

Gilbert Capital Group, Inc.

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FORM ADV PART 2 BROCHURE

This brochure provides information about the qualifications and business practices of Gilbert Capital Group, Inc. If you have any questions about the contents of this brochure, please contact us at 207-657-6900 or by email at gilbcap@maine.rr.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 Gilbert Capital Group is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Gilbert Capital Group is 117268

Item 2

Material Changes

There are no material changes from the annual update of SEC Form ADV Part 2 dated December 31, 2010.

Item 3:

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Item 4

Advisory Business

Gilbert Capital was founded in December 1998 by Cass A. Gilbert and Beatrice A. Gilbert, both equal shareholders in the company. Gilbert Capital Group is an independent investment advisory firm and is not affiliated with any broker-dealer, bank, or other financial services company.

We provide investment advice and portfolio management services to individuals, families, retirement plans, and trusts. After meeting with each client to determine their unique investment objectives and expectations, we manage each portfolio on a discretionary basis. This means that we enter purchase and sale orders for the management of the portfolio without prior authorization. Portfolios may hold investments in common stocks, no-load stock mutual funds, exchange-traded stock and bond funds, no-load bond mutual funds, money market mutual funds, and corporate, municipal, and US government bonds. Having come to an understanding of each client's objectives and expectations, actual portfolio holdings are determined by each account's size, liquidity requirements, asset allocation, income needs, and tax status.

Each of our clients has objectives and expectations that are unique to their own circumstances. These are expressed in the each account's asset allocation, security selection, and cash reserves. Clients may also indicate their preferences for the investment of the portfolio. These may include designated cash reserves for defined purposes or as a long-term holding, securities that should be held for personal reasons or tax considerations, and securities that should not be held.

Gilbert Capital Group only works with clients with whom we have a direct relationship. We do not participate in any wrap fee accounts or services.

As of December 31, 2010 Gilbert Capital Group was responsible for the management, including discretionary trading, of 211 accounts, for 84 clients, representing total assets of \$43,646,328.

Item 5

Fees and Compensation

Fees for investment management services are charged quarterly, in advance, based upon assets under management, at the following rates:

<u>Assets</u>	<u>Annual Rate</u>
On the first \$500,000	1.00%
On the next \$500,000	0.75%
On the next \$2,000,000	0.50%
On amounts over \$3,000,000	0.35%

Assets managed for family accounts will be pooled for the calculation of fees. Pooled fees are calculated on the basis of the combined total and billing statements will report each account's fee as a percentage of the total fee. Fees may be negotiated to meet individual circumstances. Gilbert Capital Group does not charge or accept performance-based fees.

Fees charged to charitable or not-for-profit organizations will be reduced by 25%.

The investment management agreement may be terminated by the client or by Gilbert Capital Group at any time without penalty. All unearned fees will be refunded to the client following written notification that the agreement has been terminated.

Fees charged by Gilbert Capital Group do not include brokerage commissions or transaction fees that may be charged by the broker or securities custodian. No brokerage commissions, transaction fees, or distribution fees are paid to Gilbert Capital Group.

By agreement with each client, billing of investment management fees is forwarded to and paid by the securities custodian from the client's investment account. Clients may elect to have billing of investment management fees sent to them rather than to the securities custodian. By agreement, fees more than 60 days past due will be forwarded to the securities custodian for payment from the investment account. Clients may also select one account from a group of their accounts from which fees should be deducted.

Clients receive a copy of their billing statements quarterly. In addition, clients receive quarterly and year-end reports from Gilbert Capital Group which include a listing of fees paid during that calendar year. If fees are deducted from their account, their monthly brokerage or securities custodian statement reports that investment management fees have been paid. Reports of fees paid in prior years are available upon request.

Item 6

Performance-Based Fees and Side-by-Side Management

Gilbert Capital Group does not accept performance-based fees, side-by-side management or any fee arrangement that would favor one account or group of accounts over another.

Item 7

Types of Clients

Gilbert Capital Group provides investment management services to individuals, families, personal retirement plans, corporate investment accounts, and trusts. There is not a minimum balance required to open an account with Gilbert Capital Group.

