



Form ADV Part 2 Brochure

March 29, 2020

Bishop & Associates, Inc.

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This Brochure provides information about the qualifications and business practices of Bishop & Associates, Inc. If you have any questions about the contents of this Brochure, please contact us at 215.568.5450.

Currently, our Brochure may be requested free of charge by contacting Inez C. Crumety, Administrator, at 215.568.5450 or inez@bishop-associates.com. Our Brochure is also available on our web site www.bishop-associates.com free of charge.

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.

Bishop & Associates, Inc., is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information with which you determine to hire or retain an Adviser. Additional information about Bishop & Associates, Inc., is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The Adviser has made changes to the last version of this Brochure dated June 30, 2019. Some changes are minor editing changes or clarification of prior text. The material changes that were made are summarized below. All undefined terms in this section have the meaning ascribe to them in other sections of this Brochure.

1. **Item 4** (Advisory Business): We have revised disclosure about clients' involvement in selecting the investments for Crystal portfolios. In addition, the amount of regulatory assets under management as of December 31, 2019 is shown.
2. **Item 5**. We have added disclosure about additional fees incurred by the QROPS. We have also revised the amount of fees we receive for assets invested in segregated series of the Crystal Fund.
3. **Item 7** (Types of Clients): Minimum investments for the Funds are shown.
4. **Item 10** (Other Financial Industry Activities and Affiliations): This Item has been updated to reflect the fact that Henry M. Kwiecinski is no longer a non-compensated trustee on a trust account for which Bishop & Associates, Inc. provides investment services.
5. **Item 11** (Code of Ethics, Participation in Client Transactions and Personal Trading): This Item has been updated to reflect Bishop & Associates, Inc.'s revised personal trading policy.
6. **Item 13** (Custody): This Item has been updated to include the QROPS accounts.
7. **Item 14** (Client Referrals and Other Compensation): This Item has been updated to include Bishop & Associates current relationship with solicitors.

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Item 4 – Advisory Business

Bishop & Associates, Inc., is a privately held company owned by Henry R. Kwiecinski and Henry M. Kwiecinski. Bishop & Associates, Inc., has been providing advisory services since 1949. Since our founding we have offered advisory services to managed accounts ("**Managed Accounts**") for individuals and institutions consisting of our in-house run large-cap core equity portfolio and our in-house run high grade fixed income portfolio.

In 2015 we began offering what we call Panoramic Portfolio Management, which focuses on risk management through the use of multiple investment strategies across many asset classes. In addition to large cap and fixed income strategies, we also provide advice on non-publicly traded assets, hedge funds, private debt and private equity investments to qualified investors.

We also provide discretionary investment advice to a Qualifying Recognised Overseas Pension Scheme (the "**QROPS**"). A QROPS is an overseas pension scheme into which individuals that built up United Kingdom ("**UK**") pension benefits can transfer such benefits if they no longer live in the UK. The QROPS must meet certain requirements set by the UK government to be eligible to receive such pension benefits.

Through a relationship with Crystal Capital Partners, LLC ("**Crystal**") we may provide our qualified clients with customized hedge fund portfolios. Crystal specializes in building customized hedge fund portfolios that help complement the existing holdings of client investments. With Crystal's services, we will have access to hedge fund managers, detailed analytics, reporting and due diligence on hedge fund managers. The investment managers and investment funds that we recommend for a client's customized hedge fund portfolio are from a list developed by Crystal, based on its quantitative and qualitative research of the managers and funds.

The initial customized portfolio that we select for a client must be approved by the client. However, once the initial portfolio is selected we have discretion to make changes to the portfolio as we deem appropriate in accordance with the client's investment objectives.

After a client approves the initial customized portfolio that we recommend, the client will invest in a segregated series of the Crystal Capital Fund Series LLC, which in turn, is expected to invest substantially all of its assets in one or more segregated portfolio of Crystal Capital Master Fund, LLC (collectively, the

Crystal Capital Fund Series LLC and the Crystal Capital Master Fund, LLC the "**Crystal Fund**"). The Crystal Fund is a private investment fund and each segregated portfolio of the Crystal Fund is a separate pool of assets with its own investment objectives and policies. Crystal is the manager of the Crystal Fund and responsible for its general management. The segregated series of the Crystal Fund invested in by a client will contain the client's customized portfolio which will consist of investment funds related to Crystal, discretionary accounts managed by other managers, and other investment funds managed by independent hedge fund managers (collectively, the "**Crystal Assets**").

Bishop & Associates, Inc. also provides investment advisory services to Bishop Multi-Strategy Fund LLC, a Delaware multi-series limited liability company (the "**Company**") and each series thereof (each, an "**IDF Fund**" and together with the Crystal Fund, the "**Bishop Related Funds**"). Each Fund is a separate portfolio with its own investment objective and policies. Bishop & Associates, Inc. provides advisory services to each Fund based on its respective investment objectives and guidelines. The investment objectives and guidelines for each Fund are determined at the inception of the Fund and set forth in the Company's confidential offering memorandum ("**Memorandum**") and/or in a supplemental confidential explanatory Memorandum ("**Explanatory Memorandum**") relating to such Fund.

Interests in the IDF Funds are only offered to segregated asset accounts of insurance companies established for the owners of variable life insurance or annuity contracts ("**Variable Contracts**") and to qualified U.S. pension and retirement plans as described in Treasury Regulation 1.817-5(f)(3).

Each IDF Fund is expected to implement its investment objectives and strategies by investing substantially all of its assets in a diversified portfolio of investment pools (the "**Investment Pools**") managed by investment managers using a variety of investment and trading styles. An IDF Fund may also from time to time invest in a segregated portfolio of the Crystal Fund through an investment in a segregated series of the Crystal Capital Fund Series LLC. Each IDF Fund may also invest directly in all types of securities, including but not limited to fixed income securities, equities and equity-related securities, currencies, debt securities, receivables, repurchase agreements, funds, private equity transactions and any type of derivative instruments. Accordingly, each IDF Fund may have its own strategy, restrictions and risks.

As used herein, unless the context requires otherwise, the term "**Other Funds**" shall include the Investment Pools and the Crystal Assets and the term

“External Managers” shall refer to investment managers to the Other Funds. As used herein, unless the context requires otherwise, **“Client Account”** includes the Managed Accounts, the QROPS, the Crystal Funds in which Bishop & Associates, Inc. clients invest and the IDF Funds.

The scope of Bishop & Associates, Inc.’s authority to purchase and sell securities for a discretionary account may be subject to certain limitations as set forth in an investment advisory agreement entered into with the client or, in the case of the IDF Funds, as set forth in the Memorandum and/or in the Explanatory Memorandum relating to such IDF Fund. Such limitations may involve asset allocations, restrictions on the purchase of particular securities or class of securities or other account requirements. For the QROPS, any limitation on Bishop & Associates, Inc.’s authority is based on the organizational documents of the relevant QROP.

As of December 31, 2019, Bishop & Associates, Inc., had approximately \$141.8 million of regulatory assets under management on a discretionary basis and approximately \$1.9 million of regulatory assets under management on a nondiscretionary basis.

Item 5 – Fees and Compensation

| Bishop offers multiple investment | Annual Fee (%) for all assets |
|---|--------------------------------------|
| On the first \$2 million | 1.25% |
| On the next \$2 million | 1% |
| On all amounts in excess of \$4 million | 0.5% |

Bishop offers an options overlay to its Core Equity portfolio and this strategy is run in-house. We charge **0.5%** (50 basis points or bps) on all assets in the program and this fee is additional to Bishop's standard fee.

Fees for investing in a Crystal Fund are **2.5%** annually on the assets held in the Crystal Fund (the "**Crystal Fee**"). The Crystal Fee is divided between Crystal and Bishop & Associates according to the following schedule ("**Crystal Fee Schedule**"):

| Aggregate Amount of Bishop & Associates' Client Assets Invested in Segregated Series of the Crystal Fund | Amount of 2.5% Crystal Fee Paid to Crystal | Amount of 2.5% Crystal Fee Paid to Bishop & Associates |
|--|--|--|
| \$1,000,000 - \$9,999,999 | 1.50% | 1.0% |
| \$10,000,000 - \$ 24,999,999 | 1.25% | 1.25% |
| ≥\$25,000,000 | 1.00% | 1.50% |

Currently, less than \$10,000,000 of Bishop & Associates client assets are invested in segregated series of the Crystal Fund, and, therefore, based upon the above Crystal Fee Schedule, Bishop & Associates currently receives 1.0% of the 2.5% Crystal Fee. The above Crystal Fee Schedule may change if more than \$50,000,000 of Bishop & Associates client assets are invested in segregated series of the Crystal Fund, which Bishop & Associates does not expect to occur in the foreseeable future.

The Crystal Fee is charged quarterly in arrears. The Crystal Fee is exclusive of any expenses incurred by the Crystal Fund (see below for additional information regarding Crystal Fund expenses.) Furthermore, the combined 2.5% management fee for investing in the Crystal Fund may be higher than other funds-of-funds that do not rely on two unaffiliated entities (Bishop and Crystal) to implement their fund-of-funds strategies.

