the permission of the issuer. For this reason, an active secondary market in GICs, BICs and similar instruments does not currently exist, nor is an active secondary market expected to develop. In addition, GICs and BICs can generally be redeemed before maturity only at a substantial discount or penalty. As a result, GICs, BICs and similar instruments are usually considered to be illiquid investments. Accordingly, the Declaration of Trust sets forth certain restrictions and conditions that may apply to withdrawals from the KeyBank EB MaGIC<sup>®</sup> Fund; these restrictions and conditions are discussed in the section entitled “Purchase & Redemption of Units.”

Since the income earned on the KeyBank EB MaGIC® Fund portfolio at any given date will reflect the rate borne by investments purchased over several years, the yield of the Fund may vary from current market rates of interest. In periods when market rates decline, the yield of the Fund will usually exceed the market yield of comparable investments. Such a yield could cause increased investments in the Fund, which, if invested at then current market yields, would reduce the fund yield to employee benefit trusts already participating in the Fund. In periods when market rates are increasing, the yield of the Fund may be less than the market yield of comparable investments which could result in a decrease in new investments in the Fund, thereby limiting the Fund's ability to invest at then current market yields. Of course, as the Fund investments mature they will be reinvested at current market yields.

THE VALUE OF THE KEYBANK EB MaGIC® FUND PORTFOLIO OR AN INVESTMENT IN THE FUND IS NOT INSURED OR GUARANTEED BY THE U.S. GOVERNMENT OR ANYONE ELSE AND THERE CAN BE NO ASSURANCE THAT THE VALUE OF UNITS IN THE FUND WILL NOT FLUCTUATE OR THAT AN INVESTMENT IN THE FUND WILL NOT RESULT IN A LOSS OF PRINCIPAL.

# INVESTMENT POLICY

The KeyBank EB MaGIC<sup>®</sup> Fund primary objectives are to seek a reasonable level of income together with stability of principal.

The KeyBank EB MaGIC<sup>®</sup> Fund seeks to preserve invested principal and earned interest, earn a stable fixed income return and provide liquidity for participant directed disbursements at book value by its use of wrap providers and multiple fixed income managers to diversify the portfolio and lessen possible concentrations to any single issuer or sector.

The KeyBank EB MaGIC<sup>®</sup> Fund will be invested and reinvested primarily in a diversified portfolio of fixed income instruments which may include traditional guaranteed investment contracts (obligations of creditworthy life insurance companies), synthetic GICs (high-quality debt securities which may include mortgage-backed, commercial mortgage-backed, asset-backed and corporate securities held by the Fund within contracts that are intended to minimize market volatility), bank investment contracts (“BICs”), separate account GICs, repurchase agreements other collective investment trusts whether or not maintained by KeyBank or its affiliates, cash and cash equivalents, including money market instruments, and other investments having the characteristics of a guaranteed return of principal and fixed rate of interest.

All investment contracts purchased for the Fund will be benefit responsive.

A portion of the Fund may be invested in units of one or more collective investment funds maintained by KeyBank or any of its direct or indirect parents, subsidiaries, or affiliates, or to the extent permitted by applicable law, an entity unaffiliated with KeyBank. Such an investment may include units invested in one or more money market mutual funds, fixed income fund that may or may not be held as part of a synthetic GIC arrangement.

No investment contract in which the KeyBank EB MaGIC<sup>®</sup> Fund invests will have a duration of more than six years from the date of issuance. The Fund will operate with a weighted average duration selected by KeyBank N.A., in its capacity as Trustee of the Fund (the “Trustee”) and may from time to time amend or restate, but such weighted average duration generally will average between 1.5 and 3.5 years.

The Fund will only purchase GICs from issuers which, at the time of contract placement, are rated on the Stable Value Issuer Universe, comprised of creditworthy insurance companies and commercial banks that are approved for purchase of GICs and synthetic GICs in this Fund by the Trustee.

The Fund will be diversified, will not concentrate in securities of issuers of a particular industry or group of industries, and will not participate in securities lending directly, but may invest a portion of its assets in underlying collective investment funds that engage in securities lending.

## **ANNUAL REPORT**

The fiscal year end is December 31 and the audited financial report is available within 120 days but generally in line with March 31 publication) following the close of the fiscal year.

## **VALUATION OF UNITS**

The assets of the KeyBank EB MaGIC<sup>®</sup> Fund shall be valued as provided in the Declaration of Trust. At the inception of the Fund, the value of each unit thereof shall be fixed by the Trustee. As of each Valuation Date after the inception of the Fund, the Trustee shall determine the unit value of the Fund by dividing the value thereof by the number of units of the Fund then outstanding on such valuation date.

