



**BISHOP &  
COMPANY**  
INVESTMENT MANAGEMENT LLC

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

[www.bishopinvestmentmanagement.com](http://www.bishopinvestmentmanagement.com)

March 18, 2026

**Form ADV Part 2A  
Disclosure Brochure**

This brochure provides information about the qualifications and business practices of Bishop & Company Investment Management, LLC (hereinafter "Bishop & Company", "we" or "us"). If you have any questions about the contents of this brochure, 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 is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Bishop & Company is a registered investment adviser with the Securities and Exchange Commission. Our registration does not imply any level of skill or training.

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.

## **Item 2 – Material Changes**

The material changes section of this brochure will be updated annually and/or when material changes have occurred since the previous release of the Firm Brochure.

The following changes have been incorporated into this version of the Brochure since our last annual amendment:

### **March 2026**

*Item 4 Advisory Business and Item 5 Fees and Compensation* – These sections have been updated to further clarify the services we offer to plan sponsors and plan participants as part of our Investment Advisory Services. Please see Item 4 and Item 5 for additional details.

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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 provide the following services to our clients:

- 1) Discretionary Investment Management, and
- 2) Investment Advisory Services for Plan Sponsors of Participant-Directed Retirement Plans

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
- Review how changes in your financial situation impact your asset allocation and portfolio holdings, and
- Comprehensive financial planning tailored to your life goals – including retirement, tax efficiency, liquidity needs, and major life transitions.

The accounts we manage for you will be assigned one of the following three investment objectives:

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

Within these three broad investment objectives, we will define a specific asset allocation target for your accounts. For example, you may have a written investment objective with us stating “Moderate Growth”, with a specific target of 70% equities and 30% bonds and money market for your combined accounts.

After your asset allocation is determined and initial investments are made, we will continue to monitor your accounts. We monitor your accounts to determine if your portfolio position weightings have moved outside of the investment objectives we have established for you. If so, we will rebalance your

accounts by executing trades through your custodian, to achieve alignment with your determined investment objective.

To ensure that our initial determination of an appropriate investment allocation continues to be suitable and that your accounts continue to be managed 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 and/or investment objectives, and 3) be reasonably available to consult with you.

We believe the most prudent way to build long-term wealth is to broadly diversify your accounts using Exchange Traded Funds (“ETFs”) and no-load mutual funds. However, client accounts are not precluded from owning other security types. In some cases, where tax considerations may limit our ability to immediately achieve broad diversification, we may invest in securities that are not ETFs or mutual funds and instead use individual stocks, bonds, or annuities that are transferred to our oversight. You do have the right to impose reasonable restrictions on your account investments.

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

ETFs and Mutual funds owned in your accounts charge their own fees that are separate from the fees we charge. Any additional fee is disclosed in the securities prospectus and should be reviewed before making an investment.

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

We do not participate in any wrap-fee programs.

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

Bishop provides fee based qualified retirement plan services that provide non-discretionary and discretionary Investment Fiduciary Services to Sponsors and Trustees of qualified retirement plans. Bishop services include plan-level advice, participant education, and will assist you in establishing a menu of mutual funds and / or models to offer to participating employees of the qualified retirement plan. Prior to providing advisory services, Bishop will gather data about the company and the participants of the qualified retirement plan to determine the needs, investment objective and range of risk tolerance to be offered. Employees will self-direct the investments of their accounts within the plan.

As an ERISA 3(21) Investment Advisor, services are designed to allow the Sponsor to retain full discretionary authority or control over assets of the Plan. We will solely be making recommendations to the Sponsor. The Sponsor retains decision making authority and may accept or reject any recommendations.

As an ERISA 3(38) Investment Manager, services are designed to allow the plan fiduciary to delegate responsibility for managing, acquiring and disposing of Plan assets that meet the requirements of the Employee Retirement Income Security Act of 1974 (“ERISA”). If appointed as an ERISA 3(38)

Investment Manager, Bishop would have full discretionary authority to select, monitor, and remove the investment options offered in a qualified retirement plan. Bishop may provide any or all of these services by engaging in one or more subcontractors.

In either case, whether we are engaged as a 3(21) Investment Advisor or 3(38) Investment Manager, we will perform investment services, and will charge a fee for services rendered, as described in this Form ADV and your Investment Agreement.

## **IRA Rollover Recommendations**

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

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

## **Assets Under Our Management**

As of December 31, 2025, Bishop & Company managed \$440,817,024 in discretionary regulatory assets under management. In addition, we consulted on \$1,337,319 in other assets for a total of \$442,154,343 of assets under advisement.

