

**Part 2A of Form ADV: Firm Brochure**

Item 1 Cover Page

Philadelphia Investment Management Company  
105 Clarke Avenue  
Pocomoke City, MD 21851

Contact: William Martin Shettle, President

Website: <http://phillyinvest.com>

Brochure Date: March 23, 2023

This brochure provides information about the qualifications and business practices of Philadelphia Investment Management Company (the "Company"). If you have any questions about the contents of this brochure, please contact us at 410-957-4181 or at [wshettle@phillyinvest.com](mailto:wshettle@phillyinvest.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

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

Philadelphia Investment Management Company is a state-registered investment adviser. The registration does not imply a certain level of skill or training.

Item 2 Material Changes

There are no material changes from Philadelphia Investment Management Company's last Form ADV Brochure dated March 24, 2022.

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Item 4 Advisory Business

Philadelphia Investment Management Company is an independent investment advisory firm formed as a Pennsylvania corporation in 1986. The Company was continuously registered with the SEC since its inception. As of the date of this Brochure amendment, the Company is a state-registered adviser.

William Martin Shettle is the sole principal owner.

All supervised investment persons must have a minimum of a bachelor's degree and must meet the standards for "associated persons" as set forth in the Pennsylvania Securities Act of 1972 and its accompanying regulations. In addition all supervised persons must meet the requirements of comparable statutes in states where the Company may be registered and where such persons may act.

The Company provides investment supervisory services and gives continuous advice to its clients and makes investments for them based on the individual needs of each client. Investment supervisory services are provided on a discretionary basis. When a client grants the Company investment and brokerage discretion, the Company will have authority to determine, without obtaining specific client consent, (1) the securities to be bought and sold; (2) the amount of securities to be bought and sold; (3) the broker or dealer to be used and (4) the commission rates to be paid. Investment management is guided by the objectives articulated by the client (such as maximum capital appreciation, preservation of capital, growth, income, or growth and income).

#### Item 4 Advisory Business (continued)

The Company tailors advisory services to the individual needs of clients based on their investment objectives. Clients may impose restrictions on investing in certain securities or types of securities. The Company will invest in those securities which will best achieve the objectives articulated by the client and will provide comprehensive, personalized service, while adhering to any client-imposed restrictions.

The Company provides portfolio management to individuals, small businesses, businesses (other than small businesses) and institutional clients (other than registered investment companies and other pooled investment vehicles). On a quarterly basis the Company sends a market commentary to their clients.

As of December 31, 2022 the Company had \$47,614,083.00 of client assets under management. At the present time, all of these assets are managed on a discretionary basis.

#### Item 5 Fees and Compensation

Compensation for investment management services is based on the Company's fee schedule in effect during the period in which these services are rendered. Fees are negotiable.

The fee schedule is based on the account's asset value and is payable in quarterly installments (quarterly fee) in advance. The initial fee is based on the beginning value of the account on the day the account is approved by the Company. The initial fee is prorated from the approval date through the end of the calendar quarter. Thereafter, the quarterly fee is based on the account's asset value on the last business day of the previous calendar quarter. No adjustments will be made to the fee for any withdrawals, appreciation, or depreciation in the value of securities held in the account during any fee period.

The current fee schedule, on an annual basis, is as follows:

EQUITY AND BALANCED	FIXED INCOME
First \$2 Million - 1.00%	First \$2 Million - 0.50%
Next \$8 Million - 0.50%	Next \$8 Million - 0.25%
Next \$40 Million - 0.40%	Next \$40 Million - 0.20%
Over \$50 Million - 0.30%	Over \$50 Million - 0.15%

The fees may be lower in the case of certain eleemosynary and other institutions. A group of related accounts may be considered as one account for purposes of computing the annual fee.

The Company invoices the client and/or the client's designated custodian for its advisory fees, which are either paid directly by the client or debited by the custodian from the client's account, with prior authorization from the client. The client may select either payment option. If the fees are directly deducted from the client's account by the custodian, the adviser will concurrently (a) send the custodian a notice of the fee amount to be deducted from the client's account and (b) send the client an invoice itemizing the fee, including the formula used to calculate the fee, the amount of assets under management upon which the fee is based and the time period covered by the fee. The custodian shall send statements, on at least a quarterly basis, showing all disbursements from the client's custodial account including the amount of the adviser's management fees. The client may terminate its investment advisory contract with the Company in writing at anytime and the Company may terminate the contract upon 30 days written notice to the client. Fees will be pro-rated to the date of termination specified in the notice and refunded for the balance of the billing period.