## **DISPOSITION OF INCOME**

The income of the KeyBank EB MaGIC<sup>®</sup> Fund shall be reinvested in the Fund.

## INVESTING IN THE KEYBANK EB MAGIC<sup>®</sup> FUND

The KeyBank EB MaGIC<sup>®</sup> Fund is a collective investment fund for employee benefit trusts and plans and it is exempt from Federal income taxation and from registration with the Securities and Exchange Commission and with state securities administrators. In order to preserve these exemptions, the Fund will only accept investments from employee benefit trusts which have been determined to be and continue to be, on an ongoing basis, qualified for tax exemption under Sections 401 and 501 of the Code or from a financial institution or registered investment advisor which is acting as trustee, custodian, or agent for such a trust. At this time the EB MaGIC<sup>®</sup> Fund does not allow investment by Defined Benefit funds and cannot accept investment from 403b or 457b plans. Any plan which loses its exempt status may be involuntarily withdrawn from the KeyBank EB MaGIC<sup>®</sup> Fund.

In order for an employee benefit plan or trust to invest in the KeyBank EB MaGIC<sup>®</sup> Fund, KeyBank must be a fiduciary with respect to the assets of that plan which are to be invested in the Fund. Generally, that means that KeyBank must be appointed as the trustee or investment manager over the assets before the plan will be permitted to invest in the Fund. Appropriate documents to effect that appointment may be obtained from KeyBank or through the plan's service provider which makes the KeyBank EB MaGIC<sup>®</sup> Fund available for selection by the plan sponsor as an investment option under the plan. KeyBank reserves the right to review, approve and/or reject any plan document, trust agreement and IRS determination letter for eligibility to invest in the Fund. Subject to the withdrawal restrictions set forth in the Declaration of Trust and described below, all admissions to and withdrawals from the KeyBank EB MaGIC<sup>®</sup> Fund will be processed in accordance with the rules of the National Securities Clearing Corporation's Fund/SERV system.

In order to ensure that all participating trusts and plans are properly qualified, the KeyBank EB MaGIC<sup>®</sup> Fund will accept additions only from plan sponsors, trusts or financial institutions which have filed a properly completed Agreement with KeyBank. As part of the Agreement, the plan sponsor, trust or financial institution must represent and warrant: (i) that all additions to the KeyBank EB MaGIC<sup>®</sup> Fund are made by or on behalf of qualified employee benefit trusts or plans; (ii) that the trusts or plans have adopted appropriate provisions authorizing investment in the KeyBank EB MaGIC<sup>®</sup> Fund; and (iii) that the trusts or plans have adopted the KeyBank EB MaGIC<sup>®</sup> Fund governing instrument as part of such trusts or plans. If KeyBank is not satisfied that these warranties are accurate, KeyBank may cause a particular employee benefit trust or plan to experience a non-regular withdrawal.

To establish an account in the KeyBank EB MaGIC<sup>®</sup> Fund, a financial institution or plan sponsor should obtain an Agreement from KeyBank. After the Agreement has been completed, submitted to KeyBank and approved by KeyBank, KeyBank will notify the financial institution or plan sponsor that an account has been established on its behalf or on behalf of its trust or plan by KeyBank.

## PURCHASE AND REDEMPTION OF UNITS

Participants in the KeyBank EB MaGIC<sup>®</sup> Fund are limited to Defined Contribution Plans only.

Once an account has been established on behalf of a financial institution or trust or plan, additions may be made to the KeyBank EB MaGIC<sup>®</sup> Fund by notifying KeyBank or its designated agent in writing. If KeyBank or its designated agent receives notice of an addition to the Fund by 4:00 p.m. Eastern Time on a day on which KeyBank is open for business, such addition will be processed on such day subject to the financial institution's or trust's or plan's commitment to make payment therefore on the next business day. Funds in payment for an addition to the KeyBank EB MaGIC<sup>®</sup> Fund must be received by KeyBank or its designated agent by 4:00 p.m. Eastern Time on the business day following the business day on which such addition is processed.

Income distributed from the KeyBank EB MaGIC<sup>®</sup> Fund is applied to the purchase of additional units in the Fund. Units of participation in the Fund shall not be taken into account in determining a participating trust's proportionate interest in the Fund's income until the business day following the business day as of which such units were issued. Units of participation withdrawn from the Fund shall be taken into account in determining a participating trust's proportionate interest in the Fund's income on the business day as of which such withdrawal is processed. A written statement indicating account activity will be provided to each plan, trust or financial institution by KeyBank.

