



Gimbal Financial LLC

Wrap Program Brochure  
(Form ADV Appendix 1)

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**This wrap fee program brochure provides information about the qualifications and business practices of Gimbal Financial LLC. If you have any questions about the contents of this brochure please contact us at 618-288-0202. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Gimbal Financial LLC is a registered investment advisor. Registration does not imply any level of skill or training.**

**Additional information about Gimbal Financial LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

This Brochure is dated October 1, 2019. The following are the material changes made to our Brochure since the date of our last annual updating amendment in February 2019. We included firm ownership information in Item 4. We expanded the list of investments used within portfolios and enhanced the related risk disclosures in Item 6.

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## **Item 4 – Services, Fees and Compensation**

### **Services**

Gimbal Financial LLC (“Gimbal”, we” or “our”) became registered as an investment advisor in 2011 and is owned by Keith A. Tyner. Gimbal offers discretionary asset management services through a program account (the “Program”) based on the individual needs of clients (“client”, “you” or “your”). We will determine your financial goals and objectives through discussions and completion of a questionnaire. The investment objective you select (e.g., growth with income, growth, or aggressive growth) will guide us in managing your account. In the Program we provide management services using a variety of investment types, including but not limited to, no-load and load-waived mutual funds, exchange traded funds (“ETF”), structured products, and individual equities.

You will be required to establish a Program account in your name at LPL Financial (“LPL”), a registered broker/dealer and qualified custodian. We can assist you with this process. LPL provides clearing, custody and other brokerage services for accounts established through the Program. You will retain all rights of ownership on your account, including the right to withdraw securities or cash, vote proxies, and receive transaction confirmations. In addition, you will also have the ability to impose restrictions on investing in certain securities or types of securities at the time you open the account.

In order to hire us to provide management services, you will be asked to enter into a written investment advisory agreement with us. This agreement will set forth the terms and conditions of our relationship, including the amount of your investment advisory fee. You will also be asked to complete a brokerage account application with LPL.

### **Fees**

In a Program account, the client pays a single annual advisory fee for advisory services and execution of transactions. Clients do not pay brokerage commissions, markups or transaction charges for execution of transactions in addition to the advisory fee. The advisory fee is negotiable between the client and Gimbal and is set out in the written investment advisory agreement. We will not require payment of more than \$500 in fees more than six months in advance. Fees are negotiable and differ based upon a number of factors including pre-existing or employee relationships, the nature of services to be provided, types of investments, portfolio makeup, and/or the complexity of the client’s situation. In addition, assets in related accounts may be aggregated to establish the amount upon which advisory fees will be based.

The advisory fee is based on a percentage of the market value of your account, including cash holdings, according to the schedule below. Advisory fees are billed quarterly in advance and calculated based on the account’s market value on the last business day of the prior quarter. LPL, as the qualified custodian for the Program account, is responsible for calculating and deducting all advisory fees from your account based upon written authorization from the client.

**Market Value of Accounts**

\$0 - \$999,999  
\$1,000,000 - \$1,999,999  
\$2,000,000 +

**Advisory Fee**

1.5%  
1.0%  
Negotiable

The advisory fee may be higher than the fee charged by other investment advisors for similar services. The advisory fee is paid to Gimbal and is shared between Gimbal and its advisory representatives. Gimbal does not accept performance-based fees for Program accounts.

If the written advisory agreement is terminated before the end of the quarter, client is entitled to a pro-rated refund of any prepaid quarterly advisory fee based on the number of days remaining in the quarter after the termination date.

Clients should also be aware that Gimbal pays LPL an asset based fee for services such as client performance reporting, fee deduction services, transaction costs and other administrative processing and support services. This presents a conflict of interest in that Gimbal may consider the amount of this asset based fee in determining the amount of the advisory fee to charge clients.

**Other Types of Fees and Charges**

Program accounts will incur additional fees and charges from parties other than the Gimbal as noted below. These fees and charges are in addition to the advisory fee paid to Gimbal. Gimbal does not share in any portion of these third party fees.

