

**Item 1: Cover Page**  
**Part 2A Appendix 1 of Form ADV: Wrap Fee Program Brochure**  
**March 4, 2019**

**Gilbert & Cook Wrap Program**



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**West Des Moines, IA 50265**  
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**Firm Contact:**  
**Marlis Gilbert**  
**Chief Compliance Officer**

This brochure provides information about the qualifications and business practices of Gilbert & Cook, Inc. If clients have any questions about the contents of this brochure, please contact us by at [at (515) 270-6444 or [MGilbert@gilbertcook.com](mailto:MGilbert@gilbertcook.com). 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. Additional information about our firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #283112.

Please note that the use of the term "registered investment adviser" and description of our firm and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise clients for more information on the qualifications of our firm and our employees.

## **Item 2: Summary of Material Changes**

There have been material changes since the March 5, 2018 Form ADV Part 2 and 2b filed on the IARD system as follows:

As of January 18, 2019, we have relocated 5058 Grand Ridge Drive, West Des Moines, IA 50265

### Item 3: Table of Contents

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### Item 4: Services, Fees & Compensation

Gilbert & Cook manages assets for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. As a fiduciary it is our duty to always act in the client's best interest. This is accomplished in part by knowing the client. Our firm has established a service-oriented advisory practice with open lines of communication. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

Our wrap fee program allows clients to pay a single fee for investment advisory services and associated custodial transaction costs. By participating in a wrap fee program, clients may end up paying more or less through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to the client by the executing broker.

## **Our Wrap Advisory Services**

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### **Wrap Precision Program:**

Gilbert & Cook provides the Wrap Advisory Services based on each individual client's financial circumstances and investment objectives. We meet with each client to discuss the client's current financial condition and to review the client's current investment holdings. Based upon each client's circumstances, we determine an appropriate asset allocation for the client's investment portfolio or sub-advisors to implement an agreed allocation, in accordance with the client's specific financial objectives and risk tolerance and in consideration of other factors, including the client's time horizon (education funding, home purchase, retirement, legacy planning), liquidity needs, and other available resources (including external retirement plans, projected social security, outside investments, real estate, and insurance). Each client's financial objectives, risk tolerance, and liquidity needs, along with a recommended asset allocation, are incorporated into their ongoing investment strategy.

### **Fee Schedule**

The maximum annual fee charged for this service will not exceed 2.25%. Fees to be assessed will be outlined in the advisory agreement to be signed by the Client. Annualized fees are billed on a pro-rata basis quarterly in advance based on the value of the account(s) on the last day of the previous quarter. Fees are negotiable and will be deducted from client account(s). Adjustments will be made for deposits and withdrawals of \$10,000 or more made during the quarter. In rare cases, our firm will agree to directly invoice. As part of this process, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- c) If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian, will be included.

For the sub-advisory services rendered to our clients, our firm compensates third party investment advisory firms a percentage of the overall investment advisory fee charged by our firm. The advisory fee paid will not exceed 0.5% and shall not exceed the fee published for this service.

### **Other Types of Fees & Expenses:**

The fees not included in the advisory fee for our wrap services are charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's

prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed at a broker dealer other than Schwab, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions.

### **Selection and Monitoring of Third Party Money Managers**

We also offer advisory management services to our clients through third party money manager Morningstar Investment Management, Inc. (Morningstar) to utilize their sub-advisory services. Morningstar provides management of strategic ETF portfolios where they have trading discretion within set allocation parameters. Fees for the Morningstar program are paid by the firm and do not cost the Client additional fees.

### **Wrap Fee Program Recommendations**

Our firm may receive more compensation from the client's participation in our wrap fee program than if the client purchased our investment advisory services and Charles Schwab & Co., Inc.'s (Schwab) services separately. As described below, Schwab makes other products and services available to us (see "Other Products and Services Available to Us from Schwab"). Consequently, we may have an incentive to recommend that a client participate in our wrap fee program and open account(s) with Schwab. That incentive may be based on our interest in receiving the products and services rather than based on the client's interest in having the most appropriate fee arrangement for our investment advisory services and the best value in custody services and the most favorable execution of client transaction. We believe, however, that our recommendation to our wrap fee program, including the use of Schwab as custodian and broker, is in the best interests of those of clients to whom we recommend it based on (a) an assessment of their investment objectives, financial situation, our investment plans and anticipated trading activity in their accounts and all other relevant factors, and (b) the scope quality and price of Schwab's services and not based on Schwab's payment for third party services that benefit only us.

