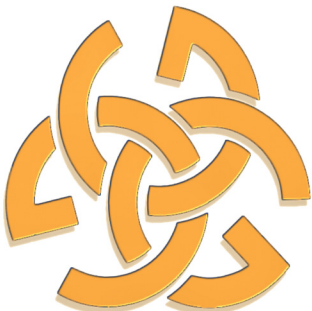


FORM ADV

Part 2A Brochure

Goldstone
PORTFOLIOS

February 29, 2024



Goldstone Portfolios Incorporated
110 Shadblow Lane
Clinton Corners, New York 12514-2833

Form ADV Part 2A Brochure
February 29, 2024

This brochure provides information about the qualifications and business practices of Goldstone Portfolios Incorporated (hereinafter “Goldstone Portfolios” or “the firm”).

Inquiries about the firm or about this brochure’s contents should be directed to Eric Goldstone at (845) 698-1806. Information contained herein has neither been approved nor verified by the United States Securities and Exchange Commission nor by any state securities authority.

Further information about Goldstone Portfolios is available at the SEC’s website:
www.adviserinfo.sec.gov.

Goldstone Portfolios Incorporated is an SEC registered investment adviser. Registration does not denote an adviser’s expertise or training.

ITEM 2. SUMMARY OF MATERIAL CHANGES

This brochure, dated February 28, 2024, includes changes that have occurred since Goldstone Portfolios’ last annual update filed on February 28, 2023. The firm has no material changes to disclose in response to this Item, though routine updates have been made throughout the brochure.

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ITEM 4. Advisory Business

Goldstone Portfolios has been in business as a registered investment adviser since April 8, 1993. Initially operated as a sole proprietorship, the business was incorporated under the laws of New York State in the following year. The firm is wholly owned and controlled by Eric J. Goldstone.

As of December 31, 2023, Goldstone Portfolios had \$26,564,172 in assets under management, of which \$24,101,419 was managed on a discretionary basis and \$2,462,753 was managed on a non-discretionary/supervisory basis. The firm solely provides investment management services.

Prior to engaging the firm, clients are required to enter into one or more written agreements setting forth the terms and conditions under which services are to be rendered (collectively the “*Agreements*”). Neither Goldstone Portfolios nor clients may assign the *Agreements* without written consent of the other party. (Changes to Goldstone Portfolios’ business structure resulting in no change of firm control or management do not constitute assignments.)

This disclosure brochure seeks to accurately describe the business of Goldstone Portfolios Incorporated. Certain sections of the document reference the activities of *Supervised Persons*. *Supervised Persons* refers to the

firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees, or any other person who provides investment advice on Goldstone Portfolios’ behalf and is subject to the firm’s supervision or control.

Investment Management Services

Goldstone Portfolios generally provides the above mentioned services on a discretionary basis, meaning that the firm accepts responsibility for choosing the securities that it believes will help clients to meet their respective objectives allowing for only the appropriate amount of risk. Discretionary authority facilitates the firm acting on clients’ behalves without specific permission to buy or sell a particular security. In limited instances, the firm may agree to provide investment management services on a non-discretionary basis. Under non-discretionary arrangements, Goldstone Portfolios will offer investment guidance, but is not authorized to buy or sell securities for the client’s account without prior approval. Additionally, clients may from time to time impose—and the firm will abide by—reasonable restrictions on the management of their accounts (e.g., requiring avoidance of or exposure to certain types of investments or allocating a portion of the portfolio to “socially responsible” funds.)

Clients’ managed accounts are typically allocated by the firm among equities (stocks), fixed income

securities, and exchange-traded funds (“ETFs”). Occasionally, mutual funds, options contracts, as well as securities components of variable annuities and variable life insurance contracts are also utilized—all in accordance with respective clients’ investment objectives. When appropriate and desirable, Goldstone Portfolios will also research and offer advice pertaining to other types of investments held in client portfolios.

The firm is sometimes called upon to render investment management services to clients relative to their variable life/annuity product holdings, the self-directed segments of their individual employer-sponsored retirement plans, their education savings accounts (i.e., 529 plans) and/or other savings and investment vehicles. Such assets are often held in accounts not located at the client’s primary custodian. In these instances, Goldstone Portfolios will either direct or recommend the allocation of said assets among the specific investment options made available through the respective plan, product, or offering.

In all cases, Goldstone Portfolios seeks to tailor its advisory services to the individual client, endeavoring to properly match asset allocation decisions with each client’s respective longer-term investment objectives and risk tolerance.