The Crystal Fee will be paid on a quarterly basis in arrears and will be deducted from the assets of the Crystal Fund. The Crystal Fee is in addition to the management fees and performance-based compensation of the Other Funds included in the Crystal Assets.

Bishop charges 2.0% to act as Investment Manager to the QROPS.

Bishop periodically offers investments in private equity or private debt to qualified investors. Fees for these investments vary, and can be asset- based, performance-based, or some combination of both. Fees are detailed when investments are offered.

Fees may be subject to negotiation. The specific manner in which fees are charged by Bishop & Associates, Inc., is established in a client's written agreement with us. Bishop & Associates, Inc., will generally bill its fees in advance on a quarterly basis. We prefer to debit directly a client's account(s), however, clients may also elect to be billed directly.

Management fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter provided the management fee will not exceed 3% of the remaining assets under management after a withdrawal. If the fee on the remaining assets under management would exceed 3% of such assets, Bishop & Associates, Inc. will pro rate the fee on the remaining assets to equal the fee set out in the investment management agreement. If such a pro ration occurs, Bishop & Associates, Inc. will rebate to the client by check the excess amount of the fee paid in advance by the client. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the amount of business days the account was open. Upon termination of any account, any prepaid, unearned fees will be promptly refunded by Bishop & Associates, Inc. sending a check to the client, and any earned, unpaid fees will be due and payable.

Bishop & Associates, Inc.'s fees are exclusive of brokerage commissions, transaction fees, custodial fees, and other related costs and expenses that may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investments and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to Bishop & Associates, Inc.'s fee. As part of our investing style, Bishop & Associates, Inc., does not generally invest in mutual funds. Should a client come to us with mutual funds in their account, or specifically request that we purchase mutual funds for them, the client should be aware that the mutual funds may charge a fee over and above Bishop & Associates, Inc.'s fee. We do not have any financial interest in any

mutual funds, nor do we derive any benefit from fees charged by any mutual fund.

In addition, with respect to the QROPS we manage there are several other service providers to the QROPS that receive fees from the QROPS assets including, but not limited to, the trustee to the QROPS, other investment managers employed by the QROPS, any other investment funds invested in by the QROPS, consultants to the QROPS, introducers of the QROPS to the pensioners (collectively, "**Other QROPS Service Providers Fees**"). The aggregate Other QROPS Service Provider Fees will cause the QROPS to incur a significant amount of fees in addition to Bishop & Associates' investment management fees and the custodial and brokerage fees associated with Bishop & Associates management of the QROPS assets. Individual pensioners that would like information about the Other QROPS Service Provider Fees applicable to their account should consult with each of the service providers to their QROPS to learn about such service provider's fees.

In addition, clients that invest in the Crystal Fund will incur the expenses of the Crystal Fund. Such expenses include board of director expenses, administrator expenses, auditor expenses, custodial fees, organizational expenses of the Crystal Fund and ongoing operating expenses, including, but not limited to: legal and professional expenses; regulatory expenses; liability insurance for principals; and any other expenses not expressly agreed to be paid by Crystal. Such expenses may be significant. The Crystal Fund is also responsible for its extraordinary expenses, if any. To the extent that any of the foregoing expenses are expenses of the Crystal Fund that are not directly attributable to a specific segregated portfolio of the Crystal Fund, each segregated portfolio including the Crystal Fund shall pay its pro rata share of such expenses. The Crystal Fund management fees and expenses are in addition to the management fees, performance- based compensation and expenses of the Other Funds included in the Crystal Assets.

Fees for IDF Funds

Management Fee: In connection with Bishop & Associates, Inc.'s management of the IDF Funds, Bishop & Associates, Inc. will generally charge a quarterly management fee to each IDF Fund (the "**Management Fee**") in advance. The Management Fee charged will typically range between 1.25% and 2.50% per annum based on a percentage of the net asset value of an investor's assets

attributable to the underlying investments as more fully described in the Memorandum. Bishop & Associates, Inc. will not charge or take any performance fee or allocation with respect to each IDF Fund. The administrator for each IDF Fund will calculate and pay the Management Fee quarterly in advance.

Organizational and Operating Expenses: As more fully described in the Memorandum, the Company will pay all of its organizational and start-up costs and expenses, and each IDF Fund will bear its pro rata share of such costs and expenses and all of its own organizational, start-up and offering costs and expenses. In addition, each IDF Fund will also bear its own operating and other expenses and its pro rata share of the ongoing operating and other expenses of the Company, and to the extent invested in Other Funds, its pro rata share of such Other Funds' expenses. Such expenses include, without limitation, i) organizational, marketing and offering expenses, (ii) direct and indirect brokerage and other transaction expenses, (iii) routine legal, accounting, auditing, tax preparation and related fees and expenses, (iv) usual and customary administrative fees and expenses, (v) expenses of government registration, licensing and filing fees and equivalent expenses, (vi) direct and indirect cost of E&O insurance and fidelity bonding, (vii) interest expense related to any borrowings and (viii) extraordinary expenses (e.g., litigation costs and indemnification obligations), if any.

In addition, the IDF Funds will pay their pro rata portion of the management fees and performance-based compensation paid to the External Managers of the Other Funds and the Crystal Fund fees described above. Each IDF Fund will also pay their pro rata portion of expenses of the Other Funds and the Crystal Funds.

Item 6 – Performance-Based Fees and Side-By-Side Management

Bishop & Associates, Inc., may charge incentive fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) on certain investment strategies and certain investment assets. Incentive fees are **20%** of the excess total return over a performance period. We currently charge a single account incentive-based fees ("**IBF**") and may in the future charge other accounts incentive-based fees Charging IBFs may create conflicts of interest. We identify and describe some of these conflicts in the following paragraphs: IBFs may create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent an IBF. In order to address this potential conflict of interest, a senior officer of our

firm periodically reviews Client Accounts to monitor that investments are suitable and that the account is being managed according to the client's investment objectives and risk tolerance. IBFs may also create an incentive for our firm to overvalue investments which lack a market quotation. In order to address such conflict, it is the policy of our firm to "fairly value" any investments which do not have a readily ascertainable value and as such we generally defer to the custodians' appraised value of assets where there is no readily available market price quotation.

In addition to charging certain clients an IBF (currently only a single account), we also manage other Client Accounts that are not charged an IBF. Investment decisions for the Client Accounts are made by the same portfolio manager. The side-by-side management of the non-IBF paying accounts IBF paying accounts may create an incentive for the portfolio manager to favor the IBF paying accounts. For example, the portfolio manager may have an incentive to allocate limited investment opportunities to clients who are charged IBFs over clients who are charged asset-based fees only. To address this conflict of interest, the portfolio manager considers some or all of the following factors ("**Investment Factors**") in making decisions as to the amount of a security or Other Fund to purchase or sell for Client Accounts: (i) investment objectives, policies and restrictions; (ii) risk tolerance; (iii) time horizon; (iv) portfolio construction; (v) tax sensitivity; (vi) desired market capitalization range; (vii) nature and size of accounts held in the strategy; (viii) suitability; (ix) tolerance for portfolio turnover; (x) availability of cash or buying power, and (xi) whether the Client Account is eligible to participate in a trade pursuant to compliance regulations. Once the amount of the security to purchase or sell for each Client Account is determined based on the above factors ("**Target Amounts**"), the portfolio manager prepares order sheets describing how the security will be allocated among the involved Client Accounts. For each aggregated trade, each Client Account participating in the aggregated trade will receive the average price of the aggregated order and will bear its pro rata share of the transaction costs.

If an order is only partially filled, it will be allocated on a pro rata basis according to the Target Amounts. Notwithstanding the foregoing, the aggregated order may be allocated on a basis different from that specified in the order sheets if all applicable Client Accounts receive fair treatment and the reason for the different allocations is explained in writing and is approved in writing by the CCO. An allocation may not be made according to the Target Amounts due to various considerations, including but not limited to, the following: (a) if a pro rata allocation results in a de minimis allocation to

certain Client Accounts, or an amount less than the minimum denomination available for a particular security; (b) if the allocation would result in unbalancing the diversification of one or more Client Accounts (based on factors including, but not limited to, risk, sector, subsector, geography, issuer, and credit quality); (c) if a pro rata allocation would result in one or more Client Accounts not meeting an investment objective; or (d) other factors that in Bishop & Associates, Inc.'s professional judgment are consistent with its fiduciary duties. While Bishop & Associates, Inc.'s goal with respect to allocations is to be fundamentally fair on an overall basis with respect to all Clients Accounts, there can be no assurance that on a trade-by-trade basis that any particular Client Account will not be treated more favorably than another.

For additional information on trade aggregation see Item 12 below.

Item 7 – Types of Clients

Bishop & Associates, Inc., provides portfolio management services to individuals, retirement accounts, not-for-profit organization assets, charitable foundations pension plans and trusts. Bishop & Associates, Inc., generally, requires a minimum account size of \$1 million. Investors in the IDF Fund are generally required to make a minimum investment of \$500,000. Exceptions to stated minimums may be made by Bishop & Associates, Inc. in its sole discretion.

Crystal Fund investors are subject to minimum investment levels as set by Crystal.

