

**Item 1 - Cover Page**



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**Form ADV Part 2A – Appendix 1**  
Wrap Fee Investment Program Brochure  
June 30, 2021

This wrap fee investment program brochure provides information about the qualifications and business practices of Gather Financial Planning. If you have any questions about the contents of this brochure, please contact Mr. Michael Goldman, CFP® or Ms. Abby Morton, CFP® at (207) 781-3500.<sup>1</sup>

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about Gather Financial Planning, including any disciplinary history information about the firm and its representatives, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD number, which is 164542.

While the firm and its associates may be registered with the SEC and other jurisdictions, it does not imply a certain level of skill or training on the part of the firm or its associated personnel.

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<sup>1</sup> Please refer to the end of this brochure an explanation of professional designation's prerequisites and/or requirements.

## **Item 2 - Material Changes**

Gather Financial Planning updated this Form ADV Part 2A-Appendix 1 wrap fee brochure from the previous version dated March 19, 2021 to provide updated information regarding our wrap fee investment management program. Material changes include updated fees and the replacement of our “Directed” and “Managed” programs with a single “Gatherful Coach” assets under management program (see Item 4).

As with all firm disclosures, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or during the engagement.

We will deliver or offer in writing to deliver our firm’s advisory brochure to our clients on an annual basis. If we have a material change to our brochure, we will promptly deliver the amended document to our clients. Our advisory brochures may be sent in electronic or hard copy form. Clients are also able to download this brochure from the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or you may contact our firm at (207) 781-3500.

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Throughout this document, Gather Financial Planning may be referred to by the following terms: “the firm,” “we,” “us,” or “our.” The client or prospective client may be referred to as “you,” “your,” etc., and may involve more than one *person*.

Our firm maintains a business continuity and succession contingency plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover.

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

### **Description of Our Firm**

Gather Financial Planning is an SEC registered investment advisor domiciled in the State of Maine. In addition to our 2012 formation and licensing in Maine, our firm and its associates may also register or meet certain exemptions to registration in other jurisdictions in which we conduct advisory business. Michael C. Goldman, CFP®, Abigail T. Morton, CFP®, and Elizabeth A. Williams are partners of the firm. Michael C. Goldman is majority owner. Ms. Morton serves as Chief Compliance Officer. Ms. Williams is Client Care Manager. Additional information about Mr. Goldman, Ms. Morton, Ms. Williams, their backgrounds, and professional designations may be found toward the end of the brochure.<sup>2</sup>

An important aspect to the firm's advisory effort is providing "non-securities advice," such as issues involving expense budgeting and savings, education, insurance, charitable and estate planning, and real estate, among others. The firm's advisory activities also include providing supervision and consultation with respect to the investment of client assets, as well as periodic consultation and advice with respect to securities that does not involve ongoing supervision of an account. As of December 31, 2020, our firm had approximately \$105.4 million of reportable client assets under its management<sup>3</sup> on a discretionary basis (defined in Item 7).

### **Description of Services Offered**

Gather Financial Planning sponsors a wrap fee program through its investment advisory platform and only to clients of the firm. The program provides you with access to investment advisory services of professional portfolio managers, account monitoring, rebalancing of funds, performance reporting and other advisory services, as well as trade execution and Internet access to your account for a "wrapped" asset-based fee.

Brokerage and custodian services are provided through the institutional services divisions of National Financial Services LLC and Fidelity Brokerage Services LLC who are collectively known as "Fidelity" (the "Custodians"). The selected Custodians are FINRA and SIPC members<sup>4</sup> as well as registered with the SEC as broker/dealers. Our selected Custodians offer independent investment advisors various services which may include custody of securities, trade execution, and clearance and settlement of transactions. Our firm receives certain benefits from our participation in their program offerings (further detailed in Item 9 of this brochure).

A complimentary interview is conducted by a qualified representative of our firm. During or prior to this meeting, you will be provided with the firm's current Form ADV Part 2A – Appendix 1 wrap fee investment program brochure that includes our privacy policy statement (see Item 7). The firm will also ensure any material conflicts of interest are disclosed regarding the firm and its associates that might reasonably be expected to impair the rendering of unbiased and objective advice.

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<sup>2</sup> In keeping with the *General Instructions for Part 2 of Form ADV*, the firm provides requisite principal executive/advisory personnel information within the accompanying brochure supplement that might otherwise be found in detail in Item 10.