While certain common positions may be held across many of the firm’s client portfolios, each client’s

specific circumstances (appropriate asset allocation, tax status, suitability, etc.) are continually taken into consideration prior to purchasing or selling securities for their specific account. Accordingly, clients are urged to promptly notify Goldstone Portfolios regarding any relevant changes in their financial situation or investment objectives, and if they wish to alter or impose additional restrictions upon the firm's management services.

Additions to and Withdrawals from Accounts

The firm imposes no restrictions on the timing of client additions to or withdrawals from their accounts. Clients may freely add to or withdraw account assets (preferably upon advance notice to Goldstone Portfolios), subject to usual and customary securities settlement procedures that are out of the firm's control. Additions may be in the form of cash or as delivered securities. Goldstone Portfolios reserves the right to liquidate any transferred securities or to decline to accept particular securities into a client's account. The firm will discuss with clients the possible ramifications associated with transferring securities rather than cash such as transaction costs, mutual fund fees (i.e., contingent deferred sales charges), and/or taxes that may apply upon liquidation of said transferred securities.

Clients are advised that Goldstone Portfolios designs and manages portfolios intended to serve as

long-term investment vehicles. Significant and/or unanticipated inflows or outflows to or from managed portfolios can either benefit or penalize near-term performance results, depending on the timing of said transactions and on concurrent market volatility.

ITEM 5. Fees and Compensation

Investment Management Fee

Goldstone Portfolios provides investment management services for an annual fee. This fee is calculated as 1.25% of the market value of the client's total assets placed under the firm's management. Said annual fees are prorated and charged quarterly, in arrears. To smooth-out the potential impact of near-term market volatility on management fees, the firm computes and uses an average of each client's preceding four month end portfolio valuations as the basis for quarterly assessments. Goldstone Portfolio's annual fee is exclusive of and in addition to brokerage commissions, transaction fees, and other related costs and expenses that are generally incurred by the client.

The firm imposes a minimum annual fee of \$5,000 on each client relationship. In its sole discretion, the firm may negotiate to waive this minimum annual fee or to charge a lesser management fee based upon certain criteria (e.g., anticipated future account additions, existence of related accounts,

account complexity, pre-existing client relationship, total dollar value of assets placed under management, desirability of account retention, *pro bono* activities, etc.)

Fees Charged by Financial Institutions

Goldstone Portfolios cannot act to implement investment management recommendations for clients until furnished with the required information and authorizations regarding the clients' account(s) established with appropriate financial institutions. Financial institutions include, but are not limited to, either broker-dealers recommended by Goldstone Portfolios or directed by the client, trust companies, banks, etc. (collectively referred to herein as "*Financial Institutions*"). In this regard, the firm will most often recommend that clients utilize the brokerage, clearing, and custodial services of Schwab Institutional™ ("*Schwab*") for their respective investment management accounts." (See Item 12 below for the rationale behind this recommendation.)

Clients may incur various charges imposed by *Financial Institutions*, taxing authorities, and other third parties. Typically, these may include such assessments as brokerage commissions and transaction fees, direct and indirect mutual fund or ETF fees as disclosed in the funds' prospectuses (e.g., internal fund management fees and expenses), deferred sales charges, odd-lot differentials, custodial fees,

transfer taxes, wire and electronic fund transfer fees, and other fees and taxes on brokerage accounts and securities transactions.) Such charges, fees and commissions are exclusive of and in addition to Goldstone Portfolios' investment management fees, and the firm receives no portion of them.

While clients may elect to receive invoices for management fees directly from Goldstone Portfolios, *Agreements* executed with the firm as well as those signed with ancillary *Financial Institutions* authorize the firm to draw investment management fees for services rendered directly from the client's account. Any *Financial Institutions* recommended by the firm are required to send account statements to clients no less frequently than quarterly. These statements cite all amounts disbursed from the account, including any investment management fees that have been remitted to Goldstone Portfolios.

Fees for Management During Partial Quarters of Service

Investment management fees are prorated for the initial quarter's service.

Agreements between Goldstone Portfolios and respective clients continue in effect until terminated by either party according to terms that are specified in the *Agreements*. Investment management fees are prorated through the date of termination, and any balances are charged or refunded to the client as appropriate. When

assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets is not directly adjusted or prorated based on the number of days remaining in the quarter. Rather, the smoothed average market value method Goldstone Portfolios employs when calculating management fees (see discussion above) attenuates the impact of such interim additions and disbursements to or from the account.