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

A. Methods of Analysis and Investment Strategies

Bishop & Associates, Inc., is a full-service investment advisory and wealth management firm. We manage assets both in-house and using outside advisory firms and sub-advisory firms. In-house our strategies include large-cap core equity, high-grade fixed income, and options. We make use of non-publicly traded investments and hedging strategies where appropriate.

Equity Strategy

Our style of equity investing is known as Growth at a Reasonable Price (GAARP) and incorporates elements of both growth- and value-style investing. We buy quality stocks and we hold them to own and grow with them, not to trade them. We feel excessive trading adversely affects performance. We endeavor to keep portfolio turnover from exceeding 25% per year, and work to manage our taxable portfolios in a tax sensitive manner. We use a top down approach based primarily on Fundamental Analysis, with consideration given to factors arising from Technical Analysis. We constantly survey the economy and financial markets, and make judgments about the prospects for financial assets. This entails many factors, from micro- and macro-economic trends and Federal Reserve monetary policy to corporate earnings estimates and inflation expectations. We make significant sector allocations, overweighting some, underweighting others, or completely avoiding still others. After sector choices are made, it is our job to find the best companies within the best industries. At the portfolio level we may make significant security allocations while maintaining proper diversification. We hold a limited number of issues, preferably 20 to 30, so that each holding will have a meaningful impact on the portfolio. Our purchase and sell criteria include both fundamental and technical factors. We constantly monitor a wide range of factors for changes and trends that may signify possible entry or exit points. Using numerous resources, both internal and external, we closely follow corporate and industry progress. We evaluate each individual issue as unemotionally and objectively as possible.

The equity-type assets under management at Bishop & Associates, Inc., may generally include equity securities, warrants, and options contracts on securities.

Fixed Income Strategy

Our fixed income management focuses on cash management strategies, high-grade corporate bonds, government securities, and preferred and convertible securities.

Options Overlay

We offer options strategies to our clients as an overlay to our large cap core equity strategy, the goals of which are to either to seek to reduce volatility, provide downside protection, enhance income, or any combination of all three strategies. These strategies are managed in-house. In selecting the options for this overlay, we will first identify exchange-traded options with a trading volume sufficient to preclude trades from influencing prices and then evaluate the available investment opportunities, which may include call or put option sales, call or put option buying, or some combination of call/put option buys and sells. During certain periods based on market conditions, we may not trade options in a client's account, which would result in performance that tracks the performance of Bishop & Associates, Inc.'s equity portfolio, less any implementation fees.

We will typically allocate a portion of client capital to short-term instruments of investment grade quality, including money-market instruments and money-market mutual funds.

Crystal Fund Strategy

We offer to our clients access to a number of institutional-quality hedge funds through the Crystal Fund. The Crystal Fund is designed to reduce the volatility and enhance the returns of our Bishop Equity portfolio. In addition, we seek to include in the Crystal Fund various hedge funds designed to address the aspects of investing with which the client is concerned. We have in place an ongoing due diligence program on both Crystal and the Other Funds that we recommend to clients through the Crystal Fund. Our due diligence entails a review of the quantitative and qualitative factors described below. Not all factors will be relevant (or relevant to the same degree) in the case of every Other Fund and its External Manager.

Quantitative Factors. We analyze each potential Other Fund on the basis of its historical performance. In addition, we examine a potential Other Fund's historical risk profile and drawdown patterns. Bishop & Associates, Inc. uses the foregoing quantitative information to attempt to (i) evaluate the quality of the Other Fund's performance, (ii) evaluate the risk profile of the Other Fund, and (iii) assist us in identifying any aberrations in investment returns that would suggest falsification or manipulation. In addition, Bishop

& Associates, Inc. looks for patterns of underperformance when assets under management increased to assess the ability of the Other Fund to absorb an increase in assets under management without negatively affecting future returns.

Qualitative Factors. On the qualitative side, we consider a number of different factors. We review Other Fund's offering materials to consider its material terms including but not limited to: (i) the Other Fund's stated investment objectives, strategies, and restrictions, (ii) the management fees, performance allocations, and expenses for which an investor in the Other Fund would be responsible, (iii) the Other Fund's methodology for valuation and net asset value calculation, (iv) an investor's redemption, distribution, and other rights, (v) an investor's entitlement to reports and other information, and (vi) the risks associated with an investment in the Other Fund. In addition, we endeavor to meet with the Other Fund's External Manager to gain further information regarding the External Manager's investment and trading strategy, risk management/oversight procedures and trading operations.

Bishop & Associates also seeks to obtain position transparency with respect to each Other Fund's portfolio. Based on the portfolio information received, we will try to determine whether the Other Fund's portfolio is highly concentrated in specific positions, markets, geographies and/or sectors and the risk profile of the Other Fund. Further, if there is a high concentration in certain positions, Bishop & Associates, Inc. evaluates the liquidity of those positions.

Bishop & Associates, Inc. also considers a potential External Manager's portfolio management experience and checks publicly available online sites for negative information such as lawsuits and criminal proceedings involving the External Manager, its principals and key personnel and its Investment Vehicle. We also request information about the service providers (i.e., the auditor, administrator, accounting firm and legal counsel) and financial intermediaries used by the Other Fund and seek to contact each of them to verify their relationship with the Other Fund.

The results of these due diligence efforts are available to clients upon request. For additional information, on the strategies of the Crystal Fund see the Crystal Fund's Offering Documents.

IDF Funds' Strategy

The IDF Funds' primary investment objective is to provide its members with exposure to one or more Other Funds. An IDF Fund may also make direct investments in Bishop & Associates, Inc.'s discretion. As a result, each IDF Fund will be exposed to different techniques and approaches aimed at maximizing returns while giving consideration to capital preservation.

Set forth below are brief descriptions of certain investment strategies and instruments by means of which the IDF Funds will seek to achieve their investment objective. The investment strategies discussed below are not exclusive of other strategies and instruments the IDF Funds may use at the sole discretion of Bishop & Associates, Inc.

To the extent such strategies are executed by Bishop & Associates, Inc. though an IDF Fund investing in Other Funds, investments and strategies referenced with respect to the IDF Funds should be read equally as applicable, where relevant to the Other Funds. There are no assurances that the Other Funds will implement any or all of such strategies at any given time.

Investments in Other Funds. A large portion of the IDF's strategy is executed by investing in Other Funds. Accordingly, each IDF Fund, through its investment in Other Funds will invest in investment funds, including, but not limited to, U.S. or offshore unit investment trusts, open-ended and closed-ended mutual funds and hedge funds, private equity funds, venture capital funds, advisory accounts, real estate investment trusts and exchange traded funds ("**ETFs**"). Bishop & Associates, Inc. and the IDF Funds generally will have no power to control the management of these funds including investments, valuation, brokerage policies, conflicts of interest, etc. In determining which Other Funds the IDF Fund should invest in, Bishop & Associates, Inc. follows due diligence procedures similar to the ones describe above that we have in place with respect to choosing which Other Funds to recommend through the Crystal Fund.

Directional Trading. This will involve establishing long or short positions in securities, derivatives, and other instruments to profit from perceived mispricing or from potential movements in interest rates, exchange rates, and other market prices resulting from anticipated macroeconomic events.

Derivatives Trading. Derivatives trading involves the buying and selling

of instruments and combinations of instruments which serve as proxies for specific assets or market factors, such as volatility. Derivatives typically involve a greater degree of risk than do the underlying securities to which they relate, in part due to the fact that they normally trade on margin. While this leverage can enhance the IDF Fund's return, it also increases risk. For example, when buying futures contracts, the amount of initial margin required is equivalent to a small percentage of the value of the contract. An adverse change in the market, however, will have a disproportionately greater impact on the funds deposited as initial margin than on the value of the underlying position and, in such circumstances, the IDF Fund could sustain a total loss of its initial margin as well as any additional funds needed to comply with applicable margin requirements.

Arbitrage. An IDF Fund may employ risk arbitrage strategies where a rate of return significantly exceeding that available from other short-term alternatives is anticipated. Risk arbitrage positions, generally, are dependent on an expectation that profit will be realized from a discrepancy between a security's current market price and an amount associated with an announced corporate event, such as a liquidation, asset sale, merger or tender offer. The strategy generally involves purchasing such securities after the announcement of the transaction at a price that is higher than the pre- announcement market price, but which is lower than the price at which the transaction is expected to be consummated. Ordinarily, the prospect of profit is independent of market behavior and risk is commensurate with the likelihood that the announced event will be delayed, will fail to occur or will occur on altered terms. Depending on the outcome of these factors, the risk arbitrage transaction may yield a rate of return below expectations or result in a significant loss. The strategy may attempt to mitigate such risks, in certain circumstances, through the use of options, short sales and other hedging techniques. Since attractive arbitrage opportunities are often unavailable for long periods of time, it is possible that arbitrage transactions will occur infrequently or not at all.

Swaps. The IDF Funds may enter into swap agreements with other parties in order to obtain additional desired diversification or exposure. Swap agreements are privately negotiated over-the-counter derivative products in which two parties agree to exchange payment streams that may be calculated in relation to a rate, index, instrument, or certain securities and a particular "notional amount." The swap agreements may be entered into with related funds or other outside parties. The swap agreements reference the performance of certain funds held either by the related funds

or other outside parties so that the Company has exposure to certain investments of the related funds or other outside parties that it is otherwise precluded from obtaining directly.

