

**Item 1**      **Cover Page**

## Gilbert Financial, LLC

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February 6, 2024

Part 2A of Form ADV: Firm Brochure

This Firm Brochure provides information about the qualifications and business practices of Gilbert Financial, LLC.

If you have any questions about the contents of this Firm Brochure, please contact us at 585-241-3150 or email Austin at [Austin@gilbertinvestment.com](mailto:Austin@gilbertinvestment.com). The information in this Firm Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Gilbert Financial, LLC is a Registered Investment Advisor. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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

## **Item 2      Material Changes**

Our last updating amendment was filed on February 2<sup>nd</sup>, 2023. This Firm Brochure dated February 6<sup>th</sup>, 2024, contains no material changes.

This section includes only material changes. Gilbert Financial, LLC encourages all current and prospective clients to review the entire Firm Brochure.

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Firm Brochure – Part 2A Form ADV

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## **Item 4      Advisory Business**

### **Description of Advisory Business:**

Gilbert Financial, LLC (“Gilbert Financial”, “we”, “us” or “our”) was established in November of 1999 and became an SEC Registered Investment Advisor effective April 11, 2013. We are based in the Rochester area of New York. Our managing member and principal owner is Austin J. Gilbert. The company is an independent firm that manages customized portfolios for individuals, high net worth individuals, trusts and corporations.

### **Portfolio Management:**

Investment portfolios are primarily driven by client objectives and goals. An asset allocation model that targets individual needs and investment horizons is the framework for developing individual portfolios. We discuss our general philosophy and “advisory” approach to investing with clients to illustrate the alternatives available to them.

If a prospective client likes our philosophy and decides to use our management services, we will develop an investment strategy that takes into consideration age, risk tolerance, employment status, retirement age, investment experience, and any individual information that might help us create a portfolio to meet specific client objectives.

Most clients provide us with discretionary authority to buy and sell on their behalf. Discretionary authorization allows us to determine the specific securities, amounts to be allocated; whether to buy or sell, and the timing of these decisions. Clients sign off on discretionary trading authority before we begin trading a portfolio. Any limitation to this discretionary authority, such as restricting certain sectors or types of investments within an account, can be established by providing our firm with written guidelines for this restriction.

While our portfolios are unique to each individual, we frequently use similar securities in all of our portfolios. The allocations and amounts vary based on individual objectives and goals.

An example portfolio is put together from a master list of securities we maintain. We find this step useful in illustrating the type of dividend income a client can expect to receive through a similar portfolio. It can also provide prospective clients with expectations for the types and amounts of securities they may have once they are fully invested. We walk through each type of investment in the hypothetical proposal and discuss how the different securities work together to provide income, diversity, and address client objectives for capital preservation and long-term growth. We typically will average into a portfolio over a period of time and discuss a time frame to be fully invested.

### **Types of Investments:**

Discretionary accounts that we maintain are limited to the following types of securities:

- 1) Equity Securities-Typically we look for stocks that pay dividends. We only buy securities that are listed on a domestic exchange.
- 2) Corporate Debt Securities- Individual short-term corporate bonds. We typically do not buy bonds that go out more than 7 years. We hold bonds until they are called or mature on schedule. We do have the ability to sell bonds, but do not seek to actively trade our bonds for capital

appreciation. Bonds or bond funds are an important part of our portfolio's income stream.

3) Municipal Securities & Funds- For clients with tax-free objectives, we will use short-term tax-free bonds or bond funds. This is done primarily through municipal bond funds that provide for monthly tax-free income. Funds increase diversity, maintain liquidity, and supplement the inventory that is available to us in the individual bond market.

4) Mutual Funds- We utilize mutual funds to gain access to sectors of special interest, such as emerging markets, precious metals, health & pharmaceuticals, technology, small and mid-cap indexes, etc. Mutual funds also help us achieve greater diversification. We tend to buy “no-load” mutual funds, but in the event we buy a fund that is not a "no-load” fund, it is purchased on the institutional platform we use with Pershing, LLC at NAV (net asset value).

We are only compensated through our management fees paid by our clients. Pershing, LLC does not pay us any portion of the commissions it charges.

5) Exchange Traded Funds- Similar to mutual funds, exchange traded funds (ETF's) help us build diversified portfolios by gaining low-cost access to multiple sectors of the market.