## **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 Investment Management:**

We will charge you a Discretionary Fee for our investment management services. Our fee is payable quarterly in advance at a rate based on your fee schedule with us.

### **New Accounts.**

For new accounts opened during a calendar quarter, we will calculate the fee for the upcoming quarter based on the account value as of the last business day of the current quarter. In addition, we will

charge a prorated fee for the portion of the current quarter during which the account was under management. The prorated amount will be calculated based on the number of days the account was managed during that quarter.

**Ongoing Accounts.**

For accounts under management for the full quarter, fees are calculated on the first day of each calendar quarter based on the value of the accounts’ assets under management as of the close of business on the last business day of the preceding quarter.

The custodian will deduct our fee from your account. You will receive a quarterly statement from the custodian showing the amount of the fee.

If you elect to, or if the custodian is unable to, deduct our fee from your account, you will be billed directly for the fee, which will be due within 30 days of the billing date. Any billed fee not paid within 30 days may be subject to a 1% monthly charge. We reserve the right to suspend our investment management services in the event any fee becomes more than 30 days overdue.

**Terminated Accounts.**

If the advisory agreement is terminated during a calendar quarter, we will prorate our Discretionary Fee based on the number of days the account was managed during that quarter. Any unearned portion of the fee will be refunded to you in the following billing cycle.

The Client is responsible for brokerage commissions and any other transaction-related fees.

Our fee schedule for Discretionary Client accounts is as follows:

<u>Assets Under Management</u>	<u>Quarterly</u>	<u>Annually</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	

In certain circumstances, Bishop & Company, at its discretion, may negotiate a fee rate that differs from the range set forth above. Additionally, Bishop & Company honors fee structures for several legacy clients. Specifics of each Discretionary Client’s advisory fees are detailed in their Discretionary Investment Management Agreement.

We reserve the right to change your fee schedule effective upon thirty (30) days’ written notice to you of such change. Any change in our fees will be documented in an amendment to your Discretionary Investment Management Agreement.

**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 you pay directly to us. We believe NOT accepting soft dollars from investment products allows us to 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 both parties without any cost to you. After five (5) days, 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 paid to us minus reasonable expenses to process the refund. As part of our policy, any refund under the de minimis amount of \$50 per household will not be issued. 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 accounts as the named adviser with your custodian.

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

We charge an annual fee that will not exceed 1% for Investment Advisory/Consulting services to retirement plan sponsors (the "Retirement Services fee"). The Retirement Services 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 Retirement Services 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. Plans will also incur fees from custodians, third party administrators and recordkeepers. These fees vary based on the service provider utilized and size of the plan. Fees for these services are outlined in your agreement with the provider.

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

Retirement Services fees will be deducted directly from your retirement plan account unless you elect in writing to be billed for the fee. If our Retirement Services fee is deducted from your account, you will receive a quarterly statement of the Retirement Services fee charged by the custodian. If your custodian cannot deduct our Retirement Services fee from your account, you will be billed for the fee.

If fees are not directly debited from the plan, our Retirement Services fee will be due within thirty (30) days of the billing date. Any Retirement Services 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 advisory/consulting services if any fee becomes more than 30 days overdue.

We reserve the right to change the Retirement Services fee we charge, effective upon thirty (30) days written notice to you of such change. A change in the annual Retirement Services fee will be documented in an amendment to the Investment Advisory/Consulting Agreement.

Either you or Bishop & Company have the right to terminate your Investment Advisory/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.

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.

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

In addition to fees paid to Bishop & Company, you may also incur certain charges imposed by other third parties, such as; broker-dealers, custodians, trust companies, banks, recordkeepers, Third Party Advisors, and other financial institutions (collectively "Financial Institutions"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the managers, margin costs, charges imposed directly by a mutual fund or ETF, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, transfer taxes, wire transfer, and electronic fund fees, other fees and taxes on brokerage accounts and securities transactions, and compliance testing and reporting fees. **We do not share in any third party fees.** Bishop & Company's brokerage practices are described at length in Item 12 below.

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

Bishop & Company does not charge performance-based fees on advisory services.

## **Item 7 – Types of Clients**

Bishop & Company requires a minimum account balance of \$1,000,000 for our Discretionary Investment Management services. We may group certain related client accounts for the purpose of achieving the minimum account size requirements. The minimum account size may be negotiable for legacy clients, clients who are expected to exceed the account minimum shortly, and in other circumstances.

