

**Item 1 – Cover Page**

# **Bishop & Company Investment Management, LLC**



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March 4, 2021

**Form ADV, Part 2** (the "Brochure") is required by the Investment Advisers Act of 1940. It is an important document between our Clients ("you", "your", "Clients") and Bishop & Company Investment Management, LLC ("Bishop & Company", "us", "we", "our").

*This Brochure provides information about the qualifications and business practices of Bishop & Company Investment Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (814) 314-0344. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.*

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

We are a registered investment adviser with the Securities and Exchange Commission. Our registration as an investment adviser does not imply any level of skill or training.

## **Item 2 – Material Changes**

We have no material changes to report.

Filing Date: March 4, 2021. If at any time we update this Disclosure Brochure, we will send you a copy or offer to provide you with a copy at your request.

If you would like another copy of this Brochure, please download it from the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), or contact us and we will provide one to you.

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## Item 4 – Advisory Business

Bishop & Company is owned by one principal, Michael W. Bishop. We have been in business since March 2008 as a fee-only investment management firm. This means we are only compensated by fees paid to us directly by our Clients. **We receive no other sources of compensation (such as commissions paid to us by brokers or fees paid to us by mutual fund companies).**

We provide the following services to our Clients:

- 1) Discretionary Investment Management;
- 2) Investment Consulting for Plan Sponsors of Participant-Directed Retirement Plans; and
- 3) Research and Consulting Services.

Each of these services is more fully described below:

### **Discretionary Investment Management** (referenced as “Discretionary Client”).

The services that we offer to you as a Discretionary Client include the following:

- Assist in designing your long-term investment objectives by identifying your: rate of return goals, investment time horizon, available resources, and risk tolerance;
- Recommend an asset allocation based on your investment objectives;
- Identify investment securities suitable for your asset allocation;
- Supervise and administer the investment of your portfolio’s assets;
- Monitor the performance of your portfolio’s assets;
- Rebalance your portfolio back to your asset allocation targets as needed; and
- Review how changes in your financial situation impact your asset allocation and portfolio holdings.

Each account we manage for you will be assigned one of the following three investment objectives:

- Long-Term Growth (maximum allocation to stocks of 100%)
- Moderate Growth (maximum allocation to stocks of 75%)
- Conservative Growth (maximum allocation to stocks of 40%)

Within these three broad investment objectives, we will define a specific asset allocation target for your account. For example, you may have a written investment objective with us stating “Moderate Growth”, with a specific target of 60% stocks and 40% bonds and money market for your account.

After your asset allocation is determined and initial investments are made, we will continue to monitor your account. We monitor your account to determine if your portfolio position weightings have moved outside of the investment objective we have established for you. If so, we will rebalance your portfolio by executing trades through your custodian, to achieve alignment with your determined investment objective.

In order to ensure that our initial determination of an appropriate portfolio continues to be suitable and that your account continues to be managed in a manner consistent with your financial circumstances, we will; 1) send written reminders to you requesting any updated information regarding changes in your financial situation and/or investment objectives, 2) contact you periodically to determine whether there have been any changes in your financial situation, investment objectives and whether you wish to impose investment restrictions or modify any existing restrictions in our management, and 3) be reasonably available to consult with you.

In general, we believe the most prudent way to build long-term wealth is to broadly diversify your account through the use of Exchange Traded Funds ("ETFs") and no-load mutual funds. However, client accounts are not precluded from owning other security types and from time to time we reserve the right to recommend a non-mutual fund or ETF investment.

In rare exceptions, we will hold other securities (such as individual stocks, bonds, or annuities) in lieu of mutual funds or ETFs in your account. In rare cases, you may direct us in writing, to maintain certain non-discretionary securities in your account that we manage. We will not provide day-to-day management of the non-discretionary securities you hold or purchase in your account

All clients sign an Investment Management Agreement prior to receiving the above services.

Mutual funds and ETFs purchased for your account charge additional fees that are separate and above the fee we charge. Any additional fee is disclosed in the securities prospectus and should be reviewed prior to making an investment.

We do not receive any additional compensation from any of the securities that we recommend.

We do not participate in any wrap-fee programs.

**Investment Consulting for Plan Sponsors of Participant-Directed Retirement Plans** (referred to as Plan Sponsor Client).

The services that we offer to you as a Plan Sponsor Client of a 401(k) or 403(b) plan include the following:

- Assist in the coordination of a record-keeper and custodian to enable your plan to offer a comprehensive retirement plan solution;
- Make recommendations for the design and lineup of diversified investment options for your plan participants;
- Design model portfolio recommendations for your plan participants using the fund options available in your plan;
- Conduct reviews of your plan's available investment options and expenses charged to the plan; and
- Provide group educational presentations to your plan participants.