### **Assets Under Management**

As of December 31<sup>st</sup>, 2023, Gilbert Financial, LLC manages approximately \$59,112,000 on a discretionary basis and approximately \$25,366,000 on a non-discretionary basis.

## **Item 5 Fees and Compensation**

<b>Fee for Portfolio Management</b>	<b>Annual Fee</b>
First \$1,000,000	1.25%
Over \$1,000,000	1%
Bond Portfolios	3/4%

The fee schedule above may be negotiable to accommodate individual needs and objectives.

### **Terms of Fee Collection**

Managed accounts are billed quarterly in arrears based on the market value of a client’s account as of the last day of the previous quarter. Fees are automatically deducted from a client’s account. Statements should be provided by the custodian on at least a quarterly basis. Management fees are expressed on the statement in the month the fees are collected and should be reviewed for accuracy.

Written authorization allows that fees be deducted from managed assets directly. In some cases, clients may request to pay management fees by check rather than directly from the managed account. Clients may also direct billing to a particular account where we manage multiple accounts in conjunction with each other if they prefer the fees are only paid from one account. If portfolio management services are terminated intra quarter, a pro rata charge for services rendered may be issued for all the days where an outstanding management fee is due. No management services provided are pre-paid.

**Additional Fees:**

Other fees that may occur from the custodian.

With respect to Gilbert Financial's portfolio management services, the client may also incur charges imposed directly by the custodian of the client's accounts, transaction charges imposed by the broker-dealer executing securities transactions for the client's accounts, and fees and expenses imposed directly by mutual funds held in or for the client's accounts. For further discussion concerning Gilbert Financial LLC's brokerage practices, please see Item 12 of this Firm Brochure. All fees paid to Gilbert Financial for its services are separate and distinct from the fees and expenses charged directly by the client's custodian, the broker-dealer, and mutual funds. The fees and expenses imposed by mutual funds are described in each fund's prospectus, and will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. The client should review both the fees charged by the funds, and the fees charged by Gilbert Financial, to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

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

We are not compensated on the basis of a share of capital gains upon, or capital appreciation of, investments of client assets.

**Item 7 Types of Clients**

Gilbert Financial, LLC provides portfolio management to individuals and high net-worth individuals.

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

Individual Stocks are evaluated using Standard & Poor's Analytics, a web-based resource that aids in gathering relevant information about companies of interest. Using this tool, we compile lists of stocks from various sectors that may meet our investment criteria.

**Fundamental Analysis** is done on an individual stock (and its peers) which may include analyzing the Price Earnings Ratio (P/E Ratio), Earnings Per Share (EPS), Market Capitalization (size), sector and S&P ranking. We also look at a company's historical track record for maintaining dividend payments and the schedule of distributions. In conjunction we may review company resources and websites to see the reports they file, and sentiment for earnings and guidance where available.

**Technical Analysis** involves looking at the stock price patterns, charts of prices, high and low prices, 52-week range, as well as resistance and support ranges. While we do not focus on technical data alone, this analysis does help give us guidance on when we may want to initiate buys or sales of particular securities.

**Cyclical Analysis** is not a primary method or investment strategy, but periodically we do look to sectors that may have underperformed or realized a meaningful underperformance. Recognizing how sectors rotate through the performance spectrum helps guide us toward new ideas for our portfolios. If we feel a sector has underperformed and may be poised for growth,

we may look to find companies or funds that could capitalize in the long-run due to short-term negativity.

We blend these methods of analysis to help guide our master list of stocks and funds. We are not market timers and don't feel that we can identify trends before they become obvious. We like to find companies that we feel have a relevant product line-up, a competitive edge in their industry, and have history of maintaining or raising dividends. Once we identify the company, we tend to look at the technical side and charts to see if the stock is performing or underperforming and why.

### **Risk of Loss**

Investors should be aware all investments involve some level of risk. Investing in securities involves a risk of loss that clients should be prepared to bear. As fiduciaries, it is our job to disclose and attempt to mitigate these risks through disclosure, due diligence, and diversification of assets. We do not guarantee or represent that our methods of analysis, research, or portfolios are without risk. We cannot guarantee or promise rates of return, or protection against market decline. Past performance is in no way indicative of future performance.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

*Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

*Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, pandemic, war, terrorism, and social conditions may trigger market events.

*Inflation Risk:* When any type of inflation is present, a dollar will be worth more today than a dollar next year because purchasing power is eroding at the rate of inflation.

*Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. Companies involved in foreign markets are subject to currency risk. This is also referred to as exchange rate risk.

*Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

*Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

*Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally,

assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

*Financial Risk:* Excessive borrowing to finance a business's operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Item 9      Disciplinary Information**

Gilbert Financial, LLC has no information applicable to this Item.

## **Item 10      Other Financial Industry Activities and Affiliations**

Gilbert Financial, LLC has no information applicable to this Item.

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

### **Code of Ethics**

Gilbert Financial, LLC has adopted a Code of Ethics ("Code") pursuant to SEC Rule 204A-1, which serves to establish a standard of business conduct for all of the firm's personnel that is based upon fundamental principles of openness, integrity, honesty, and trust. Gilbert Financial, LLC is a fiduciary and therefore has the responsibility to render professional, continuous, and unbiased investment advice. As a fiduciary, Gilbert Financial must act at all times in its client's best interest and must avoid or disclose conflicts of interest. In addition, when Gilbert Financial provides investment advice to clients regarding retirement plan account(s) or individual retirement account(s), we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts.

It is the purpose of Gilbert Financial, LLC's Code of Ethics to emphasize and implement these fundamental principles within its operations.

The Code includes a prohibition on insider trading, policies on gifts and entertainment, outside business activities, and reporting of personal securities transactions among other things.

Gilbert Financial, LLC will provide a copy of the Code of Ethics to any client or prospective client upon request.

### **Participation or Interest in Client Transactions**

Gilbert Financial does not have any material financial interest in client transactions beyond the provisions outlined in our advisory services for maintaining and managing client portfolios.

### **Personal Trading Practices**

Gilbert Financial and its associated persons may buy or sell the same securities recommended to advisory clients. There may be a conflict of interest in such cases because we have the ability to



trade ahead of clients and potentially receive more favorable prices. However, it is our firm's policy that we shall not have priority over client interests in implementing trades. Trading transactions by our staff are generally small in nature and not likely to have a price impact on the markets.

## **Item 12 Brokerage Practices**

In recommending a broker dealer or custodian, Gilbert Financial, LLC may consider a number of factors, including, without limitation, the broker-dealers' financial strength, reputation, execution, pricing, research, and service. Gilbert Financial, LLC may weigh the amount of the broker-dealer's compensation against the other criteria it considers in selecting the broker-dealer to execute client securities transactions to determine whether the broker-dealer's compensation is reasonable in light of those other factors.

Gilbert Financial, LLC recommends clients use the services of Pershing, LLC as their custodian for our advisory relationships. Primarily, using one custodian and trading platform creates continuity and efficiency in our management of client portfolios and information. We believe Pershing, LLC provides quality back-office support to help us manage client needs and objectives. We maintain an institutional relationship with Pershing, LLC for our advisory services. We do not receive any type of compensation from Pershing, LLC for our relationship.

Pershing, LLC helps us administer client accounts in the following ways. Pershing, LLC maintains custody of client assets and provides statements of activity on a monthly or at least quarterly basis. The custodian also provides software & technology for trading execution, confirmations, cost-basis management, pricing, market data, client account access, recordkeeping and facilitates payment of fees directly from clients when authorization is given.

### **Research and other benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Gilbert Financial, LLC may receive from that broker-dealer/custodian, or have access to, investment research and other practice support materials. These items are available to Gilbert Financial, LLC as part of the offerings of the computer platform provided to those utilizing the custodian. These items may be in the form of research reports and other securities analysis products, and various written publications on topics which relate to Gilbert Financial, LLC's practice. Gilbert Financial, LLC anticipates that any such items will generally be used to service all clients.

The foregoing may be perceived to be a conflict of interest. When Gilbert Financial, LLC receives a benefit from a broker-dealer or custodian it does not have to produce or pay for that benefit. Gilbert Financial, LLC arguably would have an incentive to select or recommend a broker-dealer based on Gilbert Financial, LLC's interest in receiving the benefit(s), rather than on the client's interest in receiving most favorable execution. However, the firm feels that it has addressed this conflict because Gilbert Financial, LLC's clients may not pay more for investment transactions effected and/or assets maintained at a particular broker-dealer or custodian as result of Gilbert Financial, LLC's receipt of such benefit(s). There is no corresponding commitment made by Gilbert Financial, LLC or other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, other investment products or to conduct client security transactions as result of Gilbert Financial, LLC receiving these benefits. Further, the benefits received are available to any investment manager utilizing the broker-

dealer/custodian or executing securities transactions through the broker-dealer, regardless of the volume of execution.