Item 5 Fees and Compensation (continued)

Investment advisory contracts and any exhibits thereto, may be amended only by a writing signed and dated by both the Company and the client.

The client acknowledges receipt of a copy of The Firm Brochure, Part 2A of the Adviser's Form ADV. If the client has received Part 2A of the Adviser's Form ADV less than 48 hours before entering into the agreement, the client shall have the right to terminate the agreement without penalty or any accrual of fees, within five business days after the client's execution of the agreement.

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

Neither the Company nor its investment advisory personnel charges or accepts performance-based fees. The Company does not engage in the practice of side-by-side management of client accounts.

Item 7 Types of *Clients*

The Company provides investment advice to individuals, individual pension and profit sharing plans, trusts, estates, charitable organizations, corporations and state or municipal government pension/profit sharing plans. The Company reserves the right to reject any account which has a market value of less than \$100,000.

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

The Company offers investment advice on the following types of investments: equity securities, corporate debt securities, certificates of deposit, municipal securities, and United States government securities.

The Company primarily uses a fundamental approach in its securities analysis and selection process. Part of this process involves the analysis of such data as industry and company financial reports to determine best value. Quantitative data and reports are considered to a lesser extent. The Company also analyzes financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC and company press releases in determining its securities selection process.

The Company's style of investing is designed to achieve capital growth while minimizing the wide price fluctuations that result from volatile markets. In our view, a diversified portfolio of profitable companies with healthy growth prospects that are purchased at attractive relative values will generate positive relative market returns. The Company's purpose and strategy is straightforward: to provide its clients with added value by earning attractive relative investment returns over a full market cycle. The Company's equity and fixed income processes will be thoroughly discussed with its clients.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss (continued)

The Company's primary investment strategy does not involve frequent trading of securities. However, investing in securities involves risk of loss that clients should be prepared to bear. The Company does not represent or guarantee that our services or methods of analysis can or will predict future results or insulate clients from losses due to market corrections or declines. Neither does the Company offer any guarantee that the client's financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Item 9 Disciplinary Information

Neither the Company nor its investment personnel have been involved in any legal or disciplinary events that would be material to a client or prospective client's evaluation of its advisory business.

Item 10 Other Financial Industry Activities and Affiliations

The Company has no other financial industry activities or affiliations.

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

The Company has in place a Code of Ethics (the "Code"). The underlying purpose of the Code is to ensure that the Company and its employees uphold their fiduciary obligations of honesty, good faith, and fair dealing with all clients. Our goal is to protect your interest at all times. Among other things, it requires investment personnel to complete detailed securities transaction reports. The Company has established trade allocation and execution policies to ensure that client securities trades are allocated fairly. A copy of the Code will be provided to any client or prospective client upon request.

Under the standards and restrictions set forth in the Code, no employee is allowed to purchase or sell a security until all client positions in the security have been established or extinguished, as the case may be. Additionally, no purchase or sale of securities by employees may be made if the employee has knowledge of an impending recommendation for purchase or sale of the security, prior to the time such purchase or sale has been effected for all client accounts.

The interest of the client always predominates. Therefore, if a potential conflict of interest arises with respect to a particular transaction, purchases and sales for client accounts will always precede transactions of the Company's employees. Securities transactions of all employees are monitored and reviewed by the Chief Compliance Officer to ensure that client accounts have priority.

#### Item 12 Brokerage Practices

The Company has the authority to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of securities to be bought or sold, except as may be limited by the client in the investment advisory agreement. In cases where the client has not selected a broker, the Company will select the broker to effect transactions for the client's account and determine the commission rates to be paid, in the absence of client instructions. The objective is to achieve the "best execution" of client's transactions.