All clients sign an Investment Consulting Agreement prior to receiving the above services.

**Rollovers to an IRA**

Clients, and prospective clients, considering a rollover from an Employer Retirement Plan to an Individual Retirement Account ("IRA") are encouraged to consider and to investigate the advantages and disadvantages of an IRA rollover from their existing 401(k), 457, 403(b) or other qualified pension plan.

A plan participant leaving an employer typically has four options (and has the right to engage in a combination of these options):

- 1) Leave the money in the former Employer Retirement Plan, if permitted;
- 2) Rollover the assets to a new employer's plan, if one is available and if rollovers are permitted;
- 3) Rollover Employer Retirement Plan assets to an IRA;
- 4) Cash out (or distribute) the Employer Retirement Plan assets and pay the taxes due.

Regulatory authorities have advised investors that they typically face increased fees when they transfer retirement savings from their current Employer Retirement Plan to an IRA rollover account.

Clients are advised that even if there are no costs associated with the IRA rollover itself, there will be costs associated to account administration, investment management or both. There can also be additional management expenses associated with the investment itself.

Bishop & Company manages investments for clients in advisory accounts and charges a fee to manage accounts. Therefore, in addition to the fees charged by us, the underlying investments (mutual fund, ETF, annuity, or other investment) typically also charge management fees. Custodial fees also apply. Investing in an advised IRA with Bishop & Company will typically be more expensive than the current Employer Retirement Plan. Prior to electing to rollover assets from the current Employer Retirement Plan to an IRA managed by Bishop & Company, listed below are some important considerations. This is not necessarily an exhaustive list of all considerations:

- The type of account investment management desired. For example, is assistance in the management of investments desired on a discretionary or non-discretionary basis; or is a self-managed account preferred.
- Available investment choices.
- The professional assistance available to participants in the current Employer Retirement Plan when compared to the advisory services offered by Bishop & Company in an advised IRA account.
- The cost of advisory fees.
- Management expenses associated with the underlying investments in an IRA advisory account vs. the underlying investment expenses associated with the current Employer Retirement Plan. Typically, the management expenses in the current Employer Retirement Plan are less expensive than in a rollover IRA advisory account.
- Custodial charges in the advised IRA account vs. the current Employer Retirement Plan.
- The desire to work with an adviser that is a fiduciary.
- Consolidation of assets.
- The ability to obtain advice relative to Roth conversions, required minimum distributions, beneficiary designations, 72(t) distributions, the desired asset allocations, and other considerations.
- Transaction charges associated with the advised IRA vs. the current Employer Retirement Plan.
- The rules pertaining to the required minimum distributions ("RMD") in the current Employer Retirement Plan when compared to the advised IRA.
- Legal protections afforded to current Employer Retirement Plan participants and to rollover IRA account owners. Employer Retirement Plans have significant liability protection.
- The rules pertaining to beneficiaries of an IRA vs. the current Employer Retirement Plan (inherited accounts).
- The loan provision associated with the current Employer Retirement Plan, if any. IRA accounts do not have loan provisions.
- Employer Retirement Plans that are be available from a new employer.
- For clients under age 59½ year of age, that have separated from service and rolled their assets to an IRA and then take a distribution before attaining age 59½, are subject to a 10% excise tax in addition to ordinary income tax.
- There are numerous other considerations. Clients and prospective clients are urged to seek advice from their CPA, tax adviser, plan administrator and/or legal counsel prior to rolling over assets from the current Employer Retirement Plan to an advised IRA with Bishop & Company.

The recommendation by Bishop & Company that a client, or prospective client, rollover assets from an Employer Retirement Plan to an IRA managed by the adviser presents a conflict of interest. Bishop & Company and its Supervised Persons have an incentive to recommend an investor rollover plan assets into an IRA because we stand to earn an asset-based fee as a result, but no compensation if assets are retained in the plan.

**Research and Consulting Services** (referred to as “Research Service Client”).

Bishop & Company is available to provide independent analysis on particular investment choices and/or decisions. We are consulted by corporate boards, non-profit entities, third-party plan administrators, individuals, attorneys and other professional firms. For these projects we charge an hourly fee as described in our Investment Consulting Agreement.

**Assets Under Our Management**

As of December 31, 2020, Bishop & Company managed \$278,789,770 in regulatory assets under management. In addition, we consulted on \$6,402,557 in other assets for a total of \$285,192,327.