In the event that a prospective or current client has needs for a brokerage account or product that cannot be serviced by Pershing, LLC then they may choose a broker dealer of their choice subject to Gilbert Financial, LLC right to refuse or terminate the management of the client's account. A client's direction of brokerage can limit or eliminate Gilbert Financial, LLC's ability to negotiate commissions (which could result in higher commission costs) and otherwise obtain most favorable execution of client transactions. In addition, Gilbert Financial, LLC may be unable to aggregate orders to reduce transaction costs. If the client directs brokerage, the client will negotiate terms and arrangements for the account with that broker-dealer, and Gilbert Financial, LLC will not seek better execution services or prices from other broker-dealers. As a result, the client may pay higher commissions or other transaction costs, or incur greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In other words, directing brokerage may cost a client more money.

### **Aggregation**

Gilbert Financial, LLC generally does not aggregate clients trades. However, Gilbert Financial, LLC may purchase or sell the same securities for several clients at approximately the same time. Gilbert Financial, LLC would do this in an effort to obtain "best execution", to negotiate more favorable commission rates, or to allocate equitably among Gilbert Financial, LLC's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions would be averaged as to price and would be allocated among Gilbert Financial, LLC's clients in proportion to the purchase and sale orders placed for each client account on any given day. To the extent that Gilbert Financial, LLC determines to aggregate client orders for the purchase or sale of securities, including securities in which Gilbert Financial, LLC's principals and/or associated persons may invest, Gilbert Financial, LLC shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Incorporated*. Gilbert Financial, LLC shall not receive any additional compensation or remuneration as a result of the aggregation.

## **Item 13      Review of Accounts**

Quarterly reports are provided directly by the custodian to our clients. Clients may also login online to view their accounts. Clients are urged to compare the account statement they receive from the qualified custodian with any statement they might receive from Gilbert Financial, LLC, and to rely solely on the account statement received from the qualified custodian.

Face to face or electronic review meetings with clients are conducted on a periodic basis. Some clients prefer to have more frequent meetings. During a review meeting we may discuss relevant performance and holdings. We also update information or changes in client status or objectives. Client reviews are conducted by Austin J. Gilbert, Gilbert Financial, LLC's managing member.

## **Item 14      Client Referrals and Other Compensation**

We do not enter into any agreements to compensate people for referrals to use our advisory services.

## **Item 15 Custody**

Client assets are maintained with a qualified custodian, primarily Pershing, LLC. The qualified custodian is authorized by the client to deduct and direct payment of Gilbert Financial, LLC's advisory fee directly from the client's custodial account. Gilbert Financial, LLC may be deemed to have custody solely because we may deduct our advisory fees from our client's custodial accounts. In addition, we would be deemed to have custody of client funds and securities where a client has executed a standing letter of authorization (SLOA) authorizing us to initiate payment(s) to a third party. Each client will receive account statements directly from the qualified custodian on at least a quarterly basis. Each client should carefully review those statements. In the event that a client also receives an account statement from Gilbert Financial, LLC, each client is urged to compare the account statement they receive from the qualified custodian with the account statement they receive from Gilbert Financial, LLC, and to rely solely on the account statement received from the qualified custodian.

## **Item 16 Investment Discretion**

Upon agreement to use our services, clients sign the appropriate trading authorization forms. In most cases we are given full discretion. Discretionary authorization allows us to determine the specific securities, amounts to be allocated, whether to buy or sell, and the timing of these decisions. Any limitation to this discretionary authority, such as restricting certain sectors or types of investments within an account, can be established by providing our firm with written guidelines for the restriction.

In some cases, Gilbert Financial, LLC maintains non-discretionary relationships when requested by the client. Non-discretionary accounts require approval for any transactions ahead of time.

## **Item 17 Voting Client Securities**

Gilbert Financial, LLC does not vote client proxies for client accounts. Clients maintain exclusive responsibility for proxy voting. Clients receive proxy and other solicitations directly from their custodian. In addition, clients maintain exclusive responsibility for making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, class or mass actions, legal proceedings or other events pertaining to the securities held in client accounts. Clients may contact us regarding a specific corporate action or proxy vote. However, the client is responsible for exercising their right to vote as a shareholder.

## **Item 18 Financial Information**

Gilbert Financial, LLC does not have any financial situation that is reasonably likely to impede its contractual commitments to clients.