The Company will seek a credit worthy firm that provides discounted commission rates, competitive and prompt execution, good clearance and settlement capabilities, and is responsive to the reporting and trading needs of the Company and its clients. We also consider the reputation of the brokerage firm.

The Company does not receive research or other product or services, other than execution, from a broker or third party in connection with client securities transactions. When selecting a broker, neither the Company nor its investment persons receive client referrals from brokers or third parties.

The Company does not routinely recommend, request or require that a client direct it to execute transactions through a specified broker. However, the Company does permit a client to direct brokerage, and in some cases, clients have already selected a broker at the time they become advisory clients of the Company. When the client chooses or has chosen a particular broker, the details of the directed brokerage arrangement are between the client and his or her broker. The client is expected to negotiate commission rates when the client has requested that trades be directed to a certain broker. In some transactions involving directed brokerage, the client may pay a higher commission or may receive less favorable prices (execution) than might otherwise have been obtained by the Company through volume discounts or negotiation.

The purchase and sale of securities for various client accounts are aggregated by brokerage firm. The placement of the trades for those client accounts participating in the purchase or sale of a security are placed in a rotational order as to "the first call" on subsequent trades. Trades going to the same broker are bunched together and placed at the same time. The brokerage firm then, at the Company's direction allocates and settles the trades with the participating accounts.

#### Item 13 Review of Accounts

The Company's accounts are monitored on a continuous basis and are reviewed at least monthly, or more frequently if warranted. Reviews are also performed when a security held in an account undergoes significant change. Review includes an evaluation of all the security holdings in an account in light of present general economic conditions, market conditions, the fundamentals and price of the individual issue and the client's tax structure and risk profile. Reviews are conducted by the supervised person responsible for the account.

Quarterly reports are mailed to all clients and if requested, monthly reports are furnished. Reports include asset lists, transaction reports and gains and/or losses for the period, as well as performance reports.

We will verify that custodial statements of assets and transactions are the same as those reflected on our reports. Any discrepancies are investigated and resolved with the custodian prior to sending to clients.

Item 14 *Client Referrals and Other Compensation*

The Company receives no economic benefit from any person or entity that is not a client, for providing investment advice or other advisory services to the Company's clients.

Neither the Company nor its investment advisory personnel directly or indirectly compensates any person, who is not a supervised person at the Company, for client referrals.

Item 15 *Custody*

In its investment advisory agreement, the Company gives the client the option to pay its advisory fees directly to the Company, or to have the fees debited from its account with a qualified custodian. In the latter case, the client authorizes the Company to invoice the custodian for its advisory fees. The broker-dealer, bank or other qualified custodian will send quarterly, or more frequent, account statements directly to the client and the Company will also send its statements to the client. The client should carefully review all account statements received from its custodian and compare them to the statements received from the Company.

Item 16 *Investment Discretion*

The Company fully discusses the subject of discretionary authority with the client prior to or at the time of execution of the advisory agreement. Since the Company's investment authority is discretionary, the Company determines the securities to be bought or sold for the account. Any limitations imposed by the client on the Company's investment discretion will be set forth in the Company's advisory agreement with the client.

Item 17 *Voting Client Securities*

It is the Company's current policy not to accept any authority to vote proxies related to securities held in client accounts. The client expressly retains the right and obligation to vote any proxies, except as provided below. However, the client may delegate these rights and obligations to any properly authorized agent. The client will receive its proxies or other solicitations directly from its custodian and may contact the Company in writing if the client has questions about a particular solicitation.

A client whose account is covered by the Employee Retirement Income Security Act of 1974, as amended ("ERISA") is asked to indicate its proxy voting preference in the advisory agreement with the Company. In most cases, the trustee of the ERISA client's employee benefit plan reserves the right to vote all proxies relating to securities held in the client's account, either directly or subject to the direction of a named fiduciary. However, an ERISA client may authorize the Company to vote these proxies in the advisory agreement.

The Company did accept such proxy voting authority prior to 2002 and continues to vote client securities for a limited number of clients who retained its investment management services prior to 2002. Should

Item 17 Voting *Client* Securities (continued)

such clients wish to direct a vote in a particular solicitation, they may contact the Company in writing with their request and the Company will vote on their behalf in the manner directed. If there is a conflict of interest between the Company and the client, the Company will contact the client in writing to request that the client vote the particular proxy, setting forth the nature of the conflict in the letter. Such clients may make written requests to the Company for information regarding how the Company voted the client's securities, which the Company will provide.