## **Item 5 – Fees and Compensation**

Our fees for services depend on the type of service we provide to you. Each fee arrangement is discussed in more detail below:

**Our Fees for Discretionary Clients:**

Our Discretionary Client Fee is due and payable quarterly in advance. Your initial fee is due and payable upon your execution of our Investment Management Agreement and funding of your account with us. The initial fee will be assessed pro rata through the end of the current calendar quarter you begin with us. The initial fee charged is based on the initial value of the assets used to fund your account. Subsequent fee charges will be calculated on the first day of each calendar quarter and shall be based on the value of your account as of the close of business on the last business day of the preceding quarter.

All Discretionary Client fees will be deducted directly from your brokerage account, unless you elect in writing to be billed for the fees. If we deduct the fee from your account, you will receive a quarterly statement which will detail the fee charged. If your custodian is unable to deduct our fee from your account, you will be billed for the fee with a separate invoice.



As a prospective client, the first hour of consultation with us is at no charge to you. Should you decide to continue with our consultation process, we will provide you with an Investment Consulting Agreement. This Agreement outlines our consulting services and the hourly fee rate you will be charged based on the amount of time, meetings, and complexity of research required for us to provide the requested services to you. At the conclusion of our consulting phase, if you elect and we agree to you becoming a client of our Firm, any fees incurred and paid to us for the consulting process as outlined in the Investment Consulting Agreement will be credited against your initial Discretionary Client fee once we begin managing your account(s) as described below.

Our fee schedule for Discretionary Client accounts is as follows:

<u><b>Assets Under Management</b></u>	<u><b>Quarterly</b></u>	<u><b>Annually</b></u>
First \$1,000,000	.2500%	1.00%
Portion between \$1,000,001 - \$1,500,000	.2250%	0.90%
Portion between \$1,500,001 - \$2,000,000	.2125%	0.85%
Portion between \$2,000,001 - \$2,500,000	.2000%	0.80%
Portion between \$2,500,001 - \$3,000,000	.1875%	0.75%
Portion between \$3,000,001 - \$3,500,000	.1750%	0.70%
Portion between \$3,500,001 - \$4,000,000	.1625%	0.65%
Portion between \$4,000,001 - \$4,500,000	.1500%	0.60%
Portion between \$4,500,001 - \$5,000,000	.1375%	0.55%
Portion between \$5,000,001 - \$10,000,000	.1250%	0.50%
Over \$10,000,000	Negotiable	

All billed fees will be due within thirty (30) days of the date of billing. Any billed fee not paid within 30 days of such billing will be subject to a 1% monthly interest charge (unless a special accommodation is made by us). We reserve the right to suspend our investment management services in the event any fee becomes more than 30 days overdue.

From time to time, in unusual circumstances, client fees are subject to negotiation. We reserve the right to waive any fees described in this section.

***We reserve the right to change our standard Discretionary Client fee rate effective upon thirty (30) days' written notice to you of such change. Any change in our fees will be disclosed in any future Brochure and will be deemed to be accepted by you thirty (30) days after the mailing of the Brochure unless you object in writing and that writing is received within thirty (30) days of mailing.***

We do not accept compensation from any broker, mutual fund or ETF company we recommend or work with, otherwise known as "soft dollars". Our only source of income is from fees paid directly by you to us. We believe not accepting these soft dollars from investment providers in exchange for recommending their products, helps us remain unbiased in our recommendations and decision making for you.

Either you or Bishop & Company have the right to terminate your Investment Management Agreement within five (5) days of the date of acceptance of the Investment Management

Agreement by Bishop & Company without any cost to you. After the five (5) day period, either party may terminate the Agreement by providing written notice to the other party. If the Agreement is terminated, we will provide you with a prorated refund of any prepaid fees actually paid to us. The refund will be based upon the date that is the earlier of when: 1) all of your assets have transferred out of your account with us, or 2) the date that we are removed from your account as the named adviser with your custodian.

### **Third-Party Fees:**

In addition to our Discretionary Client fee, you will also be responsible for fees and other costs charged by third parties when we purchase or sell securities for your account. Third party fees are paid directly to your broker, custodian, or the mutual fund or other investment vehicle that is held in your account. We do not share in or participate in these third-party fees. Such third party fees and expenses include:

- Brokerage commissions;
- Transaction fees;
- SEC fees;
- Management and Administrative fees charged by Mutual Funds and ETFs;
- Custodial fees;
- Deferred sales charges;
- Wire transfer and electronic fund processing fees; and
- Commissions or mark-ups / mark-downs on security transactions.

Please see Item 12 "Brokerage Practices" for more information on fees and costs charged by your brokers and custodians.