Options. The IDF Funds may engage in options transactions for speculation and to hedge against adverse market fluctuations in all or a portion of its investments. The IDF Funds may also attempt to take advantage of discrepancies in pricing among related instruments by engaging in spread trading of put and call options on the same underlying market factor at various strike prices or maturity dates. The IDF Funds will attempt to purchase the undervalued side of the spread and to simultaneously sell short the overvalued side, with the goal of capturing the convergence to fair-prices. A simple option contract entitles a party to purchase or sell an asset at a specified price on a specified future date, or at any time until that date. The right to purchase or sell the asset is negotiated for a premium (either paid up front or deferred to a future date) paid by the option buyer (who may or may not exercise the right to buy or sell) to the option seller (who is obliged to sell or buy the asset if the option is exercised). Different types of options can carry different features concerning the payoff profile. Participation in the options markets involves certain investment risks and transaction costs. The correlation between the option prices and the prices of the underlying securities may be imperfect, which can cause unforeseen results on hedging transactions. Purchasing options involves the risk that the price of the underlying security will not change as expected, so that the IDF Funds would lose the premium it paid for the option, causing a loss if the position was entered for speculative purposes. If the IDF Funds write or sell an “uncovered” or “naked” option (that is an option with regard to underlying assets that the IDF Fund does not hold), its losses, theoretically, could be unlimited because the IDF Funds would be exposed to the extent of the actual movement in price of the underlying security, without any offsetting results. Further, options transactions can be highly leveraged and, accordingly, gains and losses are magnified.

Distressed Securities. An IDF Fund may trade in, and may sell short, the securities of companies whose prices have been, or are expected to be, adversely affected by distressed situations. The focus of this type of strategy will be primarily securities and other obligations of companies or governments that are encountering significant financial or business difficulties, including issuers which (i) may be engaged in debt

restructuring or other capital transactions of a similar nature or (ii) are experiencing poor operating results as a result of unfavorable operating conditions, over-leveraged capital structure, catastrophic events, extraordinary write-offs or special competitive or product obsolescence problems. An IDF Fund may seek profit opportunities arising from inefficiencies in the market for such securities. Negative events, and the subsequent announcement of a proposed restructuring or reorganization to address them, may create a severe market imbalance, as some holders attempt to sell their positions at a time when few investors are willing to purchase the securities of the troubled issuer. If an External Manager believes that a market imbalance exists and the securities of the troubled issuer may be purchased at prices below the value of such securities under a reorganization or liquidation analysis, the Other Fund managed by the External Manager may purchase such securities.

Event Driven Positions. The IDF Funds may make “event driven” trades as opportunities created by significant transactional events, such as spin-offs, mergers and acquisitions, liquidations, reorganizations, recapitalizations, share buybacks and other extraordinary corporate transactions. Event-driven strategies involve attempting to predict the outcome of a particular transaction as well as the optimal time at which to commit capital to it. The uncertainty about the outcome of these events may create investment opportunities for the IDF Fund. Event-driven strategies do not generally rely on market direction for results; however, major market declines, which could cause transactions to be re-priced or even break up, may have a negative impact on the strategy.

Indexed Securities. An IDF Fund may invest in indexed securities whose value is linked to interest rates, commodities, equities, currencies, price indices or other financial indicators. The value of indexed securities at maturity are determined by such underlying factors. Indexed securities may be positively or negatively related to the underlying factor (that is, they may, for example, increase or decrease in value if the underlying factor appreciates) and may have return characteristics similar to direct investments in the underlying securities or to options thereon. Indexed securities may be more volatile than the underlying securities themselves.

Listed and Unlisted Securities. An IDF Fund may invest in companies whose securities are listed on a recognized securities exchange and, to a lesser extent, in companies whose securities are traded in the over-the-counter markets. In addition, as and if permitted by the applicable laws

and regulations, the IDF Fund may also invest to a limited extent in unlisted or unregistered securities where Bishop & Associates, Inc. believes that the potential for growth is substantial.

Debt Securities. An IDF Fund may hold positions in fixed-income debt securities, both governmental and corporate, including lower-rated, high yielding debt securities, if it is believed that such securities have a potential for substantial capital appreciation or use as a cash management vehicle (through investments in securities with short maturities as a way to minimize market, credit and liquidity risks). Investments in lower-rated debt securities, commonly referred to as “junk bonds”, often involve higher risks of default or price depreciation than do investments in higher-rated bonds, due, among other things, to changes in, or concerns regarding, the creditworthiness of the issuers, as well as corporate governance problems. The market prices of such securities may fluctuate more than higher-rated securities and may decrease substantially in periods of general economic difficulty.

Cash Management. Consistent with its strategy of concentrating its core interest earning positions mainly in short term liquid instruments (and using the derivatives markets for its tactical market positions), an IDF Fund may invest its cash in short term yield corporate debt instruments, short term U.S. Treasury obligations or U.S. Dollar denominated or foreign currency denominated treasury obligations of other governments, domestic or foreign bank certificates of deposit or other short-term money market instruments.

Lending of Portfolio Securities. To a limited extent, an IDF Fund may from time to time lend securities from its portfolio to brokers, dealers and financial institutions against cash collateral which, while the loan is outstanding, will be maintained at all times in an amount equal to at least 100% of the current market value of the loaned securities, including any accrued interest or dividend receivable. The IDF Fund would invest such cash collateral in short-term securities, the income from which would increase the return to the IDF Fund. The IDF Fund may pay finders', administrative and custodial fees to persons unaffiliated with the IDF Fund in connection with the arranging of such loans.

Bishop & Associates, Inc. may engage in any activity or make any advisory decision, including any not described in this Brochure, that Bishop & Associates, Inc. considers appropriate or necessary in the fulfillment of its

fiduciary obligation and for the protection of the IDF Funds.

There can be no assurance that the IDF Funds will achieve their investment objective or that the strategies pursued and methods utilized by Bishop & Associates, Inc. or the External Managers will be successful under all or any market conditions.

B. Material Risks

Investing in securities, derivatives, hedge funds, non-publicly traded assets, and alternative investments involves risk of loss that clients should be prepared to bear. A brief explanation of the material risks associated with Bishop & Associates, Inc.'s principal investment strategies and methods of analysis follows.

Risk Factors that May Be Applicable to any Type of Client Account

General Investment and Trading Risks. All securities present a risk of loss of capital. Such investments are subject to investment-specific price fluctuations as well as to macro-economic, market and industry-specific conditions, including, but not limited to, national and international economic conditions, domestic and international financial policies and performance, conditions affecting particular investments such as the financial viability, sales and product lines of corporate issuers, national and international politics and governmental events, and changes in income tax laws. Moreover, Bishop & Associates, Inc. and External Managers may have only a limited ability to vary their investment portfolios in response to changing economic, financial and investment conditions. Bishop & Associates, Inc.'s and the External Managers respective investment programs may utilize a wide variety of investment techniques, including limited diversification, margin transactions, short sales, commodity interest and forward contracts and other derivative transactions, which practices can, in certain circumstances, substantially increase investment losses. No guarantee or representation is made that a Bishop & Associates, Inc. and/or the External Managers will be successful. The market price of securities owned by Client Accounts may go up or down, sometimes unpredictably.

Systemic Risk. World events and/or the activities of one or more large participants in the financial markets and other events or activities of others

could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in a Client Account losing substantial value caused predominantly by liquidity, which could result in a Client Account incurring substantial losses. In addition, the value of a Client Account's positions may be subject to decreases as a result of general economic conditions. Furthermore, new legislation, unforeseen events or changes in governmental regulations could adversely affect a Client Account's ability to engage in certain of their anticipated investment strategies.

Risk Management. The risk management techniques which may be utilized by Bishop & Associates, Inc. and/or the External Managers cannot provide any assurance that a Client Account will not be exposed to risks of significant trading losses. The prices of instruments used for hedging purposes may not correlate with price movements of the underlying securities being hedged.

Trading is Speculative and Volatile. Securities prices are highly volatile. Price movements for Securities are influenced by, among other things, changing supply and demand relationships, weather, agricultural, trade, fiscal, monetary, and exchange control programs and policies of governments, U.S. and foreign political and economic events and policies, changes in national and international interest rates and rates of inflation, currency devaluations and revaluations, and sentiments of the marketplace. No assurance can be given that a Client Account will be profitable or that it will not incur substantial losses.

Speculative Nature of a Client Account's Investment Program. The investment programs employed for Client Accounts are speculative and involve a high degree of risk. There is no assurance that the technical and risk management techniques utilized by Bishop & Associates, Inc. and the External Managers, as well as the investment decisions made by Bishop & Associates, Inc. and the External Managers, will not expose a Client Account and/or the Other Funds to risk of significant losses. In addition, the analytical techniques used by Bishop & Associates, Inc. and/or the External Managers cannot provide any assurance that a Client Account or any Other Fund will not be exposed to the risk of significant trading losses if the underlying patterns of market behavior studied by Bishop & Associates, Inc. and/or the External and which provide the basis for its statistical models change in ways not anticipated by Bishop & Associates, Inc. and/or the External Managers.

Equity Securities. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of the issuers, industry market conditions and the general economic environment.