<sup>3</sup> Term "assets under management" and rounding per the *General Instructions for Part 2 of Form ADV*.

<sup>4</sup> Our firm is not, nor required to be, a FINRA or SIPC member. Information about the Financial Industry Regulatory Authority (FINRA) may be found at [www.finra.org](http://www.finra.org). You may learn more about the Securities Investor Protection Corporation (SIPC) and how it serves member firms and the investing public by going to their website at <http://www.sipc.org>.

Key information is gathered from you through our data inquiry process that allows us to design your portfolio allocation. We will assist you in preparing an investment policy statement, or similar document, reflecting your investment objectives, time horizon, tolerance for risk, as well as any account constraints you may have for the portfolio. Your investment policy statement will be designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. Since the investment policy statement, to a large extent, will be a product of information and data you have provided, you will be responsible for reviewing and providing final approval of the document/plan.

Our ability to provide our service and advice depends on access to important information. Accordingly, you are expected to provide us with an adequate level of information and supporting documentation throughout the term of the engagement, including but not limited to source of funds, income levels, your (or your legal agent's) authority to act on behalf of the account, among other information. This helps us determine the appropriateness of our planning or investment strategy for you and your account.

It is very important that you keep your record up-to-date and note significant changes that may call for an update to your investment plan. Events such as changes in employment, stock option plans, marital status, or the purchase or sale of a home or business can have a tremendous impact on your circumstances and needs. If we are aware of such events, we can make the adjustments needed to your plan or advice in order to keep you on track toward your goals.

### ***Gatherful®Coach Portfolios***

We typically develop Gatherful® Coach Portfolios through our strategic relationship with the portfolio manager Asset Dedication, LLC; an unaffiliated SEC-registered investment advisor. Utilizing their "Critical Path®" approach we are able to link client investments and their financial plan; creating a balance between volatility and longevity risk. Low-cost mutual funds, exchange traded funds (ETFs), exchange traded notes (ETNs), individual stocks, and customized bond ladders are maintained within a portfolio. The Critical Path® program allows our firm to assist you in determining your goals and mapping out an investment strategy to meet those goals, while remaining flexible to make adjustments along the way to accommodate for various issues such as:

- |                     |                    |                   |
|---------------------|--------------------|-------------------|
| ◆Life Expectancy    | ◆Inflation         | ◆Spending Needs   |
| ◆Investment Returns | ◆Market Volatility | ◆Healthcare Costs |

The Critical Path® is an intuitive approach to navigating the noted issues in a way that you can visualize and allows you to monitor your investments in the context of your financial plan, decide whether to extend your defined income portfolio, as well as develop an early warning system to take action when necessary.

## Wrap Fees Assessed

### ***Gatherful®Coach Portfolios***

Fees for our Gatherful® Coach Portfolios are charged monthly, in advance, and are based on the prior month's ending account value as depicted in the following Fee Table.

*Formula:* ((month-end market value) x (applicable annual fee rate)) ÷ 12

**Fee Table**

Assets Under Management	Regular Fee	
First \$500,000 - included in Financial Planning fee of \$500 per month		
	Yearly	Monthly
\$500,001 - \$2,000,000	1.00%	0.0833%
\$2,000,001 - \$5,000,000	0.90%	0.0750%
\$5,000,001 - \$10,000,000	0.80%	0.0667%
Assets Over \$10,000,000	0.70%	0.0583%

For Gatherful® Coach clients, Asset Dedication's portfolio management fees range from 0.10% to 0.20% (10 to 20 basis points) and are incorporated into the asset-based fees noted in the fee table.

For purposes of calculating fees, assets in each client's accounts are generally aggregated, including joint accounts, provided the accounts are created under the same client account record. Please keep in mind that certain types of accounts require the creation of another client record for that same client and such accounts will not be aggregated for purposes of billing. The types of accounts that may require creation of another client record include corporate, partnership, limited liability corporate, sole proprietorship, investment club, business trust, qualified retirement plan, and unincorporated organization accounts. Gather Financial Planning reserves the right to limit this portfolio aggregation policy where circumstances warrant.

All program fees are negotiable and at the firm's sole discretion.

### Additional Client Fees

Most custodial and/or maintenance fees normally applicable to investment accounts which are charged by the custodian are included in the investment program. The level of the management fee is unaffected by the number of transactions effected for your account. Fees are assessed on all assets in the account, including securities, cash and money market balances. Fees that may be charged to the account include certain odd-lot differentials; legacy security holdings; national securities exchange fees; postage and handling; annual, maintenance and/or termination fees for retirement accounts, ACAT transfer fees; interest on debit account balances; electronic fund transfer fees; and transfer taxes and other costs or charges associated with securities transactions mandated by law.