There are no fees charged by Bishop & Company to terminate an account you have with us. However, if you transfer or liquidate your account, you will most likely be subject to a transaction and/or termination fee from the broker/custodian of your account. We do not participate in these fees, nor derive any compensation from such fees.

### **Our Fees for Investment Consulting to Plan Sponsors of Participant-Directed Retirement Plans:**

We charge a flat annual fee amount for Investment Consulting services to retirement plan sponsors (the "IC fee"). The IC fee charged by us is specific for each plan sponsor. The amount that we charge you is dependent on a number of factors, including, but not limited to; the amount of time required to consult on your plan, the type of analysis required to consult on your plan, the number of locations and plan participants we will be required to service, and our overall relationship with you.

Our IC fee is based on the services that we will provide which include; designing a line-up of investment options, monitoring those investment options for you and educating your plan participants.

Our IC fee is payable quarterly in advance. The initial IC fee is due and payable upon your execution of our Investment Consulting Agreement. The initial IC fee will be assessed pro rata through the end of the current calendar quarter you begin with us. Subsequent IC fee charges will be calculated on the first day of the calendar quarter.

IC fees will be deducted directly from your retirement plan account, unless you elect in writing to be billed for the fee. If our IC fee is deducted from your account, you will receive a quarterly statement of the IC fee charged. If your custodian is unable to deduct our IC fee from your account, you will be billed for the fee.

Our IC fee will be due within thirty (30) days of the date of billing. Any IC fee not paid within 30 days of such billing is subject to a 1% monthly interest charge. We reserve the right to suspend our investment consulting services in the event any fee becomes more than 30 days overdue.

***We reserve the right to change the IC fee we charge effective upon thirty (30) days' written notice to you of such change. A change in the annual IC fee disclosed in any future Brochure will be deemed accepted by you thirty (30) days after the mailing of the Brochure unless you object in writing and that writing is received within thirty (30) days of mailing.***

Either you or Bishop & Company have the right to terminate your Investment Consulting Agreement within five (5) days of the date of our acceptance of the Investment Consulting Agreement without any cost to you. After the five (5) day period, either you or Bishop & Company may terminate the Agreement by providing written notice to the other. If the Agreement is terminated, we will provide you with a prorated refund of any prepaid IC fees actually paid to us. The refund will be based upon the date we receive written notification to terminate the Investment Consulting Agreement.

### **Third Party Fees:**

In addition to our IC fee, your retirement plan will incur other fees charged by third-parties, including, but not limited to:

- Recordkeeping fees;
- Transaction fees;
- Custodial fees;
- Management and Administrative fees charged by mutual funds and/or ETFs;
- Compliance testing and reporting fees.

These fees are charged by and paid directly to third parties. We do not participate in these fees or derive any compensation from them.

While there are no fees charged by Bishop & Company to terminate our Agreement with you, the recordkeeper and/or custodian of your plan can charge certain termination fees, which will be disclosed within their respective agreements with you. We do not participate in these fees or derive any compensation from them.

### **Our Fees for Research and Consulting Services:**

As each research and consulting project is different and unique to the services being requested, our fees are determined based on the amount of time required to complete the project request and will be set as an hourly rate or a flat fee.

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

We do not charge performance-based fees which are based on a share of the capital appreciation on the securities in your account.

Our fee compensation is charged only as a percentage of assets, or an hourly rate/flat fee as more fully disclosed in Item 5 (Fees and Compensation) above.

In general, all client accounts follow a similar model based on their investment objectives. All accounts that are managed according to the same model are managed in the same manner.

## **Item 7 – Types of Clients**

Bishop & Company generally requires a minimum investment of \$750,000 to establish a new management relationship; however, this is negotiable.

We provide services to a wide variety of Clients including:

- Individuals;
- Trusts, Estates, Foundations, Endowments and Charitable Organizations;
- Corporations and other Business Entities; and
- 401(k), Profit Sharing and Pension plans.

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

### Analysis:

Bishop & Company does not represent, warrant, or imply that the services, methods of analysis, model portfolios, or strategies we use can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses. Different types of investments involve varying degrees of risk. It should not be assumed that future performance of any specific investment or strategy will be profitable or equal any performance levels. Clients using Bishop & Company's investment management services should be prepared to bear the risk of loss that is inherent in each of the investment methods and strategies used. We develop portfolios tailored to clients' needs and circumstances and long-term investment objectives.

Throughout our investment analysis process, we review numerous sources of information, including:

- Research materials we subscribe to prepared by others;
- Information learned while attending professional investment conferences; and
- Corporate rating services.