Item 8

Methods of Analysis, Investment Strategies and Risk of Loss

We use fundamental and quantitative research to make decisions to select various investments for our clients' investment accounts. Fundamental research includes analysis of a company's balance sheet and income statement, and appraisal of a company's valuation. Quantitative research complements fundamental research with specific and comparative price and valuation studies.

Our goal in making investments for our clients is to achieve positive rates of return in keeping with their objectives and expectations. However, investing in price-sensitive financial assets does involve risk of loss. We will make our best effort to meet our clients' objectives but cannot guarantee that our investments will not lose money or that there will not be periods of time when an account does not have a loss.

We seek to mitigate the risk of loss in client accounts with investment in cash reserves according to client direction, with appropriate asset allocation, and by broadly diversifying our clients' stock and bond investments. There will be times when accounts have positive investment returns but hold individual securities which have a loss. There will also be times when broad market declines result in a loss of value for client accounts.

Diversification of equity (stock) holdings includes investment in a broad list of companies in various industries and investment in diversified no-load stock funds and exchange-traded stock funds, including stock index funds. Individual stocks and mutual funds are subject to price declines and there can be no guarantee that every stock or fund selected will increase in price.

Diversification of fixed income (bond) investments includes investment in bonds with investment grade credit ratings by Moody's and by Standard & Poor's, both nationally recognized bond ratings companies, municipal bonds with investment credit grade ratings, bonds issued by the US Treasury and government agencies, no-load bond mutual funds, and exchange-traded bond index funds. Fixed income investments, including U.S. Treasury notes and bonds, may suffer losses due to periods of rising interest rates or to specific issues like a downgrade of credit ratings or failure of the issuer to pay interest and principal, or the perception that the issuer will be able to pay interest and principal on a timely basis.

Item 9

Disciplinary Information

There are no legal or disciplinary events presumed to be material to be reported in this section. Material events include criminal, civil actions, or administrative proceedings, including findings of fraud, false statements, omissions, theft, embezzlement, wrongful taking of property, bribery, forgery, extortion, or dishonest, unfair, or unethical business practices, or administrative proceedings before federal or state regulatory agencies resulting in civil monetary penalty of more than \$2,500 or limitation of investment-related activities.

Information on the registration and regulatory history of Gilbert Capital Group, and persons employed by Gilbert Capital Group, is available from

The U.S. Securities and Exchange Commission
Investment Adviser Public Disclosure
Website address: www.adviserinfo.sec.gov

Maine Department of Professional & Financial Regulation
Office of Securities
121 State House Station
Augusta, Maine 04333-0121
Telephone: 207-624-8551

Item 10

Other Financial Industry Activities and Affiliations

Gilbert Capital Group is an independent investment advisory firm. Gilbert Capital Group, including the employees of Gilbert Capital Group, is not affiliated with any other investment company, broker-dealer, law firm, accounting firm, insurance company or insurance agency.

Item 11

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

Gilbert Capital Group maintains a Code of Ethics and it is expected that each person employed by Gilbert Capital Group will adhere to and uphold the Code. The Code embraces the value that we place on fundamental principles of openness, integrity, honesty, and trust. We recognize that we have a fiduciary responsibility to our clients and that it is our responsibility and duty to place our clients' interest first and above those of Gilbert Capital Group. The Code of Ethics will be provided to clients and prospective clients upon request.

Employees of Gilbert Capital Group are permitted to purchase and sell securities which have been previously purchased or sold in clients' accounts. Purchases or sales of securities in anticipation of transactions for client accounts are prohibited. Transactions involving U.S. government securities, open-end mutual funds, exchange-traded index funds, certificates of deposit, money market funds, and dividend reinvestment plans are not subject to purchase and sale restrictions.

Item 12

Brokerage Practices

Gilbert Capital Group provides investment management services, including advice and discretionary implementation of purchase and sale transactions. Gilbert Capital Group does not hold or provide custody for client securities or accounts. We have recommended that our clients use Fidelity Investments for securities custody and brokerage. We choose to recommend Fidelity Investments to our clients because of their commitment to maintaining competent and competitive custodial and brokerage services, including trade execution, reporting, brokerage commissions, computer security, and personal service to our clients. Gilbert Capital Group is an independent investment advisory firm and is not affiliated with Fidelity Investments.