ITEM 6. Performance-Based Fees and Side-by-Side Management

Performance-based fees are those some advisers charge against capital gains or appreciation generated in client accounts. So-called "side-by-side" management relates to advisers who manage substantially different pools of assets (e.g., hedge funds and mutual funds) and are compensated differently for their services to each. Such compensation structures may potentially introduce conflicts of interest or the perception thereof.

Goldstone Portfolios structures and manages individual long-term investment portfolios, against which performance-based compensation is deemed to be incongruous. As such, Goldstone Portfolios does not provide its services in return for performance-based fees. Neither does Goldstone Portfolios presently direct or manage any of the types of investment vehicles

typically associated with side-by-side management and/or fees.

ITEM 7. Types of Clients

Goldstone Portfolios provides services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and business entities.

Minimum Fee

As a condition for starting and maintaining a client relationship, Goldstone Portfolios generally imposes a minimum annual fee of \$5,000. This minimum fee may have the effect of making Goldstone Portfolios' services impractical for certain clients, particularly those seeking to place amounts less than \$400,000 under management. The firm, in its sole discretion, may elect to waive this minimum annual fee based upon certain criteria (e.g., anticipated future account additions, existence of related accounts, account complexity, pre-existing client relationship, total dollar value of assets placed under management, desirability of account retention, *pro bono* activities, et al.)

ITEM 8. Methods of Analysis, Investment Strategies, and Risk of Loss

Primary Methods of Analysis

Goldstone Portfolios' methodology emphasizes attainment of

each client's unique long-term investment objectives, rather than merely trying to "beat the market." Achieving clients' objectives leads the firm to track a wide variety of technical metrics; however, it is upon the firm's proprietary cyclical, fundamental, and quantitative analytics that Goldstone Portfolios primarily relies in structuring client portfolios.

Cyclical analysis seeks to assess market conditions from a macro (entire market/economy) or from a micro (security specific) level. The objective of most cyclical metrics is to identify recurrent patterns and trends in corporate earnings, interest rates, demographics, etc. and to subsequently capitalize on this knowledge. The dominant risk to relying solely on cyclical analysis is that historical patterns and trends may not continue into the future. What's more, even if a detected pattern does recur, there's no guarantee one can accurately time either its recurrence or its magnitude to thereby profit.

Fundamental analysis stresses financial and economic factors, seeking to determine when current market prices reflect undervaluation or overvaluation relative to established norms.

Quantitative analysis makes extensive use of computer algorithms and econometric models in an effort to augment the fundamental approach. The primary risks to using fundamental analysis and quantitative methods surround

the sheer complexity of the data and the number of unknown variables that always exist and which defy forward-looking analysis. For instance, while the overall health and position of a company may be accurately assessed as being very good, unfavorable market conditions may nevertheless negatively impact the security's price.

Technical analysis focuses on past market data (prices, trading volume, investor sentiment, etc.), rather than on economic or specific company data in an effort to extrapolate future trends. Technical analysis often considers chart patterns and trends, paying relatively short shrift to earnings and other underlying economic or business related fundamentals. As with cyclical analysis, the primary risk in using technical analysis is that identification of historical trends does not assure their continuance into the future.

Goldstone Portfolios considers all of the above-noted analytical approaches in managing client portfolios, but favors cyclical, quantitative, and fundamental measures. The firm pays great attention to macroeconomic trends and historical data. Businesses' financial condition and their ability to increase sales volumes and/or raise prices for the goods or services they provide are also emphasized. Additionally considered are the capabilities of management, earnings growth potential, new products and services, as well as companies' markets and position amongst

their competitors. These data are brought together, modeled, and analyzed in an effort to determine optimal portfolio allocations and to select securities with which to construct client portfolios.

Goldstone Portfolios' long-term approach rests on a presumption that, over time, underlying value will be appropriately priced by the markets; but there can be no assurance that this will indeed occur, that other unexpected factors will not develop which undermine the original assessment, or that the initial analysis was unflawed.

Investment Strategy

At the core of Goldstone Portfolios' investment strategy is a clear understanding of each respective client's long-term financial objectives and risk tolerance. Accordingly, scheduled meetings, periodic phone conversations, and/or regular correspondence are sought with all Goldstone Portfolios' clients in an effort to better comprehend and to keep pace with the particular circumstances and aspirations from which their specific investment objectives derive. It is only after a client's long-term investment objectives and risk tolerance have been explored, defined, and documented that the structuring of an appropriate portfolio begins.