We provide investment advice on, and typically invest Client funds in, the following types of securities:

- Exchange Traded Funds (ETFs);
- Mutual Funds and possibly variable annuities if required by you (both of these types of securities are known as Investment Company Securities);
- Individual Stocks -as an accommodation if you direct us in writing;
- Bonds, including: corporate, U.S. Government, and Municipal Securities;
- Certificates of Deposit;
- Real Estate Investment Trusts (REITs) - as an accommodation if you direct us in writing; and Warrants

Investing in any of the above-listed securities involves risk of loss. See below for more details.

### Investment Strategies:

**We are long-term investors and not short-term speculators.** We believe that long-term holding periods greatly increase the likelihood of reaching your investment goals and objectives. In contrast, short-term speculating is not investing and something we do not engage in. **We will always counsel that you patiently maintain the portfolio that will best meet your long-term goals.** We don't believe it is possible for anyone to gain an advantage over the equity market by going in and out of it because of current events or perceived threats. Rather, some of the most significant opportunities for us to add value occur during periods of market duress or euphoria when you are tempted to abandon your well thought out investment plan.

When implementing our investment advice, we invest for the long-term with an expected holding period of at least one year. However, we reserve the right to make decisions that result in a short-

term holding period (less than one year) for positions in your account. We typically do not engage in the following strategies when managing your account, which could increase the provision of losses and reduce your long-term performance:

- Timing the Market: Selling and buying positions in an attempt to forecast short-term market movements, something we believe is not consistently possible.
- Short Term Trading
- Short Selling: Selling off securities through a transaction that profits during a price decline, and can lead to unlimited losses if prices advance.
- Margin Transactions: Borrowing against your account.
- Option Writing

### **Risk of Loss:**

Any investment in securities includes a risk of loss of your principal (the amount you invest) and any profits that have not been realized. The financial markets do fluctuate, and at times can fluctuate substantially. In addition the performance of any investment is not guaranteed. Any international investments that we use to manage your account carry the additional risks of currency and political uncertainty. As a result, for all securities, there is a risk of loss of the assets we manage for you that is out of our control.

We will do our very best in the management of your assets; however, we cannot guarantee any level of performance or that you will not experience a loss of your account assets.

## **Item 9 – Disciplinary Information**

We have no legal or disciplinary events to disclose.

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

The services offered by Bishop & Company are more fully described in Item 4 (Advisory Business). We are **not** registered (nor do we have an application pending for registration) as a:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker;
- Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company)

- or “hedge fund”, and offshore fund);
- Other investment adviser or other financial planner;
- Futures commission merchant, commodity pool operator, or commodity trading adviser;
- Bank or thrift institution;
- Accountant or accounting firm;
- Lawyer or law firm;
- Insurance company or agency;
- Pension consultant;
- Real estate broker or dealer;
- Sponsor or syndicator of limited partnerships; or
- General partner in any partnership in which you may be solicited to invest.

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

Every SEC-registered investment advisory firm is required to adopt a Code of Ethics. Accordingly, Bishop & Company has adopted a Code of Ethics (the "Code"), the full text of which is available to you, or to any prospective client, upon request.

**Our Code is based on the principal that employees of our Firm have a fiduciary duty to our Clients. Our Code sets forth standards of business, fiduciary and ethical requirements for our employees. Under our Code, our employees are: (i) required to comply with all applicable Federal and State Securities Laws; (ii) required to keep your personal information confidential; (iii) prohibited from acting on or misusing material non-public information; (iv) regulated in trading personal securities (for what we call “reportable securities” as mandated by regulation); and (iv) required to always put your financial interests ahead of our own.**

Our Code includes the following tenants:

- It is our policy that priority will always be given to the trading of your account over the trading of our own or our employees’ accounts.
- We do not buy any investments from your account for our own account or for any employee's account. Likewise, we do not sell any investments that we own (or our employees own) to you from our accounts. Such types of trades are known as "Principal Trading."
- Our Code prohibits our employees from investing in Initial Public Offerings (IPO's).

Our Code does not prohibit personal trading by our employees. As a professional investment adviser, we follow our own advice. Therefore, we can purchase or sell for ourselves the same or similar securities that you own in your account. As part of our Code, our employees are required to report any violation or suspected violation of any rule, policy, and/or procedure set forth in our Code to our Chief Compliance Officer.

Any employee found to have violated any rule, policy, and/or procedure set forth in our Code will be subject to appropriate corrective action, up to and including termination.

Our Code is distributed to each employee at the time of hire, and annually thereafter. We require all employees to certify in writing that they are compliant with our Code upon each distribution of it to them each year.