Fidelity Investments does not provide Gilbert Capital Group with compensation, incentives, research, or products in connection with client transactions or custodial services. Fidelity Investments does provide a computer software program and on-line access which facilitates the transmission of purchase and sale orders for client accounts at lower commission rates than if transmitted by telephone or fax. Services associated with this arrangement include access to client account data including account transactions, trade confirmations, and statements, securities pricing for client assets held at Fidelity Investments, payment of fees from clients' accounts, and assistance with client account administration.

Fidelity Investments is compensated for its services to account holders through brokerage commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity Investments. Fidelity Investments provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Gilbert Capital Group does not receive incentive or benefit from Fidelity Investments for transactions in stocks, bonds, mutual funds or any other investment transaction.

Gilbert Capital Group does not receive research, or products (soft-dollar benefits) from anyone in connection with client securities transactions or custodial services. We do not receive client referrals from anyone in return for recommendations, services, or transactions.

Client investment accounts are not pooled but are managed separately to meet each client's objectives. Purchase and sale orders are entered separately for each account and are not aggregated as block orders. Each order is distinct and records of each transaction are maintained accordingly. Similar orders may be entered simultaneously but there is no incentive to aggregate shares or pool orders. There may be variances in prices received and these may be attributed to timing, bid/ask order sizes, and to the number of shares traded. There is no difference in the brokerage commissions charged by Fidelity Investments to individual accounts for orders entering individually or as block or aggregate orders.

Item 13

Review of Accounts

Each account is managed and reviewed by Cass A. Gilbert, CFA, president of Gilbert Capital Group. Portfolios are reviewed at least monthly and generally more frequently to determine that asset allocation, security positions, and cash reserves are consistent with client objectives.

Quarterly statements are provided by Gilbert Capital Group to each client. These statements include reports listing assets held in the portfolio, purchase and sale transactions for the prior three months, realized capital gains and losses for the year to date, contributions and withdrawals for the year to date, and investment management fees charged for the year to date.

In addition, clients receive monthly statements from their securities custodian; reporting the assets held in the account and transactions completed that month, including purchases and sales, interest and dividends, contributions and withdrawals, and investment management fees paid.

Item 14

Client Referrals and Other Compensation

Most of our clients have come to us by referral from members of their family, their friends, or their attorney or their accountant. We appreciate each of these referrals and the confidence in our work that they represent. We do not provide any compensation, directly or indirectly, for any referral to Gilbert Capital Group.

Item 15

Custody

Investment portfolios managed by Gilbert Capital Group are held at Fidelity Investments in separate client-owned accounts. Fidelity Investments provides monthly statements of transactions and assets, by mail or electronically, to each client. Gilbert Capital Group provides quarterly reports to every client listing Contributions & Withdrawals, including investment management fees paid, Purchases & Sales, Realized Gains & Losses, and an Appraisal of securities held in their portfolio. We encourage our clients to review their statements carefully and to compare the reports which they receive from us with those that they receive from Fidelity Investments.

Item 16

Investment Discretion

Gilbert Capital Group accepts the responsibility of discretionary authority to enter purchase and sale orders for the management of client accounts. Authority to enter these orders at our discretion is granted by acceptance of our investment management agreement. The order of purchases and sales is determined at the discretion of Gilbert Capital Group. We do not favor one account or group of accounts over another account or group of accounts.

Clients may designate securities that they would like to hold, generally done for personal reasons or for tax reasons. They may also indicate securities or groups of securities which they would prefer not to hold.

Discretionary authority granted to Gilbert Capital Group is limited to purchase and sale orders. We do not have discretionary authority to execute any other transactions, including contributions, withdrawals, or transfers, for client accounts.

Item 17

Voting Client Securities

Shareholders of public companies and mutual funds should expect to receive annual reports and requests for votes by proxy on corporate decisions.

Rather than personally receiving all of the corporate information and proxy voting materials that companies and mutual funds distribute each year, you may direct your securities custodian to deliver these documents to Gilbert Capital Group.

Requests for votes by proxy that are received by Gilbert Capital Group will be voted at our discretion and in a manner that is consistent with the best interests of our clients generally. Should a conflict arise between the interest of Gilbert Capital Group and the interest of our clients, proxy votes will be cast in favor of our clients' interest.

Gilbert Capital Group will retain a copy of each proxy statement received and a record of each vote cast on behalf of our clients. A record of proxy votes cast is available upon written request to Gilbert Capital Group.

Item 18

Financial Information

Gilbert Capital Group does not have discretionary authority or custody of any client accounts nor do we require or solicit prepayment of fees six months or more in advance. Accordingly, federal and state securities regulations do not require preparation of financial statements audited by an independent public accountant.

Item 19 A

Requirements for State-Registered Advisers

The principal executive officers of Gilbert Capital Group are Cass A. Gilbert, President and Chief Compliance Officer, and Beatrice A. Gilbert, Treasurer.

Cass is responsible for all portfolio management, client relationships, and development of new business for Gilbert Capital Group.

Prior to founding Gilbert Capital Group in 1998, Cass was a Senior Vice President and the Director of Portfolio Management for Gouws Capital Management, Inc. in Portland, Maine (1986-1998). Through almost thirteen years there, he was responsible for managing investment portfolios for individuals, trusts, pension plans, and endowment funds, oversight of the firm's portfolio management and administration, and coordinating fixed income strategies and investments. He was also a Vice President and member of the Board of Directors of Acadia Trust, N.A. in Portland, Maine at the time of its founding in 1992. Earlier in his career, Cass worked in trust investments for Maine National Bank (1981-1986) and as an investment broker with Shearson Loeb Rhoades in Portland, Maine (1979-1981). He is a Chartered Financial Analyst (see additional information) and has passed the NYSE/NASD Series 7, 63, and 65 examinations.

Cass graduated in 1976 from Colby College in Waterville, Maine where he majored in History. Following graduation he worked for three years for U.S. Representative David F. Emery (1st District-Maine), first as constituent liaison for Knox, Lincoln, and Waldo counties and then as legislative assistant for energy policy. He also served as staff director for the House Republican Research Committee Task Force on Energy.

Beatrice is responsible for all business administration and finance functions at Gilbert Capital Group.

Prior to founding Gilbert Capital Group, Beatrice was a Senior Manager of Product Acquisition for L.L. Bean in Freeport, Maine where she had divisional responsibility for inventory and production management; traveling to the Far East and Central and South America to negotiate vendor agreements, to optimize inventory strategies, and to monitor product quality. Beatrice began her career with Casco Northern Bank in Portland, Maine in 1981, first as an auditor and ultimately as a Regional Vice President of Corporate Banking. She joined Fleet Bank in 1993 as Senior Vice President of Commercial Operating Services for Maine and New Hampshire.

Beatrice graduated in 1978 from Drew University in Madison, New Jersey where she majored in English. Following graduation she worked for LF Rothschild in Boston, Massachusetts. Beatrice is also a studio potter; designing, manufacturing, and marketing functional pottery as the sole proprietor of Fired Earth Pottery in North Yarmouth, Maine.

Cass and Beatrice were married in 1979 and have three children.

Additional Information

Description of Professional Designation

The **Chartered Financial Analyst (CFA)** charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 90,000 CFA charterholders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 19 countries recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession

For more information about the CFA charter, please see www.cfainstitute.org.

Item 19 B

**Requirements for State Registered Advisers
Other Business Activities**

The sole business of Gilbert Capital Group and Cass Gilbert is providing investment management services to our clients. In addition to her responsibilities as Treasurer of Gilbert Capital Group, Beatrice Gilbert is a studio potter and spends about half of her time designing, manufacturing and marketing functional pottery as the sole proprietor of Fired Earth Pottery.

Item 19 C

**Requirements for State Registered Advisers
Performance Based Fees**

Neither Gilbert Capital Group nor the principal officers or employees of Gilbert Capital Group accept performance-based fees or any fee arrangement that would favor one account or group of accounts over another.

Item 19 D

**Requirements for State Registered Advisers
Disciplinary Information**

Neither Gilbert Capital Group nor the principal officers or employees of Gilbert Capital Group have been assessed an award or been found liable in an arbitration claim alleging damages in excess of \$2,500, or by a civil, self-regulatory organization, or administrative proceeding involving an investment or investment-related business or activity; fraud, false statement(s) or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices.

Item 19 E

**Requirements for State Registered Advisers
Relationship with Issuers of Securities**

Neither Gilbert Capital Group nor the principal officers or employees of Gilbert Capital Group have any relationship or arrangement with any issuer of securities.