LPL, as the custodian and broker-dealer providing brokerage and execution services on Program accounts, will impose certain fees and charges. LPL notifies clients of these charges at account opening and makes available a list of these fees and charges on its website at [www.lpl.com](http://www.lpl.com). LPL will deduct these fees and charges directly from the client's Program account.

There are other fees and charges that are imposed by other third parties that apply to investments in Program accounts. Some of these fees and charges are described below.

- If a client's assets are invested in mutual funds or other pooled investment products, clients should be aware that there will be two layers of advisory fees and expenses for those assets. Client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. Client will also pay Gimbal the advisory fee with respect to those assets. Most of the mutual funds available in the program may be purchased directly. Therefore, clients could generally avoid the second layer of fees by not using the management services of Gimbal and by making their own investment decisions.
- Certain mutual funds impose fees and charges such as contingent deferred sales charges, early redemption fees and charges for frequent trading. These charges may apply if client transfers into or purchases such a fund with the applicable charges in a Program account.

- Although only no-load and load-waived mutual funds can be purchased in a Program account, client should understand that some mutual funds pay asset based sales charges or service fees (e.g., 12b-1 fees) to the custodian with respect to account holdings.
- Certain retirement accounts - IRA and qualified retirement plan fees
- Certain trust accounts - Administrative servicing fees for trust accounts
- Sweep money market funds and cash balances – 12b-1 fees or other fee based on average daily deposit balances
- Other charges required by law and imposed by the executing broker/dealer or custodian

Further information regarding fees assessed by a mutual fund is available in the appropriate prospectus, which is available upon request from Gimbal or from the product sponsor directly.

### **Other Important Considerations**

- The advisory fee is an ongoing wrap fee for investment advisory services, the execution of transactions and other administrative and custodial services. The advisory fee may cost the client more than purchasing the program services separately, for example, paying an advisory fee plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the type and size of the account, historical and or expected size or number of trades for the account, and number and range of supplementary advisory and client-related services provided to the client.
- The advisory fee also may cost the client more than if assets were held in a traditional brokerage account. In a brokerage account, a client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the client plans to follow a buy and hold strategy for the account or does not wish to purchase ongoing investment advice or management services, the client should consider opening a brokerage account rather than a Program account.
- Gimbal is recommending the Program account to the client and receives compensation as a result of the client's participation in the program. This compensation includes the advisory fee and also may include other compensation, such as bonuses, awards or other things of value offered by LPL to Gimbal or its advisory representatives. Such compensation may be based on overall business produced and/or on the amount of assets serviced through LPL. The amount of this compensation may be more or less than what Gimbal would receive if the client participated in other programs, or paid separately for investment advice, brokerage and other client services. Therefore, Gimbal may have a financial incentive to recommend a Program account over other programs and services. We take our responsibilities very seriously and we will only recommend that clients hire use for management services if we believe it is appropriate and in the client's best interests.

- The investment products available to be purchased in the program can be purchased by clients outside of a Program account, through broker-dealers or other investment firms not affiliated with Gimbal.

## **Item 5 –Account Requirements and Types of Clients**

Gimbal provides services to individuals, trusts, estates, and small businesses.

## **Item 6 –Portfolio Manager Selection and Evaluation**

In a Program account, Gimbal does not select, review or recommend other investment advisors or portfolio managers. Gimbal, through its advisory representatives, is responsible for the investment advice and management offered to clients. Gimbal generally requires that individuals involved in determining or giving investment advice have a college degree and/or relevant industry training and experience. For more information about the Gimbal advisory representative managing the account, client should refer to the Brochure Supplement for the advisory representative, which client should have received along with this Brochure at the time client opened the Program account.

LPL performs certain administrative services for Gimbal, including generation of quarterly performance reports for Program accounts. Client will receive an individual quarterly performance report, which provides performance information on a time weighted basis. The performance reports are intended to inform clients as to how their investments have performed for a period, both on an absolute basis and compared to leading investment indices.