Employee-directed transfers and withdrawals from the KeyBank EB MaGIC<sup>®</sup> Fund generally will be made at book value, as determined pursuant to the Declaration of Trust subject to administrative considerations and issuer compliance with the terms of any investment contract purchased for the Fund.

Employer-directed transfers and withdrawals may be made subject to the provisions of the Declaration of Trust, including any notice requirements. However, KeyBank may, in its sole discretion, defer such withdrawals over such period of time, generally not to exceed twelve (12) months (subject to administrative considerations and issuer compliance with the terms of any investment contract purchased for the Fund), as KeyBank may determine is necessary for a fair and orderly liquidation of all or a portion of the assets comprising the KeyBank EB MaGIC<sup>®</sup> Fund, or may, if a particular trust or plan consents in writing, effect the withdrawal but reduce the value of the units being withdrawn by the adjustment in value of investment contracts held by the Fund created by the withdrawal.

Withdrawals may be made from the KeyBank EB MaGIC<sup>®</sup> Fund by notifying KeyBank or its designated agent in writing.

Withdrawal requests may be required to be guaranteed by, (1) A trust company or commercial bank that is a member of the FDIC; or (2) A member firm of the New York, American, Boston, Midwest, or Pacific Stock Exchange. KeyBank will not accept signatures guaranteed by a savings bank, savings and loan association, or notary public.

If KeyBank or its designated agent receives notice of a withdrawal from the KeyBank EB MaGIC<sup>®</sup> Fund by 4:00 p.m. Eastern time on a day on which KeyBank is open for business, such withdrawal will be processed on such day provided that, subject to restrictions on withdrawals described in the Declaration of Trust and in this document, payment therefore shall not be made by KeyBank until the next business day.

KeyBank may also affect any withdrawals from the KeyBank EB MaGIC<sup>®</sup> Fund that are necessary to preserve the tax exemption or the integrity of the Fund. Such withdrawals will be processed on the first valuation day that is more than fifteen (15) days after the date that KeyBank becomes aware of such situation. Such withdrawals are referred to as non-regular withdrawals.

## RESTRICTIONS

Notwithstanding anything in this Product Description to the contrary, the Declaration of Trust of the KeyBank EB MaGIC® Fund contains the following withdrawal restrictions:

(1) withdrawals for participant benefit payment transactions in accordance with the provisions of a plan (including, without limitation, benefit distributions or elections by participants to change investments or to obtain a loan from such plan, will be processed as soon as administratively practicable, subject to available liquidity of the KeyBank EB MaGIC® Fund and

(2) all other withdrawals of assets may be delayed for up to twelve (12) months in the sole discretion of the trustee of the KeyBank EB MaGIC® Fund.

Effective November 1, 2014, KeyBank amended the KeyBank EB Managed Guaranteed Investment Contract Fund to require that plans investing in the Fund subsequent to October 31, 2014 contain certain restrictions applicable to transfers from the fund to a competing investment. Refer to the Trust Second Amendment to the 2005 Amendment and Restatement of KeyBank EB Managed Guaranteed Investment Contract Fund.

The competing fund restriction is meant to safeguard the health of the Fund; designed to reduce disruptive cash flows over the long term.

Effective with respect to any Employee Benefit Trust that becomes a Participating Trust on or after November 1, 2014, such Employee Benefit Trust provides in its trust instrument that any person who has a beneficial interest in the Employee Benefit Trust is prohibited from transferring from the Fund to a “competing investment” without first investing in a “non-competing investment” for a period of at least three (3) months. For purposes of the preceding sentence, a “competing investment” means an investment alternative consisting solely of money market instruments or an investment alternative that has a primary investment strategy of investing solely in debt instruments whose average remaining maturity generally is not in excess of three and on-half years, and self-directed brokerage accounts. A “non-competing investment” means an investment that does not constitute a competing investment.

## TRADING ABUSES

The Declaration of Trust specifically authorized the Trustee of the KeyBank EB MaGIC® Fund, in its discretion, to take such actions as it shall reasonably determine to prevent practices relating to the purchase and redemption of units in the Fund, which may be harmful to the Fund and the holders of units of the Fund, such as, but not limited to, market timing, short-term trading, excessive trading and failure to comply with or otherwise attempting to circumvent the provisions of the KeyBank EB MaGIC® Fund. Such actions may include, but are not limited to, delaying or declining to process a request for admission to or withdrawal from the Fund.

