

# Bullseye Investment Management, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Bullseye Investment Management, LLC. If you have any questions about the contents of this brochure, please contact us at 513-774-3325 or by email at: [info@bullseyeinv.com](mailto:info@bullseyeinv.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Bullseye Investment Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Bullseye Investment Management, LLC's CRD number is: 145158*

Bullseye Investment Management, LLC  
[www.bullseyeinv.com](http://www.bullseyeinv.com)

**Main office address:**

4100 Executive Park  
Dr., Suite 210  
Cincinnati, OH 45241  
513-774-3325 Main  
Office  
937-377-1234 -  
Adams/Brown  
Counties  
[info@bullseyeinv.com](mailto:info@bullseyeinv.com)  
1-800-401-3513 (eFax)

**Ashland, KY Office:**

1505 Carter Ave., Suite  
300  
Ashland, KY 41101  
606-939-1196

**Bardstown, KY Office:**

Spalding Hall  
114 N. Fifth St., Room 4  
Bardstown, KY 40004  
270-832-7474

**Canton, Ohio Office:**

1201 30th Street, NW,  
Suite 206-B  
Canton, OH 44709  
330-515-1186

**Centerville, Ohio**

**Office:**

93 West Franklin, Suite  
101  
Centerville, OH 45459  
937-779-2001

**Columbus, Ohio**

**Office:**

2029 Riverside Dr.,  
Suite 105  
Columbus, OH 43221  
614-653-1833

**Evansville, IN Office:**

100 N Main St., Suite  
104  
Evansville, IN 47711  
812-470-6035

**Florence, KY Office:**

7430 U.S. Hwy 42, Suite  
117  
Florence, KY 41042  
859-982-4801

**Hurricane, WV Office:**

101 Carriage Way,  
Suite 202  
Hurricane, WV 25526  
304-533-6240

**Lexington, KY Office**

343 Waller Ave., Suite  
307  
Lexington, KY 40504  
859-982-4801

**Louisville, KY Office:**

9913 Shelbyville Rd.  
Suite 201-C  
Louisville, KY 40223  
502-919-4317

**Jasper, IN Office:**

402 E 13th Street  
Jasper, IN 47546  
812-470-6035

**Maumee, OH Office:**

1446 Reynolds Rd.,  
Suite 312  
Maumee, OH 43537  
419-309-5251

## **Item 2: Material Changes**

Bullseye Investment Management, LLC is required to make clients aware of information that has changed since the last annual update to the Firm Brochure (“Brochure”) and that may be important to them. Clients can then determine whether to review the brochure in its entirety or to contact us with questions about the changes.

We urge you to carefully review any notice of material amendments to this Disclosure Brochure in the future as it will contain important information that may pertain to, among other things, changes to our advisory services, fee structures, business practices, conflicts of interest, or disciplinary history. There have been no material changes in this brochure since the last annual filing.

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

## Item 3: Table of Contents

Item 2: Material Changes .....	ii
Item 3: Table of Contents .....	iii
Item 4: Advisory Business .....	6
A. Description of the Advisory Firm .....	6
B. Types of Advisory Services.....	6
1. Investment Management Services.....	6
Services Limited to Specific Types of Investments .....	6
Written Acknowledgement of Fiduciary Status .....	6
C. Client Tailored Services and Client Imposed Restrictions .....	7
D. Wrap Fee Programs .....	7
E. Amounts Under Management.....	7
Item 5: Fees and Compensation.....	7
A. Fee Schedule.....	7
Investment Supervisory Services Fees .....	7
Minimum Annual Fee.....	8
Technology Fee .....	8
B. Payment of Fees.....	8
Payment of Investment Supervisory Fees .....	8
C. Clients Are Responsible For Third Party Fees .....	8
D. Prepayment of Fees .....	9
E. Outside Compensation For the Sale of Securities to Clients .....	9
Item 6: Performance-Based Fees and Side-By-Side Management .....	9
Item 7: Types of Clients.....	9
Minimum Account Size.....	9
Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss .....	9
A. Methods of Analysis and Investment Strategies.....	9
Global macro analysis .....	9
Cyclical analysis .....	9
Fundamental analysis .....	10