## **Item 5: Account Requirements & Types of Clients**

Our requirements for opening and maintaining accounts or otherwise engaging us:

- Our firm requires a minimum portfolio balance of \$1,000,000 for our Investment Advisory Services. Generally, this minimum account balance requirement is negotiable.

Gilbert & Cook has the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates and Charitable Organizations;
- Profit Sharing Plans;
- Corporations, Limited Liability Companies and/or Other Business Types

## **Item 6: Portfolio Manager Selection & Evaluation**

### **Selection of Portfolio Managers**

Our firm's investment adviser representatives ("IAR"s) act as portfolio manager(s) for this wrap fee program. A conflict arises in that other investment advisory firms may charge the same or lower fees than our firm for similar services. Our IARs are subject to individual licensing requirements as imposed by state securities boards. Our firm is required to confirm or update each IAR's Form U4 on an annual basis. IAR supervision is conducted by our Chief Compliance Officer or management personnel.

### **Advisory Business:**

Information about our wrap fee services can be found in Item 4 of this brochure. Gilbert & Cook offers individualized investment advice to our Wrap Precision clients.

Each Wrap Precision client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

**Participation in Wrap Fee Programs:**

Gilbert & Cook only offers wrap fee accounts to our clients, which are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

**Performance-Based Fees & Side-By-Side Management:**

Our firm does not charge performance-based fees.

**Methods of Analysis, Investment Strategies & Risk of Loss:**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

- Macro Economic
- Client Household Global Allocation
- Asset Class Correlation
- Asset Class Standard Deviation
- Cyclical;
- Fundamental;

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

- Individual Stocks and Bonds
- Mutual Funds and Exchange Traded Funds
- Public & Private REITS and Business Development Companies
- Separately Managed Institutionally Managed Portfolios
- Long Term Purchases (Securities Held At Least a Year);
- Short Term Purchases (Securities Sold Within a Year);
- Margin Transactions;
- Option Writing, including Covered Options, Uncovered Options or Spreading Strategies;
- Hedging Strategies

**Please Note:** Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask any questions you may have.

**Voting Client Securities:**

Our firm does not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, our firm will forward them to the appropriate client and ask the party who

sent them to mail them directly to the client in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

Third party money managers selected or recommended by our firm may vote proxies for clients. Except in the event a third party money manager votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore (except for proxies that may be voted by a third party money manager), our firm and/or the client shall instruct the qualified custodian to forward copies of all proxies and shareholder communications relating to the client's investment assets.

### **Item 7: Client Information Provided to Portfolio Manager(s)**

Our financial advisors work with you directly to understand your current financial situation, existing resources, financial goals, and tolerance for risk. Our firm urges you to communicate to us any significant changes to your financial or personal circumstances, so that we can consider such information in managing your investments. Please see our firm's Privacy Policy for more information on how our firm utilizes client information.

### **Item 8: Client Contact with Portfolio Manager(s)**

Any questions or concerns about the management of client portfolios shall be directed to our firm.

### **Item 9: Additional Information**

#### **Disciplinary Information**

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

#### **Financial Industry Activities & Affiliations**

Several representatives of our firm are registered representatives of Purshe Kaplan Sterling, member FINRA/SIPC, and licensed insurance agents. As a result of these transactions, they receive normal and customary commissions. A conflict of interest exists as these commissionable securities sales create an incentive to recommend products based on the compensation earned. To mitigate this potential conflict, our firm will act in the client's best interest.

Representatives of our firm are Certified Public Accountants. We do not provide these services to clients. Our firm does not actively solicit clients to utilize these services.

Please see Item 4 above for more information about the selection of third party money managers. The compensation paid to our firm after compensating third party managers may vary, and thus, creates a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over another manager. Prior to referring clients to third party advisors, our firm will ensure that third party advisors are licensed or notice filed with the respective authorities. A potential conflict of interest in utilizing third party advisors may be an incentive to us in selecting a particular advisor over another in the form of fees or services. In order to minimize this conflict, our firm will make our recommendations/selections in the best interest of our clients.



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

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Gilbert & Cook recognizes that the personal investment transactions of our representatives demands the application of a Code of Ethics with high standards and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, our firm also believes that if investment goals are similar for clients and for our representatives, it is logical, and even desirable, that there be common ownership of some securities.

In order to prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, our firm has pre-clearance requirements on certain securities and a quarterly securities transaction reporting system for all of our representatives.