Market Fluctuations. Trading in equities generally involves significant market risk because, among other things, the prices of equities are highly volatile and market movements are difficult to predict. Bishop & Associates, Inc. and/or the External Managers may not be able to sell long positions or to cover short positions at optimal times or prices.

Fixed-Income Investments and Interest Rate Risk. The value of fixed-income financial instruments will change as the general levels of volatility fluctuate and as there are changes in the absolute level of interest rates, in the spread between two rates, in the shape of the yield curve or in any other interest rate relationship. When interest rates decline, the value of fixed-income financial instruments can be expected to rise. Conversely, when interest rates rise, the value of such financial instruments can be expected to decline. To the extent that interest rates move in a direction contrary to the direction anticipated by Bishop & Associates, Inc. and/or the External Managers, the overall investment performance of applicable Client Accounts may be affected. The market value of fixed-income financial instruments also varies according to the relative financial condition of the issuer. Investments in lower rated, while generally providing greater opportunity for gain and income than investments in higher rated financial instruments, usually entail greater risk.

Credit Risk. Issuers of debt instruments may face significant ongoing uncertainties and exposure to adverse conditions that will undermine their ability to make timely payments of interest and principal. In addition, major economic downturns and financial market swings have adversely affected, and could in the future adversely affect, the ability of some of the issuers of such instruments to repay principal and pay interest thereon and may increase the incidence of default for such instruments.

Credit Ratings. Credit ratings of debt securities are not a guarantee of quality. A credit rating represents only the applicable rating agency's opinion regarding credit quality based on the rating agency's evaluation of the safety of the principal and interest payments. In determining a credit rating, rating agencies do not evaluate the risks of fluctuations in market value. In addition, if an issuer has made fraudulent representations, the

rating agencies credit ratings are likely to be inaccurate. As a result, a credit rating likely does not fully reflect the risks inherent in the relevant security. Rating agencies may fail to make timely changes to credit ratings in response to subsequent events. In addition, to the extent that a rating agency rates a security at the request of an issuer, the rating agency has a conflict of interest in providing such rating. In the event that ratings are inaccurate, otherwise misleading or untimely, investment performance may be adversely affected.

Competition and Supply for Fixed-Income Securities. The potential for capital appreciation and interest will depend, in large part, on Athena's ability to acquire investments for the client accounts on advantageous terms. In acquiring fixed-income securities, Bishop & Associates, Inc. and/or the External Managers will compete with a broad spectrum of institutional investors, many of which have greater financial resources than Client Accounts and/or the Other Funds. In addition, the opportunity to participate in the new issue credit market will decrease if the economy shifts to a more risk adverse environment. Increased competition for, or a reduction in the available supply of, qualifying investments could result in higher prices for, and thus lower yields on, such investments.

Brokerage Firms and Custodians May Fail. The institutions with which a Client Account and/or Other Fund does business or to which a Client Account's and/or Other Fund's assets have been entrusted for custodial purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of a Client Account and/or Other Fund. Recent events in the credit market have challenged the financial stability of a number of established financial institutions. In the event that one of a Client Account's and/or Other Fund's Brokers becomes bankrupt and fails to segregate a Client Account's and/or Other Fund's assets on deposit as required, a Client Account and/or Other Fund may be subject to a risk of loss for any deficiency. Even if a Client Account and/or Other Fund does not lose its assets on deposit with its Brokers (or other financial institutions with which a Client Account and/or Other Fund may deal), a Client Account and/or Other Fund could incur market losses as a result of financial difficulties at such institutions (including, but not limited to, in situations where a Client Account and/or Other Fund may be unable to access its assets and/or execute transactions through its Brokers or other financial institutions in a timely manner). In addition, non-U.S. institutions, including non-U.S. Brokers, may be subject to different bankruptcy or other regulatory regimes than those applicable to U.S. institutions, and in

doing business with such non-U.S. institutions, a Client Account and/or Other Fund may not be afforded certain of the protective measures provided by the U.S. Commodity Exchange Act, the CFTC and the rules of the NFA in the case of certain U.S. Brokers. Although a Client Account and/or Other Fund will attempt to minimize its risk in this area, there is no action that a Client Account and/or Other Fund can take which is completely risk-free.

Cybersecurity Risks. Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Bishop & Associates, Inc. will seek to prevent and mitigate any such incidents but there is no guarantee that it will be successful in such efforts. Furthermore, there is no guarantee that External Managers will be successful in preventing and mitigating such incidents against the Other Funds. A cybersecurity incident involving a Client Account or Other Fund could have numerous material adverse effects on Client Accounts. Such incidents could impair the operations, liquidity and financial condition of the Client Accounts and the Other Funds, amongst other potential threats and risks. Cyber threats and/or incidents could cause financial costs from the theft of a Client Account and/or Other Fund's assets (including proprietary information and intellectual property) as well as numerous unforeseen costs including, but not limited to: litigation costs, preventative and protective costs, remediation costs and costs associated with reputational damage.

Additional Risk Factors that May be Applicable to Bishop-Related Funds

Diversification. The ability of a Bishop Related Fund and/or Other Fund to diversify its investments depends in part on the aggregate amount invested in the Bishop-Related Fund and/or Other Fund. The smaller the number of subscriptions received, the more difficult diversification of the Bishop-Related Fund's and/or Other Fund's investments may be to achieve.

Inconsequential Effect of Fund of Funds Investing; Duplicative Transaction Costs. While use of a fund of funds approach may provide some diversification of investment risk, no assurance can be given that such diversification will occur, or that if it does, it will increase, rather than reduce, potential net profits. A Bishop-Related Fund may invest a substantial portion of its assets with a limited number of Other Funds,

which may result in minimal diversification. The diversification that may be afforded by the fund of funds approach may not insulate investors against major disruptions or turmoil in the global financial markets generally, which could result in some or all of the underlying investment vehicles suffering substantial losses simultaneously. Other Funds make investment decisions of the Other Funds independently of each other so that, at any particular time, one Other Fund may be purchasing shares of an issuer whose shares are being sold at the same time by another Other Fund. Accordingly, the use of the fund of funds approach may cause a Bishop-Related Fund indirectly to hold opposite positions in an investment, thereby decreasing or eliminating the possibility of positive returns from such investment.

Investing by Other Funds in this manner will cause a Bishop-Related Fund to indirectly incur certain transaction costs without accomplishing any net investment result.

Multiple Levels of Expense; Other Fund Performance Fee Risks.

When a Bishop Related Fund invests through the Other Funds, the Bishop-Related Fund will bear additional costs and expenses in addition to the Bishop Related Fund's own expenses. The Other Funds may charge advisory fees (which may include both management fees and performance fees) and expenses. The Other Fund may receive any performance fees to which it is entitled irrespective of the performance of any of the Other Funds generally. As a result of all of the foregoing, a Bishop-Related Fund, and indirectly its members, will bear multiple levels of expense, which, in the aggregate, will exceed the expenses that would typically be incurred by an investment with a single investment pool or investment manager.

Indirect Exposure to Leverage. Regardless of whether a Bishop Related Fund utilizes leverage, the members may indirectly be exposed to the use of leverage through such Bishop Related Fund's investments in Other Funds. The use of leverage, which can be described as exposure to changes in price at a ratio greater than the amount of equity invested, magnifies both the favorable and unfavorable effects of price movements in the investments made by certain Other Funds. Inasmuch as Other Funds are likely to employ a very high degree of leverage in their investment operations, the Bishop-Related Funds and their members will be subject to substantial risk of loss. With volatile instruments, downward price swings can result in margin calls that could require liquidation of investments at inopportune times.

Allocation of Investment Opportunities by Other Funds. Each External Manager of an Other Fund will evaluate a variety of factors that may be relevant in determining whether a particular investment opportunity or strategy is appropriate and feasible for such Other Fund and accounts under management at a particular time, including, but not limited to, the following: (i) the nature of the investment opportunity taken in the context of the other investments at the time; (ii) the liquidity of the investment relative to the needs of the particular entity or account; (iii) the availability of the opportunity (i.e., size of obtainable position); (iv) the transaction costs involved; and (v) the investment or regulatory limitations applicable to the particular entity or account. Because these considerations may differ, the investment activities of such Other Fund, on the one hand, and the managed accounts, on the other hand, may differ considerably from time to time.

Proprietary Investment Strategies of Other Funds and Their Managers. Certain Other Funds and their managers may use proprietary investment strategies that are based on considerations and factors that are not fully disclosed to Crystal or Bishop & Associates, Inc. These strategies may involve risks under some market conditions that are not anticipated by Bishop & Associates, Inc. and/or the Other Funds and their External Managers. Certain Other Funds and their External Managers generally use investment strategies that are different than those typically employed by traditional managers of portfolios of stocks and bonds. The investment niche, arbitrage opportunity or market inefficiency employed by such Other Funds and their External Managers may become less profitable over time as such Other Funds and their External Managers and competing asset managers or investors manage a larger group of assets in the same or similar manner or market conditions change. The strategies employed by Other Funds and their External Managers may involve significantly more risk and higher transaction costs than more traditional investment methods. It is possible that the performance of Other Funds and their External Managers may be closely correlated in some market conditions, resulting (if those returns are negative) in significant losses to a Bishop-Related Fund and its members.