B. Material Risks Involved.....	10
C. Risks of Specific Securities Utilized .....	12
Item 9: Disciplinary Information .....	12
Item 10: Other Financial Industry Activities and Affiliations .....	12
A. Registration as a Broker/Dealer or Broker/Dealer Representative.....	12
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor .....	13
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests	13
D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections .....	13
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	13
A. Code of Ethics .....	13
B. Recommendations Involving Material Financial Interests.....	13
C. Investing Personal Money in the Same Securities as Clients.....	13
D. Trading Securities At/Around the Same Time as Clients' Securities .....	14
Item 12: Brokerage Practices .....	14
A. Factors Used to Select Custodians and/or Broker/Dealers .....	14
1. Research and Other Soft-Dollar Benefits.....	14
Schwab Adviser Services Disclosures – Choice of Custodian & Benefits .....	14
2. Brokerage for Client Referrals .....	16
3. Clients Directing Which Broker/Dealer/Custodian to Use .....	16
B. Aggregating (Block) Trading for Multiple Client Accounts .....	17
Item 13: Reviews of Accounts.....	17
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews .....	17
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts .....	17
C. Content and Frequency of Regular Reports Provided to Clients.....	17
Item 14: Client Referrals and Other Compensation.....	17
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes).....	17
B. Compensation to Non – Advisory Personnel for Client Referrals .....	17
Item 15: Custody.....	17

Item 16: Investment Discretion.....	18
Item 17: Voting Client Securities (Proxy Voting) .....	18
Item 18: Financial Information .....	18
A. Balance Sheet .....	18
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients.....	18
C. Bankruptcy Petitions in Previous Ten Years .....	18

## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

This firm has been in business since September 2007, and the founder, majority owner, CEO, and Chief Investment Officer is Timothy R. Guthrie. There are three additional representatives serving clients in Ohio, Kentucky, and Indiana.

### **B. Types of Advisory Services**

Bullseye Investment Management, LLC (hereinafter “BIM”) offers the following services to advisory clients:

#### ***1. Investment Management Services***

BIM provides an on-going, active, discretionary and non-discretionary investment management service. Based on the client’s current investment goals, time horizon, and risk tolerance levels, we will construct a custom investment plan that we refer to as the Investment Policy Statement (IPS). This IPS is then used to aid in the selection of a portfolio that matches each client’s specific situation. Investment Supervisory Services include, but are not limited to:

- Initial evaluation of existing holdings
- Initial trading/purchasing for the portfolio to match the IPS
- On-going monitoring of the portfolio
- Routine rebalancing of the portfolio as needed

BIM also provides discretionary management of held away retirement accounts which include, but are not limited to 401(k)’s, 403(b)’s, variable annuities, and health savings accounts (HSA’s).

#### ***Services Limited to Specific Types of Investments***

BIM generally limits its investment management to mutual funds, equities, bonds, fixed income, debt securities, ETFs (including buffered ETFs and other related products), publicly traded REITs, Closed End funds, UITs and government securities. BIM may use other securities as well to help diversify a portfolio when applicable. BIM does not use insurance products, non-traded securities, and/or private securities. We only use investments that can be sold any day that the markets are open.

#### ***Written Acknowledgement of Fiduciary Status***

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule’s provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### **C. Client Tailored Services and Client Imposed Restrictions**

BIM offers the same suite of services to all its clients. However, specific client investment plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax rates, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent BIM from properly servicing the client account, or if the restrictions would require BIM to deviate from its standard suite of services, BIM reserves the right to end the relationship.

### **D. Wrap Fee Programs**

BIM does not participate in any wrap fee programs.

### **E. Amounts Under Management**

BIM has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$ 181,905,480	\$ 0.00	12/31/2023

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

#### ***Investment Supervisory Services Fees***

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$1 - \$50,000	2.00%

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$50,001 - \$100,000	1.75%
\$100,001 – \$250,000	1.60%
\$250,001 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
\$1,000,001 - \$2,000,000	1.10%
\$2,000,001 - \$3,000,000	1.00%
\$3,000,001 - \$5,000,000	0.90%
\$5,000,001+	negotiated

These fees are negotiable, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Management fees will be paid monthly in advance, deducted from client brokerage accounts, at 1/12<sup>th</sup> the annual rate. Accounts with annual management fees of less than \$500 may be charged annually at the discretion of the advisor. Client account fees may adjust (increase) if client adds assets to the account (computed on a pro-rated basis). Clients may terminate their contracts with thirty days' written notice. Refunds are given on a prorated basis. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

The fees for discretionary management of held away retirement accounts are charged based on the fee schedule above.