## **Methods of Analysis and Investment Strategies**

We use four primary strategies for managing Program accounts; (i) a mutual fund strategy, (ii) an ETF strategy, (iii) a dividend stock focused strategy, and (iv) a growth stock strategy. We will invest and manage your portfolio based on your desired risk level and investment objective, which could range from conservative to aggressive. As stated above, we generally use the following types of investment vehicles within Program accounts: mutual funds (including asset allocation funds, index funds, international funds, emerging market funds, real estate funds and high yield bond funds), ETFs (including commodity funds, precious metal funds and agricultural funds), structured products, individual stocks and bonds. The investments selected for your Program account will depend upon your investment objective, level of risk tolerance, and other factors.

There are risks associated with investing in securities. The following highlights some of the risks associated with the types of investments that may be purchased for your account:

- Investments in international markets present special risks including currency fluctuations, the potential for diplomatic and political instability, regulatory and liquidity risks and foreign taxation among others. The risks of foreign investing are generally greater in emerging markets.

- Asset allocation funds include world allocation funds. A world allocation fund seeks to provide both capital appreciation and income by investing in stocks, bonds and cash. These funds may invest in commodities and foreign currencies. These funds may also invest in international and emerging markets.
- High yield bond bonds carry greater risks than bonds rated as investment grade. For example, they are issued by organizations that do not qualify for an investment grade rating by one of the rating agencies because of the potential for higher default by the issuer. Another risk is that further financial difficulties by the issuer may result in a decrease in the market value, and this may make it impossible to liquidate the bond prior to maturity.
- ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the “spread.” The spread varies over time based on the ETF’s trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company.
- Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer’s ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer’s credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher return to obtain the principal guarantee. In addition, the principal guarantee relates to the nominal principal and does not offer inflation protection. An investor in a structured product never has claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

We consider the overall economy, both domestically and globally, when selecting specific investments and making allocation decisions. We also consider current and recent market levels and volatility when making management decisions. We use a variety of sources of data to conduct our economic, investment and market analysis, such as financial newspapers and magazines, economic and market research materials prepared by others, conference calls hosted by mutual funds, corporate rating services, annual reports, prospectuses, and company press releases.

It is important to keep in mind that there is no specific approach to investing that guarantees success or positive returns; investing in securities involves risk of loss that clients should be prepared to bear.

### **Voting Client Securities**

Gimbal does not have any authority to vote client securities or proxies on your behalf. Proxy information for any securities which are held in your account will be sent to you by LPL as the custodian of your funds and securities. We will not be providing you with this information. If you have any questions about a particular solicitation, you may contact us for general information.

### **Item 7 – Client Information Provided to Portfolio Manager**

In the Program account, Gimbal is responsible for account management; there is no separate portfolio manager involved. Gimbal obtains the necessary financial data from the client and assists the client in setting an appropriate investment objective for the account. We obtain this information by having the client complete a written investment advisory agreement and other documentation. Clients are encouraged to contact us if there have been any changes in the client's financial situation or investment objectives or if they wish to impose any reasonable restrictions on the management of the account or reasonably modify existing restrictions. Client should be aware that the investment objective selected for the program is an overall objective for the entire account and may be inconsistent with a particular holding and the account's performance at any time. Client should further be aware that achievement of the stated investment objective is a long-term goal for the account.

### **Item 8 – Client Contact with Portfolio Manager**

Client should contact his/her advisory representative at any time with questions regarding a Program account.

### **Item 9 –Additional Information**

#### **Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our advisory business or the integrity of our management. We have no information applicable to this Item.



## **Other Financial Industry Activities and Affiliations**

Gimbal is only in the business of providing investment advice as described above. However, as also noted above, advisory representatives of Gimbal are registered representatives of LPL Financial, an SEC registered broker/dealer and member of the Financial Industry Regulatory Authority. In this capacity the advisory representative can sell securities to clients and receive normal and customary compensation in the form of commissions. However, such compensation will not be received in connection with investments made in Program accounts. Client's purchasing securities from an advisory representative outside of a Program account will receive disclosure documents (e.g., prospectus, brokerage account agreement) when conducting such transactions.

LPL's parent company, LPL Investment Holdings, Inc., is a publicly traded company with shares listed on The NASDAQ Global Select Market under the trading symbol "LPLA". Certain of our advisory representatives are shareholders and/or option holders of LPLA.