Certain Valuation Risks of the Other Funds. For purposes of determining the value of a Bishop-Related Fund's interests in any of the Other Funds, the Bishop-Related Fund's administrator may utilize the valuations provided by such Other Funds. The Bishop Related Fund's administrator may not be able, and is not required, to perform any

independent valuation of such assets. The valuations provided by Other Funds to a Bishop-Related Fund generally will be conclusive with respect to such Bishop-Related Fund unless the Bishop-Related Fund administrator and/or Bishop-Related Fund has a clearly discernible reason not to trust the accuracy of such valuations. In addition, the net asset values or other valuation information received by the Bishop-Related Fund administrator from the Other Funds will typically be estimates only and subject to revision through the end of each Other Funds' annual audit. Revisions to the gain and loss calculations will be an ongoing process, and no net capital appreciation or depreciation figure of any Other Fund can be considered final until the annual audit of each of such Other Funds is completed.

Prospective investors should be aware that situations involving delays, uncertainties or mistakes as to the valuation of portfolio positions by Other Funds could have an adverse effect on the Bishop-Related Fund's valuation. Some of the Other Funds may not provide valuations over extended periods of time, if ever. If a Bishop Related Fund does not receive valuations from such Other Funds, the Bishop Related Fund Administrator and/or Bishop-Related Fund will fair value its investment in such Other Funds, which may result in a conclusion that fair value equals cost or the most recent valuations provided by such Other Funds as a result of incomplete information. Such Other Funds may face a conflict of interest in valuing their positions, as their value will affect their compensation and performance. In some cases, Bishop & Associates, Inc., the Bishop-Related Fund, and/or Bishop-Related Fund administrator may have no ability to assess the accuracy of the valuations received from such Other Funds.

Style Drift. Bishop & Associates, Inc. generally cannot control the investments made by Other Funds and relies primarily on information provided by Other Funds in assessing Other Funds' defined investment strategies, the underlying risks of such strategies and, ultimately, determining whether, and to what extent, it will allocate a Bishop-Related Fund's assets to such Other Funds. "Style Drift" is the risk that the Other Fund may deviate from the stated or expected investment strategy. Style drift can occur abruptly if a manager believes it has identified an investment opportunity for higher returns from a different approach (and the manager disposes of an interest quickly to pursue this approach) or it can occur gradually, such as if, for instance, a "value" oriented manager gradually increases investments in "growth" stocks. Style drift can also

occur if a manager focuses on factors it had deemed immaterial in its offering documents such as particular statistical information or returns relative to certain benchmarks. Additionally, style drift may result in a manager pursuing investment opportunities in an area in which it has a competitive disadvantage or is outside the manager's area of expertise (e.g., a large- cap manager focusing on small-cap investment opportunities). Moreover, style drift poses a particular risk for multiple-manager structures since, as a consequence, a Bishop-Related Fund may be exposed to particular markets or strategies to a greater extent than was anticipated by Bishop & Associates, Inc. when it assessed the portfolio's risk-return characteristics and allocated assets to Other Funds (and which may, in turn, result in overlapping investment strategies among various Other Funds). Bishop & Associates, Inc.'s sole remedy in the event of a deviation by the Other Fund from its offering or other governing documents may only be to cause a Bishop-Related Fund to withdraw capital, subject to any applicable withdrawal restrictions.

The foregoing is a summary of the material risks related to the Bishop-Related Funds. Further discussion of risk factors related to each Fund is presented in the Memorandum and applicable Explanatory Memorandum and/or the Crystal Fund's offering documents which are available to current and eligible prospective investors in the applicable Bishop-Related Funds.

Additional Risks Specifically for the IDF Funds

Swaps. An IDF Fund may enter into swap agreements with bona fide counterparties or other investment funds including funds managed by affiliates. The swap agreements may be entered into directly by an IDF or through the Other Funds. These swaps are contracts to buy, sell or exchange a portion of the profits or losses of an investment owned by another party. Accordingly, an IDF Fund may have investment risk exposure not only with respect to its assets, but also as to certain assets owned by others to the extent an IDF Fund and/or Other Fund participates in swaps.

Hedging Transactions. An IDF Fund and/or Other Fund may utilize financial instruments such as forward contracts, currency options and interest rate swaps, caps and floors both for investment purposes and to seek to hedge against fluctuations in the relative values of the IDF Fund

and/or Other Fund. Hedging against a decline in the value of a position does not eliminate fluctuations in the values of positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedging transactions also limit the opportunity for gain if the value of the position should increase. Although the intent of hedging is to reduce fluctuations in the value of an IDF Fund as a whole, in certain circumstances, particularly when markets are subject to extreme events, hedging activity may add to the volatility of an IDF Fund and/or Other Fund. This may occur when previously observed correlations in the markets break down. Moreover, for a variety of reasons, Bishop & Associates, Inc. and/or the External Managers may not seek to establish a perfect correlation between such hedging instruments and the IDF Fund and/or Other Fund holdings being hedged. Such imperfect correlation may prevent such IDF Fund and/or Other Fund from achieving the intended hedge or expose the IDF Fund and/or Other Fund to risk of loss. Furthermore, Bishop & Associates, Inc. and/or an External Manager may determine not to hedge against certain risks because it fails to anticipate the occurrence of such risk or believes that the occurrence is too unlikely to justify the cost of the hedge. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the positions being hedged.

Investor Control Risk. Under the “investor control” theory, a Policy Owner may, in some circumstances, be deemed to be the owner of an interest(s) in an IDF Fund for federal income tax purposes and thus become subject to current taxation on the share of an IDF Fund’s income associated with such interest(s). Whether a Policy Owner should be deemed the owner of an interest(s) for federal income tax purposes is a highly fact-intensive and interpretative inquiry.

Diversification Risk. Section 817(h) of the Internal Revenue Code and the regulations thereunder require that the assets of a segregated asset account supporting variable life insurance and variable annuity contracts be “adequately diversified” in accordance with certain specific standards. Each IDF Fund will seek to achieve the required diversification through actively- managed investments in the Investment Pools. It should also be noted that guidance as to how Section 817(h) is to be applied to such an investment is limited to certain revenue rulings and other United States Department of the Treasury pronouncements, and the External Managers and Bishop & Associates, Inc. cannot anticipate what guidance may be

issued in the future.

The foregoing is a summary of the material risks related to the IDF Funds. Further discussion of risk factors related to each IDF Fund is presented in the Memorandum and applicable Explanatory Memorandum which are available to current and eligible prospective investors in the applicable IDF Funds.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Bishop & Associates, Inc. or the integrity of our management.

Neither Bishop & Associates, Inc., nor its supervised persons have been subject to any legal or disciplinary events from our regulating authorities.

Item 10 – Other Financial Industry Activities and Affiliations

Henry R. Kwiecinski is a compensated and non-compensated Trustee of several trust accounts for which Bishop & Associates, Inc., provides investment advisory services.

As noted in Item 5 above, clients that invest in the Crystal Fund and/or Other Funds pay expenses, management fees and performance-based compensation of the Crystal Fund and/or Other Funds, as applicable, in addition to Bishop & Associates, Inc.'s management fees. If the clients invested directly with underlying managers without our advice and assistance, they would not incur the Bishop & Associates, Inc. and Crystal Fund fees.

Please refer to Items 5, 12 and 14 for further disclosures.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Bishop & Associates, Inc. has adopted a Code of Ethics for all of its supervised persons describing its standard of business conduct, and

fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended, and all Bishop & Associates, Inc., employees are required to follow our Code of Ethics.

Bishop & Associates, Inc., anticipates that, in appropriate circumstances and consistent with clients' investment objectives, we will recommend to investment advisory clients the purchase or sale of securities in which our personnel have a position. This is because we believe in our style of investing, and, as such, officers and employees of Bishop & Associates, Inc. and/or certain of their related persons (collectively, the "**Bishop Personnel**") often buy and sell for themselves or their related persons the same securities that are bought and sold in Client Accounts. However, Bishop Personnel may not buy or sell for their own accounts any security that is being considered for Client Accounts. All transactions for Bishop Personnel in "covered securities" as defined in the Code of Ethics (including initial public offerings and private placements), must be pre-approved by the Chief Compliance Officer.

Nonetheless, if a particular trade is being placed using a block trading method for Client Accounts, accounts of all Bishop Personnel that are Client Accounts ("**Affiliated Client Accounts**") may be included within the block trade. Generally, such block trading should not create conflicts of interest between non-Bishop Personnel Client Accounts ("**Non-Affiliated Client Accounts**") and Affiliated Client Accounts because the securities purchased in such block trading are generally liquid and desired amounts for all participating accounts are readily available. However, in the rare circumstance where the desired amount for all participating accounts is not readily available, including the Affiliated Client Accounts together with the Non-Affiliated Client Accounts will reduce the opportunity available to Non-Affiliated Client Accounts.

Trade sheets documenting the details of Affiliated Client Accounts must be completed for all securities transactions. Records of securities transactions for Bishop Personnel effected in accounts held outside of

Bishop & Associates, Inc., such as duplicate brokerage statements, will be received and reviewed by the Chief Compliance Officer on a quarterly basis.

