



## A Summary of Your Advisory Relationship with Hendershot Investments, Inc.

Hendershot Investments, Inc. is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser. We have offered our services to retail investors, corporations and pension plans for over 30 years. We operate as fiduciaries, which means that we act in your best interest. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [investor.gov/CRS](http://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers and investing.

### What investment services and advice can you provide me?

Our retail client advisory investment services include portfolio management, financial planning, consulting and the publication of a quarterly newsletter. When you engage us to provide portfolio management services, we will develop a tailored portfolio of investments to meet your specific financial objectives and risk tolerance. The portfolio may include stocks, mutual and exchange-traded funds, corporate and municipal bonds, FDIC-insured CDs and U.S. Treasury securities. We continuously monitor the portfolio positions and provide you with a custom quarterly portfolio report. You also receive a quarterly newsletter, an emailed weekly update and access to our website to update you on the companies in your portfolio. We have discretionary authority in selecting the investments consistent with your investment objectives, which means we buy and sell investments in your account without asking you in advance, unless you provide guidelines or restrictions to limit our discretionary authority. We do not limit the scope of our investments to proprietary products or a limited group or type of investment.

The minimum investment for our portfolio management services is \$250,000 in cash and/or securities, but we may waive the minimum requirement at our sole discretion.

For additional information, please see [Hendershot Investments' Form ADV, Part 2A Brochure](#) (Items 4 and 7).

### Conversation Starters -- Questions to ask your financial professional

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

*How will you choose investments for me?*

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

### What fees will I pay?

Hendershot Investments is strictly a fee-only investment management firm. The fees you will pay for our portfolio management services are based on the following tiered fee schedule:

<b>Assets Under Management</b>	<b>Annualized Fee</b>
Assets less than or equal to \$2,000,000	1.00%
Assets above \$2,000,000	0.50%

Our fees vary and are negotiable at the firm’s discretion based on anticipated future earnings capacity, related accounts, pre-existing client relationships and pro-bono activities. Fees are billed quarterly in arrears based on the value of your account at the end of the quarter. The more assets we manage for you, the more you will pay us. We, therefore, have an incentive to increase the assets in your account in order to increase our fees. You will pay the quarterly fee to us regardless of the trading activity in your account.

Some investments, such as mutual funds, charge additional fees to cover their expenses that will further reduce the value of your investment. Also, with certain investments, you will pay a transaction fee when the investment is bought or sold. We do not charge additional fees to clients for financial planning services or the newsletter. The newsletter is available to subscribers for an annual non-refundable cost of \$50. We also provide financial consulting and research services for specific engagements at the rate of \$200 per hour.

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

For additional information, please see [Hendershot Investments' Form ADV, Part 2A Brochure](#) (Items 5 A, B, C and D).

**Conversation Starters -- Questions to ask your financial professional**

*Help me understand how these fees and costs might affect my 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 we act as your investment adviser**, 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 conflict 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.

- We recommend that you use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer and a member of SIPC as the qualified custodian. We receive support services and/or products from Schwab which assist us to better monitor and service your account while a portion of the services and products only benefit our firm. We, therefore, have an incentive to recommend Schwab as the custodian to maintain access to the products and services.
- Under our asset-based fee structure, the more assets we manage for you, the greater our fee and so we have an incentive to encourage you to add to funds under our management.

For additional information, please see [Hendershot Investments' Form ADV, Part 2A Brochure](#) (Item 12).

**Conversation Starters -- Questions to ask your financial professional**

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

**How do your financial professionals make money?**

Our financial professionals are paid a salary and receive additional compensation through our retirement plan and our revenue-based bonus program. Our professionals have an incentive to increase the assets in your account, including encouraging you to add to funds under our management.

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

No. We encourage you to visit [investor.gov/CRS](http://investor.gov/CRS) for a free and simple tool to research us and our financial professionals.

**Conversation Starters -- Questions to ask your financial professional**

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

**Additional Information**

For additional information about our services, please visit our website [HendershotInvestments.com](http://HendershotInvestments.com) and [Hendershot Investments' Form ADV, Part 2A Brochure](#). If you would like additional up-to-date information or a copy of this disclosure, please call our Chief Compliance Officer at (703) 361-6130.

**Conversation Starters -- Questions to ask your financial professional**

*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?*