In the limited cases where the Company does vote client securities, its proxy voting policy is based on the philosophy that the interest of the client is the priority. Unless directed otherwise by the client or the client's trustee, the Company votes proxies with the intent of maximizing client account values. A copy of its proxy voting policies and procedures may be obtained upon written request by the client.

Item 18 Financial Information

The Company does not require pre-payment of more than \$1200 in investment advisory fees per client, six months or more in advance.

There is no financial condition that is reasonably likely to impair the Company's contractual commitments to its clients.

Item 19 Requirements for State-Registered Advisers

Information regarding all of the Company's principal executive officers and management persons, including their formal education and business background, is provided in the Company's Brochure Supplement. This Supplement is located on Continuation Pages 1-2 at the end of this Brochure.

The Company is not actively engaged in any business other than giving investment advice.

Neither the Company nor its supervised persons are compensated for advisory services with performance-based fees.

Philadelphia Investment Management Company  
Brochure Supplement Date: March 23, 2023

Continuation Page1 Brochure Supplement

Item 1 Cover Page

This Brochure Supplement (the "Supplement") provides information about our supervised investment persons. It is a supplement to Philadelphia Investment Management Company's brochure (Form ADV) of which you should have received a copy. Please contact Wanda M. Stewart, Administrative Assistant, if you did not receive it or if you have any questions concerning the contents of the Supplement.

Additional information about the Company's supervised person below is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

WILLIAM MARTIN SHETTLE Birthdate: August 3, 1939  
105 Clarke Avenue  
Pocomoke City, MD 21851  
(410) 957-4181

Item 2 Educational Background and Business Experience:

Educational Background: University of North Carolina, Chapel Hill, NC - BA (1962); Pierce School of Business Administration, Philadelphia, PA (7/62 - 1/63); Wharton School of Business Administration University of Pennsylvania, Philadelphia, PA (6/63 - 5/64)

Business Experience:

Philadelphia Investment Management Company  
President, Treasurer, Director, Chief Executive, Investment and Compliance Officer  
(1/86 - Present)

Item 3 Disciplinary Information:

There are no legal or disciplinary events material to a client's or prospective client's evaluation of the supervised person William Martin Shettle.

Item 4 Other Business Activities:

William Martin Shettle is not engaged in any other investment-related business or occupation.

Item 5 Additional Compensation:

No economic benefits are provided to Philadelphia Investment Management Company's supervised persons by non-clients relative to providing advisory services on behalf of the Company.

Item 6 Supervision:

Supervised persons are monitored by William Shettle, President and Chief Compliance Officer of the Company, (410) 957-4181. Portfolios under the Company's management are reviewed with the supervised person providing advice to clients under his or her day-to-day management. These review meetings are held at specific intervals of time, but not less than quarterly, when reports are generated to clients detailing account activity for that quarter. Trading is monitored by the Chief Compliance Officer who periodically reviews the trade sheets which are generated at the time a trade is entered on behalf of the client. The Chief Compliance Officer may call a meeting with the supervised person at any time to discuss his/her advisory activities on behalf of the firm. The Company will be in compliance with Regulation .13 of the Maryland Code of Regulations. Specifically, the Company maintains written supervisory procedures which it requires all supervised persons to adhere to and which are monitored by the Chief Compliance Officer. These supervisory procedures, which are part of the Company's compliance manual, are designed to ensure compliance with the Maryland Securities Act and its

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Continuation Page 2 Brochure Supplement

Item 6 Supervision: (continued)

regulations. Each supervised person has a copy of the compliance manual and is required to be familiar with its provisions.

Item 7 Requirements for State-Registered Advisers:

The Company would be required to disclose additional information for its supervised persons if any of them had ever been the subject of a bankruptcy petition or ever been found liable in either: (a) an arbitration; or (b) a civil, self-regulatory organization, or administrative proceeding. As none of these apply to the Company's supervised persons, there is no information to disclose in this regard.