Bishop & Associates, Inc., itself has no trading account, and does not trade securities on its own behalf.

Nonetheless, because the Code of Ethics permits Bishop Personnel to invest in the same securities as clients, there is a possibility that Bishop Personnel might benefit from market activity by a client in a security held by an employee.

Clients or prospective clients may request a copy of the firm's Code of Ethics at any time by contacting Henry M. Kwiecinski, Chief Compliance Officer at (215) 568-5450.

It is Bishop & Associate, Inc.'s policy that it will not affect any principal or agency cross securities transactions for client accounts, nor will it cross- trade between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

Selection of Broker-Dealers and Best Execution

Within the investment guidelines and restrictions imposed by clients, Bishop & Associates, Inc., will generally have the right to select broker-dealers to execute transactions for Client Accounts. In selecting broker-dealers, Bishop & Associates, Inc., has an obligation to seek to use broker-dealers that provide it with best execution. The best net price, giving effect

to brokerage commissions and other costs will be an important factor in this decision, but a number of other judgmental factors may also enter into this decision. These include, but are not limited to: knowledge of negotiated commission rates currently available; the nature of the transaction; the desired timing of the trade; the activity existing and expected in the market for a particular security; confidentiality; the ability to provide prompt and reliable execution; and execution, clearance, and settlement capabilities, and appropriate services of the broker-dealer.

Soft Dollars

Bishop & Associates, Inc., may choose broker-dealers that provide it with research services. This may or may not cause a client to pay such broker-dealers commissions that exceed those that other broker-dealers may charge. Such research services may include written information on many topics such as the economy, industries, groups of securities and individual companies, statistical information, market data, accounting and tax law interpretations, political developments, pricing and appraisal services, credit analysis, risk management analysis, performance analysis, other information that may affect the economy and/or security prices, and making their analysts available to Bishop & Associates, Inc. The use of these research services will not be restricted to the clients whose transactions are directed to these full-service broker-dealers. Rather, Bishop & Associates, Inc. may use the research services for all of its clients. Accordingly, any research received from a particular client's brokerage commissions may be used partially or exclusively by clients that did not generate commissions to pay for such research. Furthermore, we do not have to produce or pay for the research, products or services paid for with soft dollars. Consequently, we have an incentive to select or recommend broker-dealers based on our interest in receiving research or other products or services, rather than on our clients' interest in receiving most favorable execution. As part of Bishop & Associates, Inc.'s best execution analysis, it considers whether the commissions paid to broker-dealers that provide or pay for soft dollar benefits is reasonable in relation to the value of the brokerage and research services received.

Bishop & Associates, Inc., custodies some client assets at TD Ameritrade Institutional (TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("**TD Ameritrade**") TD Ameritrade provides the firm with "institutional platform services." The institutional

platform services include, among others, brokerage, custody, and other related services.

TD Ameritrade's institutional platform services that assist the firm in managing and administering clients' accounts include software and other technology that (i) provide access to client account data such as trade confirmations and account holdings); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing, and other market data; (iv) facilitate payment of fees from its clients' accounts; and, (v) assist with back-office functions, record keeping, and client reporting. Other institutional platform services are intended to help Bishop & Associates, Inc., manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party-research, publications, access to consultants and other third party service providers who provide a wide array of business related services and technologies with Bishop & Associates, Inc., may, but is not required, to contract with directly.

Bishop & Associates, Inc., is independently owned and operated and is not affiliated with TD Ameritrade. TD Ameritrade generally does not charge its advisor clients separately for custody services, but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through TD Ameritrade or that settle into TD Ameritrade accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). TD Ameritrade provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Bishop & Associates, Inc. does not necessarily utilize every one of the benefits provided by TD Ameritrade. Bishop & Associates, Inc. benefits from the institutional platform services that it uses because either it does not have to produce or pay for such services itself or it receives discounts on such services. Furthermore, some of the products and services made available by TD Ameritrade benefit Bishop & Associates, Inc. but do not benefit its Client Accounts or will benefit Client Accounts that did not generate commissions for which the benefits were received including Client Accounts custodied at other brokers. Some of the institutional

platform services made available by TD Ameritrade are intended to help Bishop & Associates, Inc. manage and further develop its business enterprise. The institutional platform services received by Bishop & Associates, Inc. or its personnel do not depend on the amount of brokerage transactions directed to TD Ameritrade. However, the commission rates charged by TD Ameritrade may be higher or lower than other brokers. As part of its fiduciary duties, Bishop & Associates, Inc. endeavors at all times to put the interests of its clients first. Consequently, as part of Bishop & Associates, Inc.'s best execution analysis, it considers whether the commissions paid to TD Ameritrade and the execution that it provides is reasonable in relation to the value of the brokerage and research services received. Clients should be aware, however, that the receipt of economic benefits by Bishop & Associates, Inc. or its related persons in and of itself creates a conflict of interest and may influence Bishop & Associates, Inc.'s choice of broker for custody and brokerage services.

Certain clients of Bishop & Associates, Inc. custody their assets with Wilmington Trust. Bishop & Associates, Inc. executes trades for such clients through third-party brokers independent of Wilmington Trust, and the trades settle into their Wilmington Trust account. Bishop & Associates, Inc. receives platform benefits from Wilmington Trust, similar to the benefits TD Ameritrade provides to Bishop & Associates, Inc. Bishop & Associates, Inc. makes a determination that the services provided by Wilmington Trust for its clients are appropriate regardless of whether or not Bishop & Associates, Inc. would receive platform benefits from Wilmington Trust.

Soft Dollar Benefits Received by External Managers

External Managers who obtain research and brokerage services for soft dollars face the same conflicts described above with respect to Bishop & Associates, Inc. receipt of soft dollar benefits. In those cases when an External Manager indicates that it may engage in soft dollar practices outside the safe harbor provisions of Section 28(e) of the Exchange Act, Bishop & Associates, Inc. or Crystal as part of its due diligence review and ongoing monitoring of External Managers obtain information concerning their soft dollar practices and make an assessment as to whether such practices are appropriate and reasonable under the circumstances.

Brokerage for Client Referrals

We do not consider, in approving the selection of broker-dealers, whether we or a related person receives client referrals from a broker-dealer or a third-party.

Directed Brokerage

A client may instruct Bishop & Associates, Inc., to direct all or a portion of the securities transactions for his/her account to a specified broker-dealer or enter and execute their own trades. Bishop & Associates, Inc. intends to treat the client direction as a decision by the client to retain the discretion that the firm otherwise would have in selecting broker-dealers to effect transactions and in negotiating commissions generally for the client's account. Clients who direct the selection of brokerage in this way understand that in doing so that they may:

- be restricting Bishop & Associates, Inc. ability to obtain as favorable a transaction price or commission rate or overall best execution as might otherwise be obtainable;
- lose investment opportunities because Bishop & Associates, Inc. will generally invest their assets only after clients that do not direct brokerage;
- forego benefits from savings on execution costs that may otherwise be obtained, most notably by aggregating brokerage orders for various accounts; and
- incur additional credit and/or settlement risk in using the brokers they selected.

Bishop & Associates, Inc. will, at its discretion, aggregate or bunch orders into a block for trading purposes. Transactions will not be aggregated unless it is consistent with the Bishop & Associates, Inc.'s duty to seek best execution for Client Accounts and is consistent with the terms of Bishop & Associates, Inc.'s investment advisory agreement with each client for which trades are being aggregated. Where such conditions are met, Bishop & Associates, Inc. will generally aggregate trades for those Client Accounts that it determines are appropriate to purchase or sell such security. Prior to entering a block order, Bishop & Associates, Inc.'s will prepare order sheets describing how the aggregated order is to be

allocated (the Target Amounts described in Item 6 above) among the involved Client Accounts based on the Investment Factors described in Item 6 above.

Trade Allocation and Aggregation Practices of External Managers

External Managers that manage more than one account may face conflicts of interest in allocating securities transactions among clients. Bishop & Associates, Inc.'s or Crystal's periodically review whether the disclosed allocation practices of such External Managers appear to be appropriate and reasonable under the circumstances. However, there is no guarantee that the External Managers will adhere to such policies and procedures.

Trade Errors

Each IDF Fund (and not Bishop & Associates, Inc.) will be responsible for any losses resulting from portfolio management, trading or administrative errors in connection with the operation of the IDF Fund's investment activities, in the absence of fraud or willful misconduct by Bishop & Associates, Inc. or its respective affiliates or personnel. Any gains or benefits that result from trade errors will also accrue to the applicable IDF Fund. Such errors might include, for example, incorrect entry of a trade into an electronic trading system, errors when reconciling trade activity, or drafting errors related to derivatives contracts or confirmations. In addition, generally External Managers will not be liable for Other Fund losses due to trade errors of such External Managers in the absence of fraud or willful misconduct by such External Managers or their respective affiliates or personnel. The IDF Funds will bear their pro rata share of the Other Funds' losses due to External Manager trade errors.