## UNITS, FEES, AND EXPENSE VENUES

The KeyBank EB MaGIC<sup>®</sup> Fund has been established with a suite of fee basis administration venues or synthetic net asset value (“SNAV”). Each fee basis administration venue (“SNAV”) of the Fund will be charged such fees and expenses as are permitted by the Declaration of Trust and as are described below. The Trustee may pay a portion of the fee to a service provider of the participating plan for services rendered to the participating plan. Subject to acceptance of investments by the Trustee, each plan sponsor must determine which fee administration venue (“SNAV”) its plan will purchase based on the plan sponsor’s evaluation of the fee charged, the services provided to the plan and the amount of the fee to be paid by the Trustee to the plan’s service provider. The Trustee may, in its discretion, and with prior notice to the plan sponsor from time to time, add, delete, amend or otherwise modify a fee basis administration venue of the Fund, and will only be obligated to notify the current unit holders in the affected fee basis administration venue (“SNAV”).

In order to ensure that all participating trusts and plans are properly qualified, the KeyBank EB MaGIC<sup>®</sup> Fund will accept additions only from plan sponsors, trusts or financial institutions which have filed a properly completed Agreement with KeyBank.

External audit fees may be charged directly to the KeyBank EB MaGIC<sup>®</sup> Fund. Please refer to the KeyBank EB MaGIC<sup>®</sup> Fund audited financial statement for additional information about the Fund. The Fund expense ratio includes the actual outside audit expenses charged to the Fund during the fiscal year.

The fee schedule may be amended from time to time by the Trustee upon prior notice to participants.

The book value wrap and product fees associated with the book value contracts will be paid out of the assets of the KeyBank EB MaGIC<sup>®</sup> Fund.

If any additional services are requested by a participating plan which is outside of standard fund accounting, reporting and custodial services, the Trustee may notify the plan sponsor that additional expenses may be incurred. If the expense is deemed necessary and proper by both parties, the expense shall be paid by the appropriate party.

## MANAGEMENT

KeyBank, N.A. is the Trustee of the KeyBank EB MaGIC® Fund. The Trustee has appointed Mellon Investment Corporation as a non-discretionary investment advisor to present it with recommendations as to appropriate investments for the Fund. KeyBank N.A. retains final investment authority over the portfolio.

## ADDITIONAL INFORMATION

Additional information is available at:

[www.Key.com/MaGIC](http://www.Key.com/MaGIC)

Or via email:

[KeyBankEBMaGICFund@KeyBank.com](mailto:KeyBankEBMaGICFund@KeyBank.com)

Address of KeyBank:

KeyBank National Association  
KeyBank EB MaGIC® Fund  
100 Public Square OH-01-10-0921  
Cleveland, OH 44113-1306

## SUMMARY OF PRINCIPAL RISKS

The KeyBank EB MaGIC<sup>®</sup> Fund is a collective fund and is not a registered mutual fund. Units of participation in the Fund are not deposits or obligations of, or guaranteed or endorsed by, KeyBank or any other bank, credit union or insurance company, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency and there can be no assurance that the value of the units in the Fund will not fluctuate. The Fund investment return and principal value of an investment will fluctuate so that an investor's units when redeemed may be worth more or less than the original investment.

The KeyBank EB MaGIC<sup>®</sup> Fund performance data represents past performance and is not a guarantee of future results. The Fund does not promise or guarantee that its performance will achieve a participant's objective or retirement needs. Fund portfolio statistics and asset allocations may change over time. Investors should consult their financial adviser to determine investment risk and tolerance, and evaluate if the KeyBank EB MaGIC<sup>®</sup> Fund is suitable for their retirement needs.

## TYPES OF INVESTMENT RISK

Contingent on the Fund investment allocations, the KeyBank EB MaGIC<sup>®</sup> Fund is exposed to varying degrees of the following principal investment risks, each of which may adversely affect the Fund unit value, its performance and the ability to achieve its investment objective.

**Asset-backed securities risk:** General downturns in the economy could cause the value of asset-backed securities to fall. In addition, asset-backed securities present certain risks that are not presented by mortgage-backed securities. Primarily, these securities may provide the Fund with a less effective security interest in the related collateral than do mortgage-backed securities. Therefore, there is the possibility that recoveries on the underlying collateral may not, in some cases, be available to support payments on these securities.