We have the following types of Clients:

- 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 claim or imply that the methods of analysis, portfolio construction, or strategies we use will predict future results, identify market tops or bottoms, or insulate clients from losses. Different types of investments involve varying degrees of risk. We develop portfolios tailored to clients' needs and investment objectives.

### Our Investment Research Process for ETFs & Mutual Funds

At Bishop & Company, we follow a disciplined, research-driven approach when selecting ETFs and mutual funds for client portfolios. Our evaluation process prioritizes key factors that contribute to long-term investment success, including:

- Low Fees – We seek cost-efficient funds with very low fees to minimize the drag on returns.
- Liquidity – Funds must have sufficient trading volume and assets under management (AUM) to ensure efficient execution.
- Diversification – We prioritize funds that provide broad exposure across asset classes, sectors, and geographies to mitigate risk.
- Tax Efficiency – Tax implications, such as capital gains distributions, are carefully considered, especially for taxable accounts.
- Adherence to Benchmark – We evaluate how well a fund tracks its stated benchmark and its consistency in returns to that benchmark.
- Fund Management & Strategy – We assess the investment philosophy, process, and track record of fund managers to ensure alignment with our investment approach.

To conduct this research, we utilize industry-leading sources, including Morningstar, Charles Schwab, Vanguard, and BlackRock, among others. By combining quantitative analysis with qualitative insights, we aim to construct portfolios that align with our clients' financial goals while maintaining a disciplined, long-term investment strategy.

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

### Investment Strategies:

*We take a long-term, goal-focused investment approach rather than engaging in short-term speculation. 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 is something we do not engage in. We will always counsel that you patiently maintain the portfolio that best meets your long-term goals. We do not 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 investment plan.*

### Investment Strategy & Holding Period

When implementing our investment advice, we focus on long-term investments with an expected holding period of at least one year. However, we reserve the right to make adjustments that may result in shorter holding periods (less than one year) when market conditions or client needs warrant it.

Additionally, we do not typically engage in the following strategies, as they increase the risk of losses and negatively impact long-term performance:

- Market Timing – The practice of buying and selling securities based on predictions of short-term market movements. We believe accurately forecasting such movements is not possible.
- Short Selling – Selling securities that are not currently owned with the expectation of repurchasing them at a lower price. This strategy carries unlimited risk, as losses can escalate if the price of the security rises.
- Margin Trading – Borrowing funds against account assets to increase investment exposure. This amplifies both potential gains and losses and can lead to margin calls in volatile markets.
- Writing Options or Futures Contracts – Entering into derivative contracts that can expose investors to significant leverage and potential losses beyond the initial investment.

Our investment philosophy focuses on long-term, disciplined investing rather than speculative or high-risk trading strategies.

### **Risk of Loss**

**Investing in securities involves the risk of loss, including both your original principal investment and any unrealized gains. Financial markets are inherently volatile and can experience significant fluctuations over time. Additionally, the performance of any investment is not guaranteed, and past performance does not indicate future results.**

As a result, the assets we manage on your behalf are subject to risks beyond our control, including market downturns, economic conditions, and unforeseen events. While we employ a disciplined investment strategy to manage risk and optimize long-term outcomes, we cannot guarantee any specific level of performance or prevent potential losses in your account.

### **Mutual Funds vs. ETFs – Key Differences**

At Bishop & Company, we utilize both mutual funds and exchange-traded funds (ETFs) as part of our investment strategy. While both are designed to provide diversified exposure to various asset classes, they have structural differences that impact liquidity, costs, and tax efficiency.

- Mutual Funds: Purchased and sold directly through the fund company at the end-of-day net asset value (NAV). They may have higher expense ratios and, in some cases, trading restrictions such as redemption fees. Mutual funds also distribute capital gains annually, which may have tax implications for taxable accounts.
- ETFs: Traded on an exchange throughout the day, like individual stocks, allowing for real-time pricing and greater flexibility in execution. ETFs typically have lower expense ratios and can be more tax-efficient, as they generally do not distribute capital gains unless sold by the investor.

Both investment vehicles have their advantages, and we evaluate the most appropriate option based on liquidity needs, cost efficiency, and tax impact for each client's specific portfolio.

### **Equity Risk Disclosure**

Investing in equities involves inherent risks, including the potential for significant price fluctuations and loss of principal. Stock prices are influenced by various factors, such as company performance, economic conditions, interest rates, geopolitical events, and market sentiment.