## **Item 12 – Brokerage Practices**

### **Brokerage Practices**

Bishop & Company does not maintain physical custody of the assets that we manage for you. However, we are deemed to have custody of your assets in certain circumstances, such as the ability to deduct fees from your account or if you give us the authority to withdraw or move assets from your account (see Item 15 – Custody).

Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our Clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian. Bishop & Company is independently owned and operated and is not affiliated with Schwab, or any other custodian. Your qualified custodian will hold your assets in a brokerage account and buy and sell securities when we instruct them. While we recommend that you use Schwab as your custodian/broker, you will decide whether to do so and will independently open your account with the qualified custodian of your choosing by entering into an account agreement directly with them. We will assist you with the process of opening an account with Schwab. Unless we inform you otherwise on a particular trade, we will execute all trades in your account with your qualified custodian.

Clients can choose not to use Schwab as their custodian and broker. In this case Bishop & Company will not have the authority or opportunity to negotiate commissions, obtain volume discounts, have the speed of trading and therefore best execution would not be achieved. In addition, a disparity in commission charges can exist between the commissions charged to you and those charged to our other clients who trade with Schwab. You are not under any obligation to affect trades through any recommended broker. However, if Bishop & Company believes that the use of that broker would hinder us in meeting our fiduciary obligation for you, Bishop & Company will notify you in writing.



## **How We Select Brokers/Custodians**

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, the most advantageous to you when compared to other available providers and their services. We will not necessarily recommend brokers based solely on the lowest available fees. Rather, we consider a wide range of factors, including, but not limited to:

- Transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades in a timely manner (i.e. buy and sell securities for your account);
- Capability to facilitate transfers to and from your account (i.e. transfer funds to and from your brokerage account to your bank account, and/or check requests.);
- Breadth of available investment products to select from (ETFs, no-load mutual funds, stocks, and bonds);
- Availability of investment research and tools that assist us in making investment decisions for your account;
- Quality of services to us (allowing us to service your needs efficiently and accurately) and to you;
- Competitiveness of the price of those services (commission rates and trading costs) and willingness to negotiate the prices;
- Reputation, financial strength, and stability;
- Prior service to us and our Clients; and
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us From Schwab”).

## **Your Brokerage and Custody Costs**

If your account is maintained at Schwab, Schwab does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account.

We have requested, on your behalf, a negotiated commission rate for mutual fund trades for any account you maintain at Schwab. Schwab has provided this negotiated commission rate for all of our client accounts held with them that is based on the economics of our relationship with them. The negotiated commission rate may change at Schwab’s discretion. This negotiated commission benefits you because the overall commissions that you pay are lower than they would otherwise be with Schwab.

In addition to commissions charged by Schwab, you will be charged a flat dollar amount known as a “prime broker” or “trade away” fee for trades that we execute by a different broker-dealer that are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer (Schwab). Because of this, in order to minimize your trading costs, we normally have Schwab execute all trades for your account maintained at Schwab.

We have determined that having Schwab execute most, if not all, trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How We Select Brokers/Custodians”).

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

If our Clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab, we are provided access to Schwab Advisor Services™ (formerly called Schwab Institutional®), which is Schwab's business serving independent investment advisory firms like ours. These services provide both you and us with access to their institutional brokerage —trading, custody, reporting, and related services — many of which are not typically available to Schwab's retail customers. In addition, Schwab makes available various support services that help us manage and administer your account and to grow our business. Schwab's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. However, if our Clients collectively maintain less than \$10 million in assets at Schwab, Schwab reserves the right to charge us a quarterly service fee of \$1,200 for these services. Following is a more detailed description of the benefits that Schwab support services provide:

#### **Services That Benefit You.**

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

#### **Services That Not Directly Benefit You.**

Schwab also makes available to us other products and services that benefit us in managing and administering your account, but may not directly benefit you. The primary benefit of these services is investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our Clients' accounts, including accounts that may not be maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provides access to client account data (such as duplicate trade confirmations and account statements);
- Facilitates trade execution and allocates aggregated trade orders for multiple client Accounts if needed;
- Provides pricing and other market data;
- Facilitates payment of our fees from our Clients' accounts; and
- Assists us with back-office functions, recordkeeping, and client reporting.

## **Services That Generally Benefit Only Us.**

Schwab also offers other services intended to help us manage and further develop our business enterprise. The services Schwab provides which we may partake in includes:

- Educational conferences and events;
- Consulting on technology, compliance, legal, and business needs;
- Publications and conferences on practice management; and
- Access to employee benefits providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may discount or waive its fees for some of these services or pay all or a part of a third party's fees. In addition, Schwab may provide us with other benefits, such as occasional business entertainment of our personnel.