**Call risk:** Some bonds give the issuer the option to call, or redeem, the bonds before their maturity date. If an issuer "calls" its bond during a time of declining interest rates, the Fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. During periods of market illiquidity or rising interest rates, prices of "callable" issues are subject to increased price fluctuation.

**Counterparty risk:** The risk that counterparties in a repurchase agreement could fail to honor the terms of its agreement.

**Credit risk:** Failure of an issuer to make timely interest or principal payments, or a decline or perception of a decline in the credit quality of a security, can cause the security's price to fall, potentially lowering the value of your investment. Although the Fund invests only in high quality debt securities, any of the Fund's holdings could have a credit rating downgraded or could default. The credit quality of the securities held by the Fund can change rapidly in certain market environments, and the default of a single holding could have the potential to cause significant deterioration of the value of your investment.

**GICs:** Guaranteed Investment Contracts (“GICs”) are general obligations of the issuing company and may or may not be backed by insurance or a guaranty provided by a third party. If the issuer defaults, remedies generally available to creditors should be available to the Fund, however, applicable insurance and bank regulations may affect remedies available to holders of GICs. In addition, if bankruptcy or insolvency proceedings are commenced with respect to the issuer, realization on a GIC may be delayed or limited. Synthetic GICs seek to provide certain protections from the credit risk associated with a traditional GIC instrument; however, synthetic GICs may be subject to other types of risks, including cash flow risk and interest rate risk. Variable Rate GICs have interest rates that fluctuate at designated intervals based on a designated index.

As a general rule, GICs and similar instruments are not assignable or transferable without the permission of the issuing insurance companies. For this reason, an active secondary market in GICs and similar instruments does not currently exist nor is an active secondary market expected to develop. In addition, GICs can generally be redeemed before maturity only at a substantial discount or penalty. As a result, GICs and similar instruments are usually considered to be illiquid investments. Accordingly, the Fund’s governing instrument sets forth certain restrictions and conditions that may apply to withdrawals from the Fund.

**Government securities risk:** Not all obligations of the U.S. government, its agencies and instrumentalities are backed by the full faith and credit of the U.S. Treasury. Some obligations are backed only by the credit of the issuing agency or instrumentality, and in some cases there may be some risk of default by the issuer. Any guarantee by the U.S. government or its agencies or instrumentalities of a security held by the Fund does not apply to the market value of such security. A security backed by the U.S. Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. In addition, because many types of U.S. government securities trade actively outside the United States, their prices may rise and fall as changes in global economic conditions affect the demand for these securities.

**Indexing strategy risk:** The Fund uses an indexing strategy for a portion of its assets by investing in underlying collective investment funds that seek to track the investments or performance of an index. It does not attempt to manage market volatility, use defensive strategies or reduce the effects of any long-term periods of poor index performance. The correlation between Fund and index performance may be affected by the Fund’s expenses and use of sampling techniques, changes in securities markets, changes in the composition of the index and the timing of purchases and sales.

**Interest rate risk:** Prices of bonds, including mortgage-related and other debt securities, tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect bond prices and, accordingly, the value of your account. The longer the effective maturity and duration of the Fund’s portfolio, the more the value of your investment is likely to react to interest rates.

Mortgage-related securities may have different interest rate sensitivity than other bonds because of prepayments and other factors. Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) and Government National Mortgage Association (Ginnie Mae) mortgage backed securities carry additional risks and may be more volatile than other types of debt securities due to unexpected changes in interest rates. The longer the effective maturity and duration of the Fund’s portfolio, the more the value of your investment is likely to react to interest rates.

**Issuer risk:** The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer’s products or services.

**Liquidity risk:** When there is little or no active trading market for specific types of securities, it can become more difficult to sell the securities at or near their perceived value. In such a market, the value of such securities and the value of your investment may fall dramatically, even during periods of declining interest rates. Liquidity risk also exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

**Market and credit risk:** Government National Mortgage Association (Ginnie Mae) and other securities backed by the full faith and credit of the United States are guaranteed only as to the timely payment of interest and principal when held to maturity. The market prices for such securities are not guaranteed and will fluctuate. Privately issued mortgage-related securities also are subject to credit risks associated with the underlying mortgage properties. These securities may be more volatile and less liquid than more traditional, government backed debt securities.