Goldstone Portfolios provides each prospective client with an understanding of the firm's methodology and, together with the client, thereafter selects one of its nine prototype asset allocations that

most closely fits the client's particular investment objectives and risk tolerance. From the client's perspective, this exercise helps establish a useful framework for assessing results over time and for better understanding the trade-offs between risk and return associated with the investment process. From Goldstone Portfolios' perspective, the exercise is also useful in that it supports the broad asset allocation framework that will be used as a reference point in directing the client's discretionary accounts placed under management.

Whenever Goldstone Portfolios' analytical metrics reflect historical market undervaluation (i.e., a perceived "cheap" market), Goldstone Portfolios gravitates toward Exchange-Traded Fund (ETF) investments. It is the firm's supposition that ETFs offer a low-cost and efficient way to gain broad diversification. The variety of available exchange-traded vehicles provides great flexibility in gaining rapid exposure to those market segments that Goldstone Portfolios' research underscores as being attractive. The firm also sees ETFs as a means of efficiently exiting a market segment when its relative attractiveness wanes.

Conversely, when Goldstone Portfolios' analytical tools shift to an opposite extreme, reflecting markets that are historically overvalued (i.e., "expensive"), client portfolios are increasingly supplemented with individual stocks (in addition to ETFs), bonds, and cash

equivalents. The firm's approach starts with a core conviction that respective asset classes will continue to provide a measurable long-term average investment return. To Goldstone Portfolios' way of thinking, an extended period of outperformance (over and above the long-term average) implies a subsequent period of underperformance—a regression to the mean. Thus, in a market assessed to be overpriced, Goldstone Portfolios presumes average securities will begin to yield below average results until equilibrium is again restored. Accordingly, in such an overvalued environment, Goldstone Portfolios seeks out not only the broad diversification of ETFs, but also, the unique characteristics of individual securities—special situations with the potential to buck an anticipated negative trend.

Goldstone Portfolios relies upon a combination of cyclical, fundamental, quantitative, and technical research to select candidates for purchase. Acquired positions are typically held until either the reasons for their original purchase no longer apply or because the firm's quantitative models call for a reduction in the overall asset class or market segment to which the particular security belongs. While common positions are frequently held across many of Goldstone Portfolios' client portfolios, each client's specific circumstances (appropriate asset allocation, tax status, suitability, etc.) are always

reviewed prior to undertaking actions on that client's behalf.

Mutual Funds and ETFs

An investment in a mutual fund or Exchange-Traded Fund (ETF) involves risk, including the loss of principal. Mutual fund and ETF shareholders are subject to risks stemming not only from the securities that comprise the fund's portfolio, but from the fund company's policies and financial standing as well. Fund shareholders also bear tax liability incurred from all positions held within the fund, as mutual funds and ETFs are required by law to distribute net capital gains they capture internally from the sale of securities at a net profit. As such, mutual fund or ETF investors may find themselves faced with a substantial tax liability even though a fund's share price has not moved significantly.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or by a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g. sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during

periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Options

Options allow investors to buy or sell a security at a contracted "strike" price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for respectively buying or selling an option. Investors transact in options to either hedge (limit) losses, in an attempt to reduce risk, or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks including the partial or total loss of principal

dependent on the value of the underlying security or index relative to the specific option contract's strike price and expiration date.

Market Risks

The absolute profitability of a significant portion of Goldstone Portfolios' recommendations is substantially dependent upon the firm's principal, Eric Goldstone, correctly assessing the future course of financial markets and that of the particular equities and fixed income securities selected for purchase or sale within the firm's clients' accounts. There can be no assurance that Mr. Goldstone will successfully predict those price movements in the future or that the firm's asset allocation models and investment approach will yield desirable outcomes.

Management Through Similarly Managed Accounts

Goldstone Portfolios generally manages portfolios by allocating each client's assets among various securities on a discretionary basis using one or more of its proprietary investment models (collectively referred to as "*investment strategy*"). In so doing, Goldstone Portfolios buys, sells, exchanges and/or transfers securities based upon the *investment strategy*.

In using its *investment strategy*, the firm complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. (Rule 3a-4 provides similarly managed accounts, such

as those structured using the same particular model in Goldstone Portfolio's *investment strategy*, with a safe harbor from the definition of an investment company.)