## **Our Interest in Schwab's Services**

The availability of the services from Schwab discussed above benefits us, because we do not have to produce or purchase the services for ourselves. Provided our Clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab, we incur no cost for these services. Beyond that, these services are not contingent upon us committing any other specific amount of business to Schwab, including executing a certain number of trades per period. The added value of these services provides us incentive to recommend that you maintain your account with Schwab. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in your best interests. Our recommendation to you for Schwab is primarily supported by the scope, quality, and price of its services (see above "How We Select Brokers/Custodians") and not because of our savings on the services Schwab offers us for free. Currently, we manage and consult on over \$190 million in client assets, and therefore do not believe that recommending our Clients collectively maintain at least \$10 million of those assets in accounts at Schwab, in order to avoid paying Schwab's quarterly service fee, presents a material conflict of interest for us. Under no circumstance will you be charged a fee higher than that normally charged by Schwab for the sole purpose of maintaining our free use of the services provided by Schwab. Whether or not you maintain your account with Schwab, we will use Schwab's services to benefit your account, so long as we are provided access to them.

## **Block Trading**

Block trading is trading multiple accounts at the same time, in the same security, using the same broker-dealer. When trading situations occur when block trading is possible, we will pursue doing so. In such instances, trades for multiple client accounts may be aggregated into one single order to obtain the same average price for the security traded for each client account.

## **Your Direction to us for using a specific Broker-Dealer/Custodian**

If you decide to use a particular broker-dealer/custodian other than Schwab, the commission rates and transaction costs are agreed upon between you and that broker-dealer/custodian. In those cases, we are not responsible for obtaining best execution, which may cost you more money. In

addition, in the instances when we may aggregate multiple client trades or execute block trades with Schwab, because your account will be with a different broker-dealer/custodian, you may receive a less favorable trade execution.

### **Broker-Dealer/Custodian for Participant-Directed Retirement Plans**

You, as a Plan Sponsor Client, may desire to have the custody of your retirement plan assets with a broker-dealer/custodian other than Schwab. In these cases, we may recommend or assist you in the selection of a broker-dealer/custodian by considering a wide range of factors, including, among others:

- Capability to custody and allow your plan participants to select between a diversified menu of no-load mutual funds and/or ETFs;
- Capability to facilitate transfers and payments to and from your retirement plan account (i.e. contributions, rollovers, distributions, etc.);
- Quality of services;
- Competitiveness of the price of those services for retirement plans (i.e. the fees and expenses of the available investment options and possible recordkeeping costs if applicable);
- Reputation, financial strength, and stability; and
- Prior service to us and our other Clients.

### **Item 13 – Review of Accounts**

Bishop & Company reviews your discretionary account with us on an ongoing basis. Michael W. Bishop, CFA will review your account to determine if rebalancing is required. Rebalancing your account means buying and/or selling securities, if necessary, so that your account's asset allocation (stock, bond and cash ratio) and sub asset class allocation (large cap vs. small cap, and growth vs. value style for example) match the targets we have established for you. Interim or more extensive reviews may be triggered by a number of factors. These factors may include, but are not limited to, changes in:

- Your financial circumstances;
- Deposits or withdrawals you make into or from your account;
- Changes in your security positions;
- Changes in market conditions; and
- Our decision to replace securities in your account.

Your broker-dealer/custodian is responsible for providing monthly or quarterly account statements to you, which reflect the positions, current pricing, transactions, and any investment management

fees paid from your account. In addition, your broker-dealer/custodian will provide confirmation of trading activity and year-end tax reporting (such as IRS Form 1099) for your account.

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

We do not pay third parties to refer clients to us.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisers whose Clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for you.

## **Item 15 – Custody**

Bishop & Company does not maintain physical custody of the assets that we manage for you. However, under government regulations, we are deemed to have custody of your assets when you authorize us to instruct your broker-dealer/custodian (such as Schwab) to deduct our advisory fees directly from your account, or transfer assets to a third-party account with a different account registration (names on the account).

You will receive account statements directly from your broker-dealer/custodian at least quarterly. The statements provided by them will be sent to the postal mailing address or email address you provided to your broker-dealer/custodian.

You should carefully review any statements that you receive from the broker-dealer/custodian of your account. We encourage you to compare the statements received from the broker-dealer/custodian with any reporting that you may receive from us. We reconcile your account on a share basis with your custodian. If a security transaction occurs where the trade and settlement dates span over a quarter end reporting date, there may be a difference between the market value of your account that we report and that reported by your custodian.