While equities have historically provided higher long-term returns compared to other asset classes, they are subject to periods of volatility and short-term declines. There is no guarantee that any equity investment will generate profits or recover from losses.

At Bishop & Company, we employ a diversified investment strategy to help mitigate equity risk, but diversification does not eliminate the possibility of loss. Our approach is based on long-term financial goals, not market speculation, and we advise clients to maintain a disciplined investment perspective during periods of market uncertainty.

Clients should carefully consider their risk tolerance, time horizon, and liquidity needs before investing in equities. If you have questions about how equity risk may impact your portfolio, we encourage you to reach out for a discussion.

### **Bond & Counterparty Risk**

Bonds are generally considered less volatile than equity securities; however, their risk levels can vary significantly depending on several factors, including:

- Issuer Creditworthiness – The financial health of the issuing entity affects the likelihood of default.
- Default Risk – The possibility that the issuer may be unable to meet its financial obligations.
- Maturity Date – Longer-term bonds may be more sensitive to interest rate fluctuations.
- Call Risk – Some bonds may be "called" before maturity, meaning the issuer can redeem them early. If this occurs, investors may not be able to reinvest in a similar bond with the same return.

### **Counterparty Risk**

Bishop & Company relies on third-party financial institutions, such as broker-dealers, custodians, and banks, to facilitate transactions and safeguard assets. There is a risk that these institutions could default on their obligations, potentially impacting account holdings.

### **General Investment Risk**

The risks described above represent some, but not all, of the potential risks associated with various investment types and strategies. Clients should carefully evaluate all relevant risks before making investment decisions and understand that investing in securities always involves the risk of loss, which they should be prepared to bear.

## **Item 9 – Disciplinary Information**

We have no legal or disciplinary events to disclose.

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

We are **not** registered (nor do we have an application pending for registration) as a:

- Broker-dealer.
- Investment company (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund”, and offshore fund),
- Futures or commodity trading adviser,
- Bank or thrift institution,
- Accounting firm,
- Law firm,
- Insurance agency,
- Pension consultant,
- Real estate broker, or
- Agent for a limited partnership.

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

### **Code of Ethics**

As an SEC-registered investment advisory firm, Bishop & Company is required to maintain a Code of Ethics (the “Code”). This Code outlines the fiduciary, ethical, and business conduct standards that govern our firm and employees. A full copy of our Code of Ethics is available to clients or prospective clients upon request.

### **Fiduciary Commitment**

Our Code of Ethics is based on the fundamental principle that our employees have a fiduciary duty to act in the best interests of our clients. Under our Code, employees are:

1. Required to comply with all Federal and State Securities Laws.
2. Obligated to maintain confidentiality of client personal and financial information.
3. Prohibited from acting on or misusing material non-public information.
4. Subject to regulations on personal securities trading, including restrictions on “reportable securities” as mandated by regulation.
5. Required to always put clients’ financial interests ahead of their own.

### **Key Provisions of Our Code**

- Client Trading Priority – Your account transactions always take priority over trades in our firm’s or employees’ accounts.

- Prohibition on Principal Trading – We do not buy investments from client accounts for our own or employees' accounts, nor do we sell investments from our accounts to clients.
- Restrictions on IPO Investments – Employees are prohibited from investing in Initial Public Offerings (IPOs) to prevent potential conflicts of interest.

### **Personal Trading & Compliance Oversight**

Our Code does not prohibit employees from personal investing, as we believe in following the same investment principles we advise our clients to follow. However, all personal trades must comply with our fiduciary obligations and ethical standards. Employees are required to:

- Report all personal trading activity involving reportable securities.
- Disclose any potential conflicts of interest to our Chief Compliance Officer.
- Report any violations or suspected violations of the Code.

Employees found to be in violation of the Code are subject to corrective action, up to and including termination.

### **Annual Certification**

All employees receive a copy of the Code of Ethics upon hire and must certify in writing their compliance annually. This ensures that every team member remains accountable to our high ethical standards and committed to serving our clients with integrity.

## **Item 12 – Brokerage Practices**

### **Brokerage Practices**

Bishop & Company does not maintain custody of client assets, except in cases where clients grant us authority to withdraw advisory fees or other assets (see Item 15—Custody). Client assets must be held at a qualified custodian, typically a broker-dealer or bank. We recommend Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer and SIPC member, as the preferred custodian for our clients.