With respect to the Managed Accounts, it is the policy of Bishop & Associates, Inc. to reimburse the Managed Accounts for any losses suffered by the client because of a trade error caused by Bishop & Associates, Inc. or one of its employees. Any gains realized by a client account as a result of a trade error caused by the Bishop & Associates, Inc. or one of its employees are to remain in the client's account. Bishop & Associates, Inc. will net gains and losses only in the circumstance in which more than one transaction must be effected to correct one or more

trade errors made as a result of a single investment decision. Bishop & Associates, Inc. also seeks to recover the amount of losses caused to client accounts by broker errors. However, Bishop & Associates, Inc. is not responsible for ensuring that brokers compensate clients for such broker errors.

If Crystal makes an error due to its negligence in following an instruction of Bishop & Associates, Inc., it will be liable for such errors.

Item 13 – Review of Accounts

Bishop & Associates, Inc., reviews each Client Account on an on-going basis, generally, at least every two weeks. If a Client Account is new or has particular issues, it is reviewed more frequently. Because Bishop & Associates, Inc., is constantly reviewing the markets and conducting research on markets, the economy, specific sectors and securities, among other items, a change in the economy, the markets, industries, or companies, or our view of said economy, markets, industries and companies may trigger additional reviews. Client Accounts are examined for, among other things, cash ratios, senior securities and stocks, weak items, and lack of participation in recommended sectors or industries. In addition, Client Accounts are reviewed to verify that the clients' directives and objectives as we understand them are being followed and worked towards.

Bishop & Associates, Inc. sends Managed Account clients quarterly statements regarding the holdings in their account. In addition, Managed Account clients are informed of transactions made in equity and fixed income securities at the time that Bishop & Associates, Inc. makes such trades and on monthly basis of all options trades made for the account.

Each investor in an IDF Fund will receive monthly account statements detailing their account information including the account's beginning and ending equity, and the account's performance for that period.

Additionally, on an annual basis, investors in the IDF Funds also will receive copies of the audited financial statements, if applicable, prepared as of December 31 of each year in accordance with generally accepted accounting principles. Such annual audited financial statements will be distributed to investors in accordance with the requirements under Rule 206(4)-2 of the Investment Advisers Act of 1940 ("**Advisers Act**").

Bishop & Associates, Inc. clients invested in the Crystal Funds receive monthly performance statements and holdings from the Crystal Fund.

The sponsors of the QROPS have daily access to the holding statements of the QROPS' holdings through the QROPS custodian portal.

Item 14 – Client Referrals and Other Compensation

Bishop & Associates, Inc. does not receive any economic benefit for providing advice to its clients from anyone other than its clients.

Bishop & Associates, Inc., has entered into a third-party referral arrangement with a third party who has assisted in setting up two QROPS. This third party arranged with the sponsor of such QROPS for Bishop & Associates, Inc. to become the QROPS investment adviser. We have agreed to pay such third- party 20% of the management fees we receive for managing such QROPS assets once such QROPS assets managed Bishop & Associates, Inc. exceed \$25 million under management. Such third party had an incentive to arrange that Bishop & Associates, Inc. manage the QROPS because of the fees it will receive from us if the assets in the QROPS exceed \$25 million under management. Bishop & Associates, Inc. does not charge the QROPS a higher advisory or performance fees as a result of the fees it pays to such third-party.

A registered representative ("**RR**") of a broker-dealer ("**BD**") unaffiliated with Bishop & Associates, Inc. has recommended that certain of his customers (the "**Insurance Customers**") allocate their Variable Contract premiums to an IDF Fund managed by Bishop & Associates, Inc. Bishop & Associates, Inc. does not pay the BD or the RR any fees for such recommendations. However, the BD is paid by External Managers to certain Investment Pools ("**RR Investment Pools**") if the Insurance Customers gain exposure to RR Investment Pools through Variable Contracts. Bishop & Associates, Inc. has invested the IDF Fund's assets in certain RR Investment Pools. Consequently, the RR has an incentive in recommending the IDF Fund to his Insurance Customers because of the fees he will indirectly receive from the External Managers for such recommendations. The RR has disclosed this conflict of interest to his Insurance Customers. In addition, Bishop & Associates, Inc. has an incentive to invest the IDF Fund's assets in the RR Investment Pools in order for the RR to continue recommend the IDF Fund to his Insurance

Customers. Nonetheless, Bishop & Associates, Inc. has conducted, and will going forward conduct, due diligence on the RR Investment Pools and any other Investment Pools invested in by the IDF Fund and believes that such RR Investment Pools are appropriate investments for the IDF Fund despite the conflict of interest Bishop & Associates, Inc. has in selecting such RR Investment Pools.

Item 15 – Custody

Bishop & Associates, Inc., does not maintain direct custody of client assets. The firm custodies client assets at broker-dealers such as TD Ameritrade, Wilmington Trustor at banks or other financial institutions. While Bishop & Associates, Inc., generally prefers to select custodians, clients are also free to choose their own custodian if they so desire. From Bishop & Associates, Inc., clients will receive quarterly statements, along with their statements for fees. Clients should expect to receive statements at least quarterly, if not monthly, from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Bishop & Associates, Inc., urges its clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Under the Advisers Act, Bishop & Associates, Inc. is deemed to have custody of the IDF Funds' assets. Consequently, Bishop & Associates, Inc. will comply with the requirements of Rule 206(4)-2 which requires, among other things, that a qualified custodian (for example, a bank or broker- dealer) maintain client funds and securities subject to certain exceptions for privately offered securities. Bishop & Associates, Inc. satisfies reporting requirements under that rule by engaging an independent public accountant to audit annually the IDF Funds and distribute, at least annually, audited financial statements prepared in accordance with generally accepted accounting principles to all IDF Fund investors within time periods required under Rule 206(4)-2. IDF Fund investors should carefully review all financial statements received from qualified custodians and/or the IDF Funds' administrator. To the extent IDF Fund investors also receive account statements from Bishop & Associates, Inc. they should carefully compare the statements received

from Bishop & Associates, Inc. with those received from the qualified custodian and/or IDF Fund administrator and bring any discrepancies promptly to Bishop & Associates, Inc.'s attention.

Under the Advisers Act, Bishop & Associates, Inc. is deemed to have custody of the QROPS accounts. Consequently, Bishop & Associates, Inc. will comply with the requirements of Rule 206(4)-2 which requires, among other things, that a "surprise audit" be made annually.

Bishop is also deemed to have custody of the Crystal Assets.

Crystal engages an independent public accountant to audit annually the Crystal Funds and distribute, at least annually, audited financial statements prepared in accordance with generally accepted accounting principles to all Crystal Fund investors within time periods required under Rule 206(4)-2.

Crystal Fund investors should carefully review all financial statements received from qualified custodians and/or the Crystal Fund's administrator. To the extent all Crystal Fund investors also receive account statements from Bishop & Associates, Inc. they should carefully compare the statements received from Bishop & Associates, Inc. with those received from the qualified custodian and/or Crystal Fund administrator and bring any discrepancies promptly to Bishop & Associates, Inc.'s attention.

Item 16 – Investment Discretion

Bishop & Associates, Inc., usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Discretionary authority is spelled out in the advisory contract that Bishop & Associates, Inc., has with each client, and a client may opt to retain discretionary authority over his/her own account(s). When selecting securities and determining amounts, Bishop & Associates, Inc., observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Bishop & Associates, Inc., in writing. The scope of such investment guidelines and restrictions is usually set forth in in investment advisory

agreement entered into with the client or, in the case of the IDF Funds, as set forth in the Memorandum and/or in the Explanatory Memorandum relating to such IDF Fund. Such limitations may involve asset allocations, restrictions on the purchase of particular securities or class of securities or other account requirements.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Bishop & Associates, Inc., does not vote proxies on behalf of Managed Account and QROP advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Bishop & Associates, Inc., may provide advice to clients regarding the clients' voting of proxies if the client requests it.

IDF Fund investments in Other Funds generally will not require Bishop & Associates, Inc. to vote proxies. With respect to IDF Fund investments in securities aside from Other Funds, although Bishop & Associates, Inc. is authorized to vote proxies on behalf of the IDF Funds, generally, Bishop & Associates, Inc. does not do so because Bishop & Associates, Inc. has determined that the costs inherent in monitoring and voting proxies outweigh the potential benefits in light of the small position size typically held by IDF Funds in any given security. While Bishop & Associates, Inc. does not anticipate that any IDF Fund would benefit by voting proxies, Bishop & Associates, Inc.'s general determination not to vote proxies on behalf of IDF Fund's results in decisions being made with respect to underlying portfolio securities without input from Bishop & Associates, Inc. Nonetheless, currently Bishop & Associates, Inc. does not expect to invest the IDF Funds' assets in securities that issue proxies in the normal course and, therefore, Bishop & Associates believes that its proxy voting policy will not hurt the IDF Funds or their investors.

For further questions about Bishop & Associates, Inc.'s proxy voting policies and procedures please contact Henry M. Kwiecinski, Bishop & Associates, Inc.'s Chief Compliance Officer, at (215) 568-5450.

Bishop & Associates, Inc. will not be the lead plaintiff in class action lawsuits or actively participate in the litigation of any such lawsuit. Furthermore, Bishop & Associates, Inc. expects that with respect to most class action settlements it will not file proofs of claim on behalf of the

IDF Funds and Managed Accounts because of the immaterial amounts that will be recovered by filing such proofs of claim.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about an adviser's financial condition. Bishop & Associates, Inc., has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.