### Services Purchased Separately

The total costs associated with our wrap fee program account may be more or less than purchasing brokerage and advisory services separately. The factors that bear upon the relative costs of any wrap fee program include the number of and timing of transactions, referral fees (if any), portfolio management, custody fees, regulatory compliance and administrative charges, research costs, and promotional materials. These and other factors may affect the cost of obtaining these services separately.

### Billing Cycle and Fee Assessments

Fees will be automatically deducted monthly, in advance. An account's first billing cycle will occur once the agreement is executed and accounts are funded. This is irrespective of a partial period under our management, however, a partial period will be assessed a pro-rated fee. Fee payments will generally be assessed within the first 10 business days following each calendar billing period.

Fees are based on client portfolio values as of the last business day of the month, and in accordance with the values disclosed on the statement the client receives from their custodian of record for the purpose of verifying the computation of the advisory fee. In the rare absence of a reportable market value, our firm may seek a third-party opinion from a recognized industry source (e.g., unaffiliated public accounting firm), and the client may choose to separately seek such an opinion at their own expense as to the valuation of "hard-to-price" securities if they believe it to be necessary.

By signing the firm's advisory contract, as well as the selected custodian account opening agreement, you will be authorizing the withdrawal of the wrap program fee from your account held at your custodian of record. All fees will be clearly noted on your statements. Your statement fee notice will include the total fee assessed, covered time period, calculation formula utilized, and the assets under management on which the fee has been based. The withdrawal of wrap program fees will be accomplished by your custodian of record, not by our advisory firm, and the custodian of record will remit fees to respective parties for their services. We encourage you to verify the accuracy of fee calculations; custodians typically do not verify the accuracy of advisory fee assessments for an account.

### Termination of Services

Either party may terminate the agreement at any time, which will typically be in writing. If you verbally notify our firm of the termination and, if in two business days following this notification we have not received your notice in writing, we will make a written notice of the termination in our records and send you our own termination notice as a substitute. Our firm will not be responsible for future allocations, transactional services (except limited closing transactions when necessary), or investment advice upon receipt of the termination notice.

It will also be necessary that we inform the custodian of record and sub-advisor(s) serving the account that the relationship between the firm and the client has been terminated. Following termination, it will be your or your legal representative's responsibility to ensure a transfer is completed from our firm of any portfolio, account or account residual to the receiving service provider.

If our Form ADV Part 2A – Appendix 1 wrap fee brochure was not delivered to you at least 48 hours prior to entering into the investment advisory contract, then you have the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. Thereafter fees for services rendered will be accrued to the effective date of termination and become due and payable at

that time. Any unearned portion of the investment program fee is refundable within 30 calendar days of termination. No fee adjustment will be made during any fee period for appreciation or depreciation in account asset value during that period, nor will any adjustment or refund be made with respect to partial withdrawals made by you during any fee period.

### Compensation Matters

Appropriately licensed and/or registered associates of the firm will receive a portion of the fee for recommending and servicing the account. Therefore, the person recommending the wrap fee program receives compensation as a result of your participation. The amount of this compensation may potentially be more than what would be received if you participated in other programs of the firm or paid separately for investment advice, brokerage, and/or other services. As a result, the representative that recommends the program to you may have a financial incentive to recommend this investment program over other programs or services. Investors should always compare costs between offerings. Additional information about our fees in relationship to our brokerage practices may be found in Item 6 of this brochure.

### Custody

Your funds and securities will be maintained at Fidelity as custodian. Your assets are not held by our firm or any of our associates. In keeping with our policy involving account custody matters, we:

- Restrict our firm and associates from serving as trustee or having general power of attorney over a client account;
- Only withdraw our advisory fees from an investment account through a qualified, independent custodian maintaining your account assets, per your written approval;
- Do not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm; and
- Will not collect advance fees of more than \$1,200 for services that are to be performed six months or more into the future.



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

### **Account Requirements**

Please refer to Item 4 for minimum account size or fee requirements.

### **Account Opening**

Participation in the program is initiated by submitting the following completed documents to the firm:

- Investment Management Agreement
- Custodian Account Application
- Investment Questionnaire (when applicable)

Based on these completed documents, we make an initial determination as to suitability