### ***Minimum Annual Fee***

The minimum fee for any account is \$150 per year plus the technology fee described below.

### ***Technology Fee***

A \$4.00 per month fee will be charged per account to cover shared technology costs. For accounts that are billed annually, the \$48 is assessed at the same time as the annual fee.

## **B. Payment of Fees**

### ***Payment of Investment Supervisory Fees***

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Client fees are paid monthly in advance.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by BIM.



Currently our investment custodian does not charge a fee for most stock and ETF transactions. Please see Item 12 of this brochure regarding broker/custodian.

#### **D. Prepayment of Fees**

BIM collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period if given a 10-day notice. Fees will be returned within thirty days to the client via check.

#### **E. Outside Compensation For the Sale of Securities to Clients**

Neither BIM nor its supervised persons accept any compensation for the sale or use of securities or other investment products, including asset-based sales charges or service fees for using any financial product. This is because doing so would create a conflict of interest and limit investment choices.

### **Item 6: Performance-Based Fees and Side-By-Side Management**

BIM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **Item 7: Types of Clients**

BIM generally provides investment advice and/or management supervisory services to the following Types of Clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Corporations or Business Entities
- ❖ Retirement Plans
- ❖ Nonprofit organizations

#### ***Minimum Account Size***

There is no account minimum level of assets.

### **Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss**

#### **A. Methods of Analysis and Investment Strategies**

BIM's methods of analysis include global macro, cyclical, and fundamental analysis.

**Global macro analysis** involves the determination of the largest long-term growth opportunities around the world.

**Cyclical analysis** involved the analysis of business cycles to find favorable conditions for buying and/or selling a security or favorable sectors.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear. Investments in securities can appreciate and depreciate, and no warranty or guarantee is offered or implied.**

## **B. Material Risks Involved**

A risk is using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### ***Investment Strategies***

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Typically, we employ this strategy when:

- We believe the securities to be currently undervalued, and/or
- We want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Risks in a short-term purchase strategy could include increased brokerage costs (depending on your account type) which would diminish gains or increase losses, and increased taxes from realized short term capital gains. Another risk is selling high performing securities to capture some gains but missing out on the additional appreciation of a consistently performing asset had we used a long-term strategy.

### **Risk of Loss**

Securities investments are not guaranteed, and clients may lose money on their investments, including their principal. Past performance is no guarantee of future results. We ask that clients work with us to help us understand their tolerance for risk. Depending on the type of securities selected, some additional risk factors (below) could become relevant and should be discussed with the Advisory Associate.

### **Additional Risk Factors**

**Market risk:** Risk that can't be mitigated through diversification because an event of great magnitude (such as recession, political turmoil, natural disaster, terrorist attack) has occurred that impacts the markets systemically.

**Inflation Risk:** Risk that an investor may lose some of their purchasing power if the investment does not outpace inflation. This can be an issue for “safe-haven” instruments like money market funds or treasury bills.

**Equity Risk:** Risk that shares of stock, which have no guaranteed returns, could decline in value based on low demand, business challenges or broader economic factors. Also, if a company becomes insolvent for whatever reason, common stockholders have a low priority claim on remaining assets after secured credit holders, subordinated bondholders and preferred stockholders.

**Liquidity Risk:** Risk of loss from inability to liquidate shares promptly at a desirable price. Some investments, such as interval funds, have limited quarterly liquidity windows, while other investments might be in low demand. Alternative investments, such as non-traded REITs, are often entirely illiquid for 5 years or more until a single liquidity event occurs.

**Interest Rate Risk:** Risk that interest rates could rise, making a currently held bond with a lower interest rate less valuable to a prospective buyer because higher rates are readily available.

**Longevity Risk:** Risk that an investor, especially a retiree, will outlive their investment income.

Currency Risk: Risk that an overseas investment will fluctuate as a result of the exchange rate between the US dollar and the currency of the country where the asset is held.

Time Horizon Risk: Risk that an investor may face an unexpected change to their planned time horizon, such as a disability, job loss, divorce, etc.

Default Risk: Risk that a bond issuer will become insolvent and default on their obligation to make interest payments to debtholders/investors.