We are independently owned and operated and are not affiliated with Schwab. Schwab acts as the custodian for client assets, executes securities transactions upon our instruction, and provides reporting services. While we recommend Schwab, the decision to use Schwab is ultimately the client's. If a client does not wish to use Schwab (unless a specific accommodation is possible), we may not be able to manage their account. Although Schwab is our preferred custodian, we retain the ability to execute trades through other brokers when deemed beneficial (see "Your Brokerage and Custody Costs").

### **How We Select Brokers & Custodians**

We recommend Schwab as custodian and broker based on many factors, including the following:

- Comprehensive Services – A combination of execution, clearing, and custody services with no separate custody fee.
- Transaction Capabilities – Ability to execute, clear, and settle trades efficiently.
- Funds Transfer Services – Facilitation of bank transfers, wires, and check requests for clients.
- Investment Product Availability – Access to ETFs, mutual funds, stocks, and bonds.

- Investment Research & Tools – Availability of independent research to assist in investment decisions.
- Competitive Pricing – Reasonable commission rates and willingness to negotiate costs.
- Reputation & Stability – A long-standing record of financial strength and security.
- Prior Client Service – A history of reliable service to both our firm and our clients.
- Additional Products & Services – Other services that provide value to our firm (see "Products and Services Available to Us from Schwab").

### **Your Brokerage & Custody Costs**

For accounts maintained at Schwab, the Bishop & Company does not charge separate custody fees. Instead, Schwab is compensated through:

- Trading commissions and transaction fees – Although many mutual funds and ETFs we select do not incur Schwab transaction fees, some securities may have associated costs.
- Interest on uninvested cash – Schwab earns revenue from cash balances held in its Cash Features Program.
- "Prime Broker" or "Trade Away" Fees – When we execute trades through a different broker, Schwab may charge a flat transaction fee for settling the trade in your Schwab account.

While we seek to minimize trading costs, we are not required to use the lowest-cost broker if doing so does not align with our duty to obtain best execution—meaning the most favorable terms based on price, liquidity, and overall service quality.

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

Schwab Advisor Services™ provides institutional brokerage services™ tailored to independent investment advisors like us. These services, which may not be available to retail customers, include trading, custody, reporting, and support services.

#### Services That Benefit Clients

Schwab provides access to:

- A broad range of investment products.
- Efficient trade execution and custody services.
- Institutional-class investment opportunities, which may offer lower expense ratios or higher minimums than retail-class investments.

#### Services That Benefit Our Firm

Schwab offers additional services that benefit us but may not directly benefit clients, including:

- Investment research and market data.
- Software and technology for trade execution, pricing, and recordkeeping.
- Tools for fee payments and back-office functions.

#### Services That Primarily Benefit Our Firm

Schwab provides services intended to help us grow and manage our business, including:

- Practice management consulting and business succession planning.
- Marketing support and compliance consulting.
- Educational conferences and technology support.

Schwab covers some of these costs or provides services at discounted rates, which creates a conflict of interest. While we do not select Schwab solely based on these benefits, they are a factor in our overall evaluation.

## **Block Trading**

We do not employ block trading, where multiple client accounts trade the same security simultaneously. Instead, we trade accounts individually, as we tailor rebalancing events to each client's portfolio.

## **Mutual Fund Share Class Selection**

Mutual funds offer multiple share classes with different expense structures, investment minimums, and trading restrictions. Institutional share classes often have lower expense ratios than retail share classes. When selecting mutual funds, we:

- Evaluate all available share classes (retail, institutional, and advisor-class).
- Consider factors such as minimum investment requirements, internal costs, and trading flexibility.
- Aim to select the most appropriate share class based on cost-efficiency and best execution, which may not always be the lowest-cost option.

We periodically review client holdings to ensure that mutual fund share classes remain aligned with our best execution standards.

## **Client-Directed Broker Selection**

If a client chooses to use a broker-dealer/custodian other than Schwab, they must negotiate commission rates and transaction costs directly with that firm. In such cases, we do not assume responsibility for obtaining best execution, and trading costs may be higher.

## **Broker Selection for Participant-Directed Retirement Plans**

For retirement plan sponsors, we may recommend a broker-dealer/custodian based on:

- Ability to custody plan assets and provide diversified investment options.
- Capability to facilitate contributions, rollovers, and distributions.
- Fee structures and administrative costs.
- Financial strength, stability, and reputation.

We assess these providers based on pricing, service quality, and investment flexibility to ensure alignment with the needs of the plan and its participants.