**Market risk:** The market value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. A security's market value also may decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

**Prepayment and extension risk:** When interest rates fall, the principal on mortgage-backed and certain asset-backed securities may be prepaid. The loss of higher yielding underlying mortgages and the reinvestment of proceeds at lower interest rates can reduce the Fund's potential price gain in response to falling interest rates and reduce the value of your investment. When interest rates rise, the effective duration of the Fund's mortgage-related and other asset-backed securities may lengthen due to a drop in prepayments of the underlying mortgages or other assets. This is known as extension risk and would increase the Fund's sensitivity to rising interest rates and its potential for price declines.

**U.S. Treasury securities risk:** A security backed by the U.S. Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity, but the market prices for such securities are not guaranteed and will fluctuate. Because U.S. Treasury securities trade actively outside the United States, their prices may rise and fall as changes in global economic conditions affect the demand for these securities.

**Additional Risks:** As a bank-maintained collective investment fund, the Fund and its units are not registered under federal and state securities laws in reliance upon applicable exemptions. Because the Fund is not a mutual fund, it is governed by different regulations, restrictions and disclosure requirements.

The Fund is intended to be a long-term investment vehicle rather than a means of speculating on short-term market movements that may be disruptive to the management of the Fund. Accordingly, the Trustee, KeyBank N.A. reserves the right to suspend the offering or redemption of Fund units or postpone payment dates for a period of time. In addition, the ability to purchase and redeem Fund units as well as the timing of such purchases, redemptions and payments on redemptions may be affected by early market closings or other market trading restrictions, or as otherwise permitted by an appropriate regulatory agency.

Fees and expenses are only one of several factors that participants and beneficiaries should consider when making investment decisions. The cumulative effect of fees and expenses can substantially reduce the growth of a participant's retirement account; participants can visit the Department of Labor's Employee Benefit Security Administration's Web site at [www.dol.gov/ebsa](http://www.dol.gov/ebsa) for an example demonstrating the long-term effect of fees and expenses.

# INVESTMENT PERFORMANCE

THE INVESTMENT RETURN AND PRINCIPAL VALUE OF AN INVESTMENT WILL FLUCTUATE SO THAT AN INVESTOR'S UNITS OF THE FUND, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.

KeyBank EB MaGIC® Fund								
Performance Report								
Total Book Value (MM):	\$721.6							
December 31, 2020	Month	3 Month (Rolling)	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception <sup>1</sup>
	Trailing Period Returns (Annualized)							
<b>EB MaGIC® Fund CTF <sup>2</sup></b>	0.15	0.45	2.01	2.01	2.15	2.01	2.00	4.88
Investment in the common trust fund represents performance net of operating and gross of investment management expense.								
<b>Fee Administration Venues:</b>								
EB MaGIC 20 <sup>4</sup>	0.14	0.40	1.81	1.81	1.94	1.81	1.79	4.67
EB MaGIC 40	0.12	0.35	1.61	1.61	1.74	1.61	1.59	4.46
EB MaGIC 50	0.11	0.32	1.50	1.50	1.64	1.50	1.49	4.36
EB MaGIC 75	0.09	0.26	1.25	1.25	1.38	1.25	1.24	4.10
EB MaGIC 95	0.07	0.21	1.05	1.05	1.18	1.05	1.04	3.89
Investment in a fee administration venue represents performance net of operating and investment management expense. <sup>5</sup>								
<b>ICE BofAML US 3-Month Tsy Bill <sup>3</sup></b>	0.01	0.03	0.67	0.67	1.61	1.20	0.64	3.16

1 Inception of the Fund is January 1, 1988. The Fee Administration venues inception is the Fund inception; performance from inception may include synthetic returns due to the variance in initial funding of a SNAV. Synthetic return methodology: Collective Trust Funds with fees calculated at the NAV level, but not funded, will have a NAV of \$10.00 until funded by an investor. The methodology for calculating performance results on a synthetic fund utilize the fee variation of the fund on an annual basis and divide the monthly fee that is subtracted from the primary Collective Trust Fund's performance results.

2 The source of the performance of the EB MaGIC Fund comes directly from KeyBank, N.A. Performance of the Fund is gross of investment management expense and net of fund administrative expense. Fee administration venues of the Fund will reflect net of fund administrative and investment management expense performance. Returns over one year are annualized; the data presented represents past performance and is not an indication of future results. The performance is unaudited.

3 The ICE BofA Merrill Lynch US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date. While the index will often hold the Treasury Bill issued at the most recent 3-month auction, it is also possible for a seasoned 6-month Bill to be selected.

4 Available by request; mapping minimum investment is \$10 million.

5 The fee administration venues of the KeyBank EB MaGIC Fund reflect the product fee variation which reflects the annual investment management fee taken at the account level and the Fund administrative operating expense. Performance example: On a \$10 million portfolio charged an investment management fee of 0.65% of managed assets, employing a buy and hold strategy and earning a 10% gross-of-fee annualized rate of return over a five market value of \$16,105,000 before fees and \$15,588,455 after fees at the end of five years. This will result in a cumulative gross of fee return over five years of 61.05% [10% annualized] and a cumulative net of fee return.

**FEE ADMINISTRATION VENUE:** PERFORMANCE OF A FEE ADMINISTRATION VENUE MAY REFLECT A BLEND OF ACTUAL NET OF FEE AND SYNTHETIC RETURNS; SINCE INCEPTION PERFORMANCE MAY BE A BLEND OF GROSS OF FEES RETURNS FOR THE FUND LESS THE BASIS POINT FEE FOR THE PERIOD SINCE INCEPTION OR DATE OF FIRST FUNDING AND THE ACTUAL NET OF FEES PERFORMANCE OF THE FUND.

THE INCEPTION DATA OF THE FUND MAY NOT BE REFLECTIVE OF THE INCEPTION DATE, OR DATE OF FIRST FUNDING FOR THE INITIAL SNAV OF A FEE ADMINISTRATION VENUE. PERFORMANCE PRESENTED WHICH PREDATES THE INCEPTION OF THE SNAV MAY REFLECT A BLENDING OF THE NET OF FEES RETURNS AND THE SYNTHETIC NET OF FEES RETURNS WHICH ARE CALCULATED BY TAKING THE GROSS OF FEES RETURNS FOR THE FUND LESS THE BASIS POINT FEE FOR THE PERIOD PERTINENT TO THE DIFFERENCE FROM INCEPTION OF THE FUND AND THE INCEPTION OF THE FEE ADMINISTRATION VENUE.

**PERFORMANCE:** THE PERFORMANCE QUOTED REPRESENTS PAST PERFORMANCE AND IS NOT A GUARANTEE OF FUTURE RESULTS. THE INVESTMENT RETURN AND PRINCIPAL VALUE OF AN INVESTMENT WILL FLUCTUATE SO THAT AN INVESTOR'S SHARES, WHEN REDEEMED, MAY BE WORTH MORE OF LESS THAN THE ORIGINAL COST. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA QUOTED.

# FUND EXPENSE

## KeyBank EB MaGIC® Fund

December 31, 2020		Total Expense Ratio	Investment Management Expense	Operating Expense Detail						Turnover Ratio
				Audit	Advisory	Expense Recapture	Underlying Asset	GIC Wrap	Contract Administration / Investment Management	
Basis Points (bps)										
KeyBank EB MaGIC Fund CTF	49327E201	22.6	----	0.3	3.0	1.2	0.2	15.5	2.5	129.6%
<b>Fee Administration Venues</b>		<i>Investment in (SNAV) fee administration venue reflects the reduction of operating and investment management expense.</i>								
EB MAGIC (20)	49327E409	42.6	20	0.3	3.1	1.5	0.4	19.2	2.5	----
EB MAGIC (40)	49327E680	62.6	40	0.3	3.1	1.5	0.4	19.2	2.5	----
EB MAGIC (50)	49327E102	72.6	50	0.3	3.1	1.5	0.4	19.2	2.5	----
EB MAGIC (75)	49327E300	97.6	75	0.3	3.1	1.5	0.4	19.2	2.5	----
EB MAGIC (95)	49327E508	117.6	95	0.3	3.1	1.5	0.4	19.2	2.5	----

Total Expense Ratio: KeyBank National Association will charge the Fund's maintained under the KeyBank EB Managed Guaranteed Investment Contract Fund ("EB MaGIC Fund") the reasonable expenses incurred in the administration of the CTFs, including striking a daily net asset value, financial report preparation, printing and distribution, audit, wrap, advisory, valuation of asset, adhering to trading abuse policies of the CTFs (and the additional necessary systems, support and hardware, associated therewith). The fees will be allocated against the income of the CTFs and, if the income should prove to be insufficient, against the principal of the CTFs.

The overall Fund expense will be disclosed in the annual reports of the Funds. The Fund Total Operating Expense Ratio is the amount of expenses deducted from the Fund's assets that are the amounts shown as expenses in the Fund's statement of operations and does not include shareholder type fees that would be charged directly against a participant's account (i.e. fees not included or embedded in the Product's operating expenses). Non-Platform direct investment accounts may be charged an overall investment management fee not specific to the EB MaGIC Fund investment; may not include expense related to custody, trust and/or recordkeeping services which may be obtained from the Plan Recordkeeper or Trustee.

**AUDIT** - EXPENSE REFERS TO THE ANNUAL FINANCIAL AUDIT OF THE FUND.

**FUND SUB ADVISORY** - EXPENSE REFERS TO SUB ADVISORY INVESTMENT MANAGEMENT. NOT EMBEDDED IN INVESTMENT CONTRACT YIELD/CREDITING RATE.

**EXPENSE RECAPTURE** - REFERS TO THE REASONABLE EXPENSES INCURRED IN THE ADMINISTRATION OF THE COMMON TRUST FUND, INCLUDING STRIKING A DAILY NET ASSET VALUE, FINANCIAL REPORT PREPARATION, PRINTING AND DISTRIBUTION, VALUATION OF ASSET, ADHERING TO TRADING ABUSE POLICIES OF THE CTFs (AND THE ADDITIONAL NECESSARY SYSTEMS, SUPPORT AND HARDWARE, ASSOCIATED THEREWITH).

**UNDERLYING ASSET** - EXPENSE REFERS TO UNDERLYING INVESTMENT IN KEYBANK EB SHORT TERM INVESTMENT FUND AND MAY INCLUDE EXPENSE ASSOCIATED WITH THE MAGIC FUND INVESTMENT IN AN INVESTMENT FUND.

**GIC WRAP** - EXPENSE ASSOCIATED WITH THE ISSUANCE OF STABLE VALUE SYNTHETIC WRAP CONTRACTS; MAY INCLUDE ADMINISTRATIVE, ASSET MANAGEMENT, CUSTODY, ETC. THE WRAP EXPENSE REFLECTS A ONE QUARTER LAG (4TH QUARTER PRIOR YEAR AND 1ST - 3RD QUARTER CURRENT YEAR). EXPENSE IS EMBEDDED IN INVESTMENT CONTRACT YIELD (CREDITING RATE).

**CONTRACT INVESTMENT MANAGEMENT AND ADMINISTRATION** - EXPENSE ASSOCIATED WITH INVESTMENT MANAGEMENT OF UNDERLYING ASSETS BY A 3RD PARTY. EXPENSE IS EMBEDDED IN INVESTMENT CONTRACT YIELD / CREDITING RATE.

**TURNOVER RATIO** - REFERS TO PERCENTAGE OF THE FUND UNDERLYING PORTFOLIO HOLDINGS THAT HAVE BEEN REPLACED IN A GIVEN YEAR (12-MONTH PERIOD REPRESENTS THE FUND'S FISCAL YEAR).

\* THE TOTAL EXPENSE RATIO REFERS TO EXPENSE COMPRISED OF FUND OPERATING AND PARTICIPATING PLAN INVESTMENT MANAGEMENT EXPENSE. THE FUND IS NET OF OPERATING EXPENSE WHICH INCLUDES INVESTMENT MANAGEMENT AND/OR SUB ADVISORY EXPENSE OF THE FUND; THE FEE ADMINISTRATION VENUES ARE ALSO NET OF PARTICIPATING PLAN INVESTMENT MANAGEMENT EXPENSE ATTRIBUTABLE TO INVESTMENT IN THE KEYBANK EB MAGIC FUND; DOES NOT INCLUDE EXPENSE BORN DIRECTLY BY THE PARTICIPATING PLAN SUCH AS BUT NOT LIMITED TO RECORD KEEPING. THE FEE ADMINISTRATION VENUES MAY INCLUDE REVENUE SHARE AS PART OF THE FEE ADMINISTRATION TOTAL EXPENSE RATIO.

DIRECT INVESTMENT IN THE KEYBANK EB MAGIC FUND IS AVAILABLE VIA 49327E201; INVESTMENT MANAGEMENT EXPENSE IS CHARGED AT THE ACCOUNT LEVEL.

All data is as of the plan year ending December 31, 2020 unless otherwise noted.

The data presented in this document is not intended as investment advice and is not a recommendation to buy or sell any specific security or investment. Units in the Fund(s) are not Bank Deposits and are not insured by the Federal Deposit Insurance Corporation.

The content of this document is provided in good faith and believed to be accurate; however, there are no explicit or implicit warranties of accuracy; the content is unaudited. Investors should obtain individual financial advice based on their own circumstances before making an investment decision on the basis of information contained in this document.