## **Item 16 – Investment Discretion**

As a Discretionary Investment Management client, we require you to execute the following two documents with us:

- 1) A Bishop & Company Investment Management Agreement and corresponding Investment Objective Form;**

Our Investment Management Agreement states that we have discretionary authority over your account, provided that all investments comply with your written Investment Objectives. Bishop & Company's discretionary authority is limited to determining the securities to be bought or sold and the amount of securities to be bought or sold in your account with us. You may direct us or provide certain restrictions on our investment authority by doing so in writing (such as the purchase and/or retention of specific securities, of which you then will be responsible for investment discretion of those specific securities). In addition, if you direct your broker/dealer to purchase a security in the account we manage for you, then you will be responsible for the investment discretion of that specific security.

**2) A Limited Power Of Attorney (LPOA) Form from your broker-dealer/custodian.**

You must execute a broker-dealer/custodian's Limited Power of Attorney form which appoints us with discretionary authority to affect trades on your behalf within your broker-dealer/custodian account.

## **Item 17 – Voting Client Securities (i.e. Proxy Voting)**

It is our policy not to vote proxies on behalf of our Clients. Any proxy materials you may receive will come directly from your broker-dealer/custodian or transfer agent.

## **Item 18 – Financial Information**

Financial regulations state if an adviser charges or solicits pre-payment of \$1,200 or more in fees per client six (6) months or more in advance, then the Adviser is required to provide a balance sheet for the most recent fiscal year. Since this is not the case for Bishop & Company, we do not fall within the scope of this requirement, and no balance sheet is provided.

## Brochure Supplement on Michael W. Bishop, CFA

Business Address:

1250 Tower Lane, Suite 101  
Erie, PA 16505  
814-314-0344

Mike was born in 1969. He graduated from Gannon University where he received a Bachelor of Science degree in Finance and Economics in 1991. Mike is also a Chartered Financial Analyst (CFA) charterholder.

### **What is the CFA charter?**

The Chartered Financial Analyst® designation, or CFA charter, has become the most respected and recognized investment credential in the world.

CFA charterholders bring a strong understanding of advanced investment analysis and real-work portfolio management skills to deliver premium advice. Earning the CFA charter demonstrates mastery of the skills most needed for investment analysis and decision making in the financial industry.

To earn the CFA charter a candidate must:

- Have four years of qualifying investment work experience;
- Become a member of CFA Institute,
- Pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, and
- Must complete the CFA Program.

The CFA Program is a globally-recognized, graduate-level curriculum that provides the candidate with a strong foundation of real-world investment analysis, portfolio management skills and practical knowledge for today's investment industry. It also emphasizes the highest ethical and professional standards.

The Program is organized into three levels, each culminating in a six-hour exam. CFA Program candidates report dedicating in excess of 300 hours of study per level. Completing the entire Program is a significant challenge that takes most candidates between three and five years.

### **How well known is the CFA charter?**

- There are approximately 150,000 CFA charterholders worldwide.
- Regulatory bodies in 19 countries recognize the CFA charter as a proxy for meeting certain licensing requirements.
- More than 125 distinguished colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own courses, including the University of Oxford's Saïd Business School; New York University; INSEAD; Peking University; and Nanyang Technological University.
- To learn more about the CFA charter, visit <https://www.cfainstitute.org/-/media/documents/support/membership/value-of-premium-wealth-management-for-advisers.ashx>

Mike has over 25 years of experience in investment advising:

- 1992-1994 Security Analyst and Assistant Portfolio Manager for Bill Few Associates, Inc. in Pittsburgh, PA.
- 1994-2002 Chief Investment Officer and Manager of the Heritage Trust Division for Northwest Savings Bank, Erie, PA.
- 2002-2008 Portfolio Manager for Wedgewood Investors, Inc, Erie, PA.
- 2008-Current Founder/President Bishop & Company Investment Management, LLC, Erie, PA.

In August 2010, Bishop & Company became aware of its inadvertent failure to pay a filing fee of \$117 when we registered our employee Investment Advisor Representative with the Commonwealth of Pennsylvania at the Firm's inception in 2008. After self-reporting this omission to the Pennsylvania Securities Commission, we were assessed a monetary fine. Our Investment Advisor Representative's registration with Pennsylvania has been updated and corrected. For more information, you can contact us, or the Pennsylvania Securities Commission and reference docket number 2010-09-21.

Mike does not engage in any outside business activities that would be considered a conflict of interest with his position as an Investment Advisory Representative with Bishop & Company Investment Management. Mike does not receive any additional compensation for advisory services from any persons or accounts that are not clients of Bishop & Company Investment Management, LLC.