Securities chosen in the process of employing the *investment strategy* are usually exchanged or transferred, but only after a client-level assessment of tax impact has been performed.

In rare instances, certain investment opportunities that become available to Goldstone Portfolios' clients may be limited. As further discussed in response to Item 12B (below), Goldstone Portfolios always seeks to allocate investment opportunities among its clients in a fair and equitable fashion.

Use of Margin

To the extent a client authorizes the use of margin borrowing, and margin is thereafter employed by Goldstone Portfolios in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to Goldstone Portfolios will not be increased as a result.

While the use of margin leverage can potentially improve returns, it also increases the potential for adverse impact to which a client's portfolio may be subject.

Borrowings will usually be from securities brokers and dealers and will typically be secured by the client's securities and/or other assets.

Under certain circumstances, such as a broker-dealer may demand an increase in the collateral that secures the client's obligations, and should a client so ordered fail to comply, the broker-dealer could liquidate assets held in the account to satisfy the client's obligations instead. The timing of such forced liquidation could have extremely adverse consequences. In addition, the degree to which margin leverage is employed and the interest rates assessed against those borrowings by the lender will significantly impact on the client's profitability.

Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

ITEM 9. Disciplinary Information

Goldstone Portfolios is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Goldstone Portfolios has no reportable disclosures to this item.

ITEM 10. Other Financial Industry Activities and Affiliations

Goldstone Portfolios is required to disclose any relationship or arrangement that is material to its advisory business or to its clients

with certain related persons. Goldstone Portfolios has no required disclosures to this item.

ITEM 11. Code of Ethics

Goldstone Portfolios and persons associated with Goldstone Portfolios ("*Associated Persons*") are permitted to buy or sell securities that it also recommends to clients consistent with Goldstone Portfolios' policies and procedures.

Goldstone Portfolios has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). The firm's *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Goldstone Portfolios or any of its associated persons. The *Code of Ethics* also requires that certain of Goldstone Portfolios' personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When the firm is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) a transaction in that security, unless:

- the client transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to:

1. direct obligations of the United States Government;
2. money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements, and other high quality short-term debt instruments;
3. shares issued by mutual funds or money market funds; and
4. shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

Clients and prospective clients may contact Goldstone Portfolios to request a copy of its *Code of Ethics*.

ITEM 12. Brokerage Practices

As discussed in Item 5 above, unless a client expresses a preference in employing services of a different brokerage house, clearing agent, or custodian, Goldstone Portfolios will generally recommend Schwab Institutional™ (“Schwab”).

Factors which Goldstone Portfolios considers in recommending *Schwab* or any other broker-dealer to clients include financial strength, reputation, execution, pricing, research, and service. *Schwab* enables the firm to obtain many mutual funds for clients without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Schwab* may be higher or lower than those charged by other *Financial Institutions*.

Commissions paid by Goldstone Portfolios’ clients to *Schwab* comply with the firm’s duty to obtain “best execution.” Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction when Goldstone Portfolios determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full

range of a *Financial Institution*’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Goldstone Portfolios seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist Goldstone Portfolios in its investment decision-making process. Such research generally will be used to service all of the firm’s clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client’s portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Goldstone Portfolios does not have to produce or pay for the products or services.

Goldstone Portfolios periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

Software and Support Provided by Financial Institutions

Goldstone Portfolios may receive without cost from *Schwab* computer software and related systems

support, which allow Goldstone Portfolios to more efficiently monitor client accounts maintained at Schwab. Goldstone Portfolios may receive the software and related support without cost because the firm renders investment management services to clients that maintain assets at *Schwab*. The software and support is not provided in connection with clients’ securities transactions (i.e., not “soft dollars”). The software and related systems support may benefit Goldstone Portfolios, but not its clients directly. In fulfilling its duties to clients, Goldstone Portfolios endeavors at all times to put the interests of clients first. Clients should be aware, however, that Goldstone Portfolios’ receipt of economic benefits from a broker/dealer creates a conflict of interest, since these benefits may influence the firm’s choice of broker/dealer over another that does not furnish similar software, systems support, or services.

Specifically, Goldstone Portfolios may receive the following benefits from *Schwab*:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its buy and sell orders;
- Access to block trading, which provides the ability to aggregate securities transactions and then allocate the appropriate shares

to client accounts; and

- Access to an electronic communication network for client order entry and account information.