Advisory representatives are also licensed as independent insurance agents and appointed through various insurance companies to offer fixed insurance. In such capacity, the advisory representatives can sell insurance products to clients and receive normal and customary compensation in the form of commissions. Client's purchasing insurance from advisory representatives will receive certain disclosure documents and complete an insurance application process when conducting such transactions.

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

It is our policy not to affect any principal trades for client accounts. Principal trades are generally defined as transactions where an advisor, acting for its own account, buys from or sells a security to an advisory client. It is also our policy not to cross trades between your account and the account of another client.

Gimbal and its advisory representatives may buy or sell securities for our personal accounts identical to those recommended to clients. This creates a potential conflict of interest. It is our policy that all persons associated with us in any manner must place the interests of clients ahead of their own when making personal investments. In addition, we require that client transactions be placed before our own transactions. We also monitor trading by our advisory representatives.

LPL's parent company, LPL Investment Holdings Inc., is a publicly traded company. Gimbal does not recommend or solicit orders of LPL Investment Holdings Inc. stock in Program accounts.

## **Review of Accounts**

Advisory representatives conduct reviews of client accounts on a quarterly basis for consistency with the client's stated investment objectives, among other factors. Client account reviews may also be triggered upon client request, a change in client circumstances, or unusual market activity.

All Program accounts are also subjected to a risk based exception reporting system that flags accounts on a quarterly basis for criteria such as performance, trading activity and position concentration. The exception reporting identifies accounts where additional scrutiny or analysis by us may be appropriate.

During any month that there is activity in a Program account, you will receive a monthly account statement from LPL showing account activity as well as positions held in the account at month end. Additionally, you will receive a confirmation of each transaction that occurs unless the transaction is a result of a systematic purchase, redemption or exchange. You will also receive a detailed quarterly performance report prepared by LPL on our behalf. All account data and statements are also available online through the LPL Account View portal.

### **Other Compensation**

Gimbal and its advisory representatives may receive additional compensation from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives. Product sponsors may also pay for education or training events that may be attended by Gimbal's employees and advisory representatives.

### **Financial Information**

Gimbal is required to provide clients with certain information or disclosures about its financial condition. We have no financial commitment that impairs our ability to meet contractual or fiduciary commitments to clients, and we have not been the subject of a bankruptcy petition.

### **Custody**

We do not have custody of client funds or securities. Custody for all Program accounts is maintained by LPL, a qualified custodian. You will receive accounts statements from LPL directly at least quarterly. We encourage you to carefully review these statements upon receipt. In addition, LPL will provide you with quarterly performance reports on our behalf. We may provide you with additional, customized reporting from time to time and upon request. This additional reporting does not take the place of the official statements that you receive from LPL.

### **Investment Discretion**

Upon your written authorization in our investment advisory agreement, we will provide discretionary investment advisory services for your Program account. Our discretionary authority is limited only to affecting trades in your accounts; we will determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each trade.

We will not have access to your funds or securities with the exception of having advisory fees deducted from your account and paid to us by LPL as the custodian. Any fee deduction will be done pursuant to your prior written authorization provided to LPL.

### **Brokerage Practices**

Gimbal requires that clients direct LPL as the sole and exclusive broker/dealer to execute transactions for Program accounts. LPL is not paid a commission for executing transactions. Because advisory representatives of Gimbal are licensed with LPL, this presents a conflict of interest. Clients should understand that not all advisors require their clients to direct brokerage. By directing brokerage to LPL, clients may be unable to achieve the most favorable execution of client transactions. Therefore, directed brokerage may cost clients more money.

Gimbal may receive support services and/or products from LPL, which assist Gimbal to better monitor and service client accounts maintained at LPL. These support services and/or products may be received without cost, at a discount, and/or at another negotiated rate, and may include the following:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data
- compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support
- computer hardware and/or software
- other products used by Gimbal in furtherance of its investment advisory business operations

Clients do not pay more for services as a result of this arrangement. There is no corresponding commitment made by Gimbal to LPL or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of this arrangement.

We may aggregate transactions for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. We may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, the liquidity of the securities, and the discretionary or non-discretionary nature of the trades. If we do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.