## **C. Risks of Specific Securities Utilized**

BIM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

Mutual funds and Exchange Traded Funds (ETFs) are recommended to most clients. Mutual fund and ETF asset values are based on the securities the fund owns. Mutual funds and ETFs can own stocks, bonds or other securities that have risk of loss. These funds have all the risks of owning a portfolio of stocks, primarily, that the entire market, or any holdings could lose value.

BIM also often recommends fixed income mutual funds and ETFs. Fixed income mutual funds and ETFs have interest rate risk, credit risk and other risks that owning a portfolio of fixed income securities would entail. Fixed income mutual funds and ETFs can lose value, and clients can suffer losses in fixed income mutual funds under a variety of circumstances.

ETFs, Closed-end funds, and UITs have the same market risk factors as mutual funds, with possible additional risks related to pricing during the trading day. Reasonable efforts will be made to minimize pricing risks for these securities.

Individual securities have the risks associated with their asset class and additional risks related to non-diversification. This would include individual stocks, bonds, and other securities such as preferred stocks or warrants.

Some mutual funds, ETFs, Closed End Funds, and UITs employ leverage (borrowed funds) in an attempt to increase growth or income. These products likely have more risk than similar products that do not use leverage and may have higher expenses.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear. Investments in securities can appreciate and depreciate, and no warranty or guarantee is offered or implied.**

## **Item 9: Disciplinary Information**

The firm does not have any reportable disciplinary actions against itself or any related person.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither BIM nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither BIM nor its representatives are registered as a FCM, CPO, or CTA.

## **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither BIM nor its representatives hold other registration relationships. They receive no revenue from any other source other than client investment management fees. Neither BIM nor its representatives are aware of any other conflicts of interest, and if they become aware of any conflict of interest, they will communicate this in both required filings and to clients.

## **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

BIM does not utilize nor select other advisors or third-party managers.

# **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

## **A. Code of Ethics**

BIM has established a written Code of Ethics to comply with the requirements of Section 204(A)-1 of the Investment Advisors Act of 1940 that reflects fiduciary obligations and those of its supervised persons and requires compliance with federal securities laws. BIM's Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors, and investment advisor representatives are classified as supervised persons. BIM requires supervised persons to consistently act in their client's best interests in all advisory activities. BIM imposes certain requirements on its supervised persons to ensure that they meet our fiduciary responsibilities to their clients. The standard of conduct required is higher than ordinarily required and encountered in commercial business. A copy of our Code of Ethics is available upon request.

## **B. Recommendations Involving Material Financial Interests**

BIM does not recommend that clients buy or sell any security in which a related person to BIM has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of BIM may buy or sell securities for themselves that they also recommend to clients. BIM will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold if the volume of the security traded by BIM or its representatives represents a significant percentage of the securities' daily trading volume or could reasonably be estimated to affect the price a client receives.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of BIM may buy or sell securities for themselves at or around the same time as clients. BIM will not trade non-mutual fund or non-ETF securities before trading the same security for clients, if the volume of the security traded by BIM could reasonably be estimated to affect the price a client receives.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Your Custodian was chosen based on their transaction fees, access to investment markets and client facing services offered. BIM will never charge a premium or commission on transactions, beyond the actual cost imposed by our Custodian.

#### ***1. Research and Other Soft-Dollar Benefits***

BIM does not have any soft-dollar arrangements and does not receive any soft-dollar benefits for directing trades to brokers. We do not request or accept the discretionary authority to determine the broker dealer/Custodian to be used or the commission rates to be paid by client accounts. Clients must direct BIM as to the broker-dealer/custodian to be used in connection with our advisory services. Clients should be aware that best execution and lower commissions may not necessarily be achieved if recommended transactions are placed through BIM, which could result in higher costs for the client.

### **Schwab Adviser Services Disclosures – Choice of Custodian & Benefits**

#### **Brokerage and Custody Costs**

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (e.g., mutual funds or ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. For some accounts, Schwab charges you a percentage of the dollar amount of assets in the account in lieu of commissions. In addition to commissions and asset-based fees, Schwab would charge you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that, if applicable, a TPAM executes for our clients at a different broker- dealer, but where securities bought or the funds from securities sold are deposited (settled) into your Schwab account. These fees would be in addition the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we seek and encourage you and your IAR to execute trading costs through the Schwab (or other custodians that you may utilize as part of BIM's service). Trading away can sacrifice best execution and incur additional costs from the other firm, as well as fees from our custodians to transfer in those positions.