Brokerage for Client Referrals

Goldstone Portfolios does not consider, in selecting or recommending broker/dealers, whether the firm receives client referrals from the *Financial Institutions* or other third party.

Directed Brokerage

The client may direct Goldstone Portfolios in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution* and the firm will not seek better execution services or prices from other Financial Institutions or be able to “batch” client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Goldstone Portfolios (as described above). As a result, the client may pay higher commissions or other transaction costs, be faced with greater spreads, or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Goldstone Portfolios may decline a client’s request to direct brokerage if, in the firm’s sole discretion, such directed brokerage arrangements

would result in operational difficulties deemed excessive.

Trade Aggregation

Transactions for each client generally will be effected independently, unless Goldstone Portfolios decides to purchase or sell the same securities for several clients at approximately the same time. Goldstone Portfolios may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Goldstone Portfolios’ clients *pro rata* to the purchase and sale orders placed for each client on any given day. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Goldstone Portfolios’ Supervised Persons may invest, the firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Goldstone Portfolios does not receive any additional compensation or remuneration as a result of order aggregation.

In the event that the firm

determines a prorated allocation is not appropriate under particular circumstances, the allocation will be made based upon other relevant factors. Such situations may include those:

- (i) wherein only a small percentage of the order is executed, in which case shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios with similar mandates;
- (ii) wherein a specific account’s restrictive investment guidelines prohibit purchasing specific securities, in which case an alternative security may be purchased for said account that is expected to produce similar investment results to that acquired for other accounts;
- (iii) wherein an account reaches an investment guideline limit and cannot participate in an allocation, in which case shares may be reallocated to other accounts. (This may arise due to unforeseen changes in an account’s assets after an order is placed);
- (iv) wherein sale allocations are weighted based on given accounts’ varying needs to raise additional cash reserves; or
- (v) wherein *pro rata* allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, under which circumstance the firm may exclude the account(s) from the allocation,

distributing the executed transaction instead on a *pro rata* basis among the remaining accounts.

ITEM 13. Review of Accounts

Account Reviews

Goldstone Portfolios reviews client accounts daily to assure compliance with previously established investment guidelines. Such reviews are conducted by the President and Chief Investment Officer, Eric Goldstone. An additional level of review is triggered upon Goldstone Portfolios' notification of any material change in a client's state of affairs that may alter said client's capacity to assume investment risk. Goldstone Portfolios contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and Reports

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Goldstone Portfolios provides investment advisory services will also receive occasional reports published by the firm that may include relevant account and/or market-related information such as an inventory

of account holdings and account performance. Clients are urged to reconcile account appraisals they receive from Goldstone Portfolios with those received from their custodian and to bring to Goldstone Portfolio's attention any unexpected discrepancies between the two.

ITEM 14. Client Referrals and Other Compensation

Client Referrals

Goldstone Portfolios is required to disclose any direct or indirect compensation that it provides for client referrals. Goldstone Portfolios does not compensate third parties for client referrals.

Other Economic Benefits

In addition, Goldstone Portfolios is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

ITEM 15. Custody

Clients wishing to provide *Financial Institutions* where their accounts are held with instructions that authorize Goldstone Portfolios to transfer funds between their accounts and third parties must adhere to specific standards. Such transfers convey a form of custody of client

funds to Goldstone Portfolios, thus the firm can and will only act when these instructions meet recently clarified U.S. Securities and Exchange Commission guidelines.

Specifically, the client must provide written standing instructions to the qualified custodian, including the client's signature, the receiving party's name, and either the receiving party's address or the account number at a custodian to which desired transfers are to be directed. In addition, clients must authorize Goldstone Portfolios in writing (either on the qualified custodian's form or separately) to direct said third-party transfers either on a specified schedule or from time to time.

In accommodating such client directives, Goldstone Portfolios is neither able to designate nor to change the identity of the third party, its address, or any other information contained in the client's instructions. Clients are always permitted to terminate or to amend standing instructions to their qualified custodians.

Goldstone Portfolios' *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Goldstone Portfolios through such *Financial Institution* to debit the client's account for the amount of Goldstone Portfolios' investment management fee and to directly remit that management fee to Goldstone Portfolios in accordance with applicable custody rules.

The *Financial Institutions* recommended by Goldstone Portfolios have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Goldstone Portfolios.

As discussed in Item 13, Goldstone Portfolios issues periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from Goldstone Portfolios.

ITEM 16. Investment Discretion

Goldstone Portfolios is generally assigned authority to exercise discretion on behalf of clients. The firm is considered to exercise investment discretion over a client's account if it is permitted to effect transactions therein without having to seek further consent. Goldstone Portfolios is given this authority through a limited power-of-attorney included in the investment management agreement between Goldstone Portfolios and the client. Clients may request additional limitations on this authority (such as certain securities not to be bought or sold). Goldstone Portfolios takes discretion over the following activities:

- The securities to be purchased and/or sold;
- The amount of securities to

be purchased and/or sold;

- When transactions are made; and
- The *Financial Institutions* to be utilized.

ITEM 17. Voting Client Securities

Goldstone Portfolios may vote client securities (proxies) on behalf of its clients. When Goldstone Portfolios accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully described in Goldstone Portfolios' Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Goldstone Portfolios' Proxy Voting Policies and Procedures, as they may be amended from time to time.

Clients may contact Goldstone Portfolios to request information about how Goldstone Portfolios voted proxies for that client's securities or to get a copy of Goldstone Portfolios' Proxy Voting Policies and Procedures. A brief summary of Goldstone Portfolios' Proxy Voting Policies and Procedures is as follows:

- Eric Goldstone will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that

proxies are submitted in a timely manner.

- Mr. Goldstone will generally vote proxies according to Goldstone Portfolios' then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, Goldstone Portfolios devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct Goldstone Portfolios' vote on a particular solicitation, but can revoke Goldstone Portfolios' authority to vote proxies.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that Goldstone Portfolios maintains with persons having an interest in the outcome of certain votes, Goldstone Portfolios takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

ITEM 18. Financial Information

Goldstone Portfolios is not required to disclose any financial information pursuant to this Item due to the following:

- The firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services being rendered;
- The firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The firm has never been the subject of a bankruptcy petition.

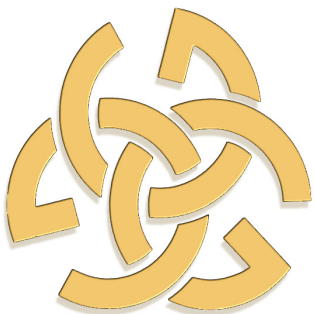
FORM ADV *(Part 2-B)*

Brochure Supplement

Goldstone

PORTFOLIOS

February 29, 2024



Goldstone Portfolios Incorporated
110 Shadblow Lane
Clinton Corners, New York 12514-2833

Form ADV — Brochure Supplement
February 29, 2024

This Brochure Supplement provides information about Eric J. Goldstone that supplements the Disclosure Brochure of Goldstone Portfolios Incorporated (hereinafter “Goldstone Portfolios”), a copy of which you should have received.

Please contact Goldstone Portfolios’ Chief Compliance Officer if you did not receive the Disclosure Brochure or if you have any questions about the contents of this Brochure Supplement.

Additional information about Eric J. Goldstone is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2. Educational Background and Business Experience

Born: 1958

Post-Secondary Education

New York University - Graduate School
of Business Administration
MBA, Finance | 1988

Columbia University
BA, Urban Economics | 1980

Recent Business Background

Goldstone Portfolios Incorporated
President / Chief Compliance Officer
04/1993 – Present

ITEM 3. Disciplinary Information

Goldstone Portfolios is required to disclose the pertinent facts regarding any legal or disciplinary events material to a client's evaluation of Eric J. Goldstone. Goldstone Portfolios has no information to disclose in relation to this Item.

ITEM 4. Other Business Activities

Goldstone Portfolios is required to disclose information regarding any investment-related business or occupation in which Eric J. Goldstone is actively engaged. Goldstone Portfolios has no information to disclose in relation to this Item.

ITEM 5. Additional Compensation

Goldstone Portfolios is required to describe any arrangement under which Eric J. Goldstone receives an economic benefit for providing advisory services from someone that is not a client of Goldstone Portfolios. Goldstone Portfolios has no information to disclose in relation to this Item.

ITEM 6. Supervision

Eric J. Goldstone, the Chief Compliance Officer and sole member of Goldstone Portfolios, is generally responsible for his own supervision. Mr. Goldstone tailors his advice in an effort to ensure that investments are suitable for his individual clients and consistent with their individual needs, goals, objectives, and risk tolerance, as well as any restrictions requested by Goldstone Portfolios' clients.