Neither our firm nor a related person recommends, buys or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Likewise, related persons of our firm buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

## **Review of Accounts**

Our management personnel or financial advisors review accounts on at least a quarterly basis for our Wrap Precision clients. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Our firm does not provide written reports to clients, unless

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.



asked to do so. Verbal reports to clients take place on at least an annual basis when our Wrap Precision clients are contacted.

Our firm may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

### **Other Compensation**

In addition to compensating our firm for portfolio management, and other services to clients, the wrap fees clients' pay our firm also allows us to pay Schwab for the brokerage services it provides to clients. The fees our firm pays Schwab consist primarily of asset-based fees assessed on the total assets (including stocks, bonds, mutual funds, and cash) in all our clients' wrap fee program accounts maintained at Schwab.

In addition to the asset-based fee described above, our firm pays Schwab certain other fees that it would otherwise charge to clients. These fees may include (a) flat dollar per trade fees for Schwab's prime brokerage and trade away services (through which our firm can have trades for client accounts at Schwab executed by broker-dealers other than Schwab), (b) transaction-based fees imposed on Schwab by regulatory organizations and exchanges and fees to offset processing costs incurred by Schwab for the exchange of securities for equity, options or other covered security sell transaction, and (c) short-term redemption fees on no-transaction-fee mutual funds (including, but not limited to, those available through Schwab's Mutual Fund OneSource®).

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

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like our firm. They provide our firm and clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help manage or administer our client accounts while others help manage and grow our business. Schwab's support services are generally available on an unsolicited basis (our firm does not have to request them) and at no charge. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. A more detailed description of Schwab's support services follows:

#### **Services that Benefit Clients**

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. Schwab may also aid in the payment of fees associated with the custodial transfer. The investment products available through Schwab include some to which our firm might not otherwise have access to or that would require a significantly higher minimum initial investment by firm clients. Schwab's services described in this paragraph generally benefit clients and their accounts.

#### **Services that May Not Directly Benefit Clients**

Schwab also makes available other products and services benefiting our firm but may not directly benefit clients or their accounts. These products and services assist in managing and administering our client accounts. They include investment research, both Schwab's and that of third parties. This research may be used to service all or some substantial number of client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

### **Services that Generally Benefit Only Our Firm**

Schwab also offers other services intended to help manage and further develop our business enterprise. These services include:

- marketing, educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases Schwab will arrange for third-party vendors to provide the services to our firm. Schwab may also discount or waive fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide our firm with other benefits such as occasional business entertainment for our personnel.

Irrespective of direct or indirect benefits to our client through Schwab, our firm strives to enhance the client experience, help clients reach their goals, and put client interests before that of our firm or associated persons.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits our firm because our firm does not have to produce or purchase them. Our firm does not have to pay for Schwab's services. These services are not contingent upon our firm committing any specific amount of business to Schwab in trading commissions or assets in custody. This arrangement may serve as an incentive to recommend clients maintain their account with Schwab based on our interest in receiving Schwab's services benefiting our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. Our firm believes, however, that the selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services and not Schwab's services that benefit only our firm.

### **Client Referrals**

Our firm does not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

### **Financial Information**

Our firm is not required to provide financial information in this Brochure because we do not require the prepayment of more than \$1,200 in fees and six or more months in advance; do not have physical custody of client funds or securities; do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients; and have never been the subject of a bankruptcy proceeding.

We do have custody by rule definition when we instruct the Custodian to direct deduct fees from your Custodian account which does not trigger a surprise custody audit by an independent public accountant. However, we do have access to some client passwords to enter trades on their behalf, which does trigger a surprise audit by an independent public accountant. All of our clients receive account statements directly from their qualified custodians at least quarterly upon opening of an account. The statements will be sent to the email or postal mailing address the client provided to the Custodian. If our firm decides to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

### **Confidentiality**

Protecting client privacy is very important to us. We view protecting its clients' private information as a top priority. Pursuant to the requirements of the Gramm-Leach-Bliley Act, we have instituted policies and procedures to ensure that customer information is kept private and secure. We do not disclose any non-public personal information about its clients or former clients to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, we may share some information with its service providers, such as, but not limited to, transfer agents, custodians, broker/dealers, accountants, and lawyers.

We restrict internal access to non-public personal information about its clients to those employees who need to know that information in order to provide products or services to the client. We maintain physical and procedural safeguards that comply with federal standards to guard a client's non-public personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be our policy never to sell information about current or former customers or their accounts to anyone. It is also our policy not to share information unless required to process a transaction, at the request of our customer, or as required by law.

A copy of our privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the advisory agreement. Thereafter, we will deliver a copy of the current privacy policy notice to its clients prior to changing its sharing practices.