#### **Products and Services Available to Us From Schwab**

Schwab Adviser Services<sup>TM</sup> serves independent investment advisory firms like BIM. They provide our clients with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help us manage and grow our business. Schwab's support services are generally available on an unsolicited business (BIM does not have to request them) and at no cost to us. The following material provides a more detailed description of Schwab support services.

#### **Services that benefit you.**

Schwab institutional brokerage services include access to a broad range of investment products, execution of securities transactions and custody of client assets. The investment products made available through Schwab include some of which you might not otherwise have access to or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

#### **Service that do not directly benefit you.**

Schwab also makes available other products and services that benefit us but do not directly benefit you and or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of 3rd parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained in Schwab. In addition to investment research, Schwab also makes 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 other clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

We do not open accounts for you, although we may assist you in doing so. To the extent that your account is maintained at Schwab (or any other BIM's other custodians for that matter), and most trades may occur through Schwab or such other designated custodian, such custodians have the ability to use other brokers to execute trades for your account.

#### **Your Brokerage and Custody Costs**

or our client's accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, mutual funds and ETDs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. For some accounts, Schwab charges you a percentage of the dollar amount of the assets in the account in lieu of commissions.

#### **Services that generally benefit only us.**

Schwab also offers other service intended to help us manage and further develop our business enterprise. They services include:

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

BIM intends to use the benefit to covers some of the costs of its annual sales and due diligence conference for our investment advisory personnel and supervised persons. This is being included as a conflict of interest. It serves as an incentive to use Schwab over other custodians.

At the same time, BIM included a disclosure that BIM obtains financial benefit when BIM or its personnel invite product providers, such as a mutual fund company, insurance company and private placement sponsor, to a meal, educational or entertainment events, and they pay the bills for such events.

Schwab provides some of these services itself. In other cases, it will arrange for 3rd party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or part of the 3rd party fees. Schwab may also provide us with other benefits, such as occasional business entertainment for our personnel.

#### **Our interest in Schwab's services, as well as the service of other Custodians.**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's ancillary services. Schwab has also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on our behalf. The fact that we receive these benefits from Schwab is an incentive for us to recommend/request the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate, whichever custodian we use, our selection of the custodians, whether Schwab or otherwise, as custodian and broker is driven by the Best Interest of our clients. Our selection is primarily supported by the scope, quality, and price of custodian's services and not service that benefit only us.

## ***2. Brokerage for Client Referrals***

BIM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

BIM will not allow clients to direct BIM to use a specific broker-dealer to execute transactions. Clients must use BIM recommended custodians (broker-dealer). BIM requires Charles Schwab Corporation as the broker and custodian for client accounts currently.



## **B. Aggregating (Block) Trading for Multiple Client Accounts**

BIM maintains the ability to block trade purchases across accounts. Block trading may benefit clients by purchasing larger blocks in groups. We do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least quarterly by BIM investment advisor representatives. Representatives review clients' accounts with regards to potential investment gains and losses, and their investment policies and risk tolerance levels.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, or inheritance). Additionally, clients may request a review of their portfolio at any time.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive a monthly or quarterly written report detailing the client's account which may come from the custodian. Reports can be in paper or electronic format.

## **Item 14: Client Referrals and Other Compensation**

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

BIM does not participate in any client referral or third party solicitor relationships.

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

BIM does pay marketing organizations for inclusion in internet marketing campaigns, and /or web site development and management, email campaigns, and inclusion in professional referral listing programs.

## **Item 15: Custody**

Custody is limited to the ability to deduct fees directly from client accounts. Clients will receive account statements from the custodian and should carefully review those statements.

Custody is also disclosed in Form ADV because BIM maintains clients' credit card and bank account information to bill for discretionary management services of held away retirement accounts. BIM is subject to an annual surprise examination which is conducted by an independent public accountant.

### **Item 16: Investment Discretion**

BIM provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client outlines the discretionary authority for trading. Where investment discretion has been granted, BIM generally manages the client's account and makes investment decisions without consultation with the client as to what securities to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, or the price per share.

### **Item 17: Voting Client Securities (Proxy Voting)**

BIM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

BIM does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither BIM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

BIM has not been the subject of a bankruptcy petition in the last ten years, or ever.