

Client Relationship Summary SEC Form ADV Part 3 / Form CRS

March 31, 2023

Lathrop Investment Management Corporation (“LIMC”)

LIMC is registered with the United States Securities & Exchange Commission as an Investment Advisor. Brokerage and investment advisory services and fees differ, and it is important for the retail investor to understand those differences. In addition to your normal due diligence, free and simple tools are available to research firms and financial professionals at www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can LIMC provide me?

LIMC offers investment management services to its retail investor clients. That entails the discretionary management of individual stock and bond investments, stock and bond equivalent investments, and cash-equivalent investments making up a client’s investment portfolio. Such includes extensive initial discussions of client objectives and unique issues, and ongoing communications for purposes of adjusting investment management issues as appropriate over time. Communications may even involve the client’s tax advisors and other outside consultants. With a team approach among LIMC portfolio managers, common client holdings are monitored constantly, while unique client issues and holdings are considered at least quarterly. LIMC does not take legal possession of any client assets. Rather, substantially all client accounts are custodied at Charles Schwab & Co., Inc. (“Schwab”) in the client’s name under a limited-power-of-attorney executed between each client and Schwab that gives LIMC full discretion to buy and sell investment securities in the client’s account.

More detailed information about LIMC’s services can be found in our annual filing of the Form ADV, Part 2A Brochure, Items 4, 5, 7 and 8 at www.adviserinfo.sec.gov.

Note that the following “conversation starters” with a blue background are suggested by the Securities & Exchange Commission. Ask any financial professional:

Given my financial situation, should I choose an investment advisory service? Why or why not?

How will you choose investments to recommend to me?

What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

What fees will I pay?

LIMC clients are charged annual fees, collected quarterly, that are based upon the market value of assets under management as follows: 1.00% of the first \$500,000; 0.75% of the next \$500,000; 0.50% of assets over \$1,000,000. Multiple accounts from a single client or family may be combined to calculate total fees. Our minimum account size is \$500,000, though unique circumstances can warrant fee levels and asset-size minimums negotiable.

Our fees do not include charges imposed by custodians, brokers and other third parties, which are typically minimal. Though LIMC manages most portfolios with individual stocks and bonds, any mutual fund (including money market mutual funds) and exchange-traded fund (ETF) investments charge internal management fees, disclosed in each fund’s prospectus. These charges, fees and commissions are exclusive of and in addition to our fees. It should be noted that we do not receive any portion of those other fees, costs or commissions. Neither our

firm, nor its employees, accepts compensation for the sale of securities or other investment or insurance products, including asset-based sales charges or service fees from the sale of mutual funds.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

More detailed information about LIMC's fees and costs can be found in our annual filing of the Form ADV, Part 2A Brochure, Item 5 at www.adviserinfo.sec.gov.

Help me understand how these fees and costs might affect any investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When LIMC acts as your investment adviser, as a fiduciary we must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

Though handled in a manner that does not interfere with client transactions, LIMC officers, directors and staff may purchase or sell for their own accounts securities that are purchased or sold on behalf of client accounts. With substantially all client assets custodied at Schwab, a division of Schwab provides LIMC with some research, access to its institutional trading and operations services, and with data feeds of client activity to LIMC's internal portfolio management system. These could be considered areas of potential conflicts of interests.

More detailed information about LIMC's potential conflicts of interests can be found in our annual filing of the Form ADV, Part 2A Brochure, Items 11 and 12 at www.adviserinfo.sec.gov.

How might conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

LIMC's financial professionals are compensated through salary, bonuses, healthcare insurance, paid vacation time, 401(k) matches, and profit-sharing contributions to a qualified retirement plan, all with considerations that include the portfolios they manage, their contribution to the investment process, certifications, experience, client retention and satisfaction, business development and administrative responsibilities.

Do you or your financial professionals have legal or disciplinary history?

No. See www.investor.gov/CRS for a free and simple search tool to research LIMC and its financial professionals.

As a financial professional, do you have any disciplinary history? For what type of conduct?

Up-to-date and additional information and a copy of our Relationship Summary can be obtained from LIMC's President, Greg Lathrop - greg@limc.com or from its Chief Compliance Officer, Ryan Gattin - ryan@limc.com. Or call either at 501.227.4930.

Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?