## **Item 13 – Review of Accounts**

### **Ongoing Account Reviews & Rebalancing**

At Bishop & Company, we conduct ongoing reviews of your account(s) to ensure that they remain aligned with your financial goals and investment strategy. Michael W. Bishop, CFA and Michael H. Bishop, ESQ oversee these reviews and determines whether rebalancing is necessary.

Rebalancing involves buying or selling securities to maintain the target asset allocation (stocks, bonds, and cash) and sub-asset class allocation (e.g., large-cap vs. small-cap, growth vs. value). The goal is to keep your portfolio in line with the strategy we have established for you.

Several factors may trigger interim or more extensive reviews, including but not limited to:

- Changes in your financial circumstances (e.g., retirement, job changes, major expenses).
- Deposits or withdrawals made into or from your accounts.
- Significant changes in individual security positions.
- Shifts in market conditions that impact portfolio performance.
- Investment adjustments based on our decision to replace or modify securities in your portfolio.

### **Account Statements & Reporting**

Your broker-dealer/custodian is responsible for providing you with:

- Quarterly statements reflecting your holdings, current valuations, transactions, and any investment management fees deducted.
- Trade confirmations detailing buying and selling activity in your accounts.
- Year-end tax reporting, including IRS Form 1099, summarizing taxable income, capital gains, and other reportable activity.

We encourage you to review these statements regularly and reach out with any questions regarding your portfolio or financial situation.

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

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

However, we receive economic benefits from Charles Schwab & Co., Inc. ("Schwab") through the support products and services it provides to us and other independent investment advisors who use Schwab as a custodian. These benefits do not result in higher fees for clients who maintain their assets at Schwab.

The products and services we receive, how they benefit us, and potential conflicts of interest are detailed in Item 12 – Brokerage Practices. Importantly, the availability of these benefits does not influence our investment decisions—we do not recommend specific securities based on Schwab's offerings or incentives. Our investment recommendations are solely based on your financial goals and best interests.

### **Item 15 – Custody**

Bishop & Company does not maintain physical custody of client assets. Your funds, securities, and accounts are held by a qualified custodian. We do not take possession of your assets. However, because Bishop & Company has the authority to instruct the account custodian to deduct the investment management fee directly from the client's account, we are deemed to have a limited form of custody.

Your broker-dealer/custodian (e.g., Charles Schwab & Co., Inc.) retains actual custody of your assets. At least quarterly, your custodian will send account statements directly to you via email or postal mail, based on the contact details you provided.

We strongly encourage you to review these statements carefully and compare them with any portfolio reports you receive from us. While we reconcile your account on a share basis with your custodian, differences in reported values may occur due to trade settlements spanning quarter-end reporting

dates. In such cases, there may be temporary variations between the market value of your account reflected in our reports and those issued by your custodian.

## **Item 16 – Investment Discretion**

As a Discretionary Investment Management client, you are required to execute the following two documents with Bishop & Company:

### **1) Investment Management Agreement & Investment Objective Form**

This agreement grants Bishop & Company discretionary authority over your investment accounts, meaning we will make investment decisions on your behalf, in accordance with your written Investment Objectives. Our discretion is limited to:

- Selecting securities for purchase or sale.
- Determining the amount of securities to be bought or sold.

If you wish to place any restrictions on our investment authority (e.g., retaining or excluding specific securities), you may do so in writing. Additionally, if you direct your broker-dealer to purchase a security within an account we manage, you assume full responsibility for the investment discretion of that specific security.

### **2) Limited Power of Attorney (LPOA) Form**

You must also execute a Limited Power of Attorney (LPOA) form from your broker-dealer/custodian, authorizing us to:

- Execute trades on your behalf within your accounts.
- Manage investments in accordance with our discretionary authority.

These documents ensure that we can efficiently manage your portfolio while aligning investment decisions with your long-term financial objectives.

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

Bishop & Company does not vote proxies on behalf of our clients. Any proxy materials related to securities held in your accounts will be sent directly to you by your broker-dealer, custodian, or transfer agent.

However, if you have questions about proxy voting, we are happy to provide guidance and assistance to help you understand your options. Please feel free to reach out to us with any inquiries.

## **Item 18 – Financial Information**

Under financial regulations, investment advisers are required to provide a balance sheet for the most recent fiscal year if they charge or solicit prepayment of \$1,200 or more per client, six (6) months or more in advance.

Bishop & Company does not engage in such prepayment arrangements. As a result, we do not fall within the scope of this requirement, and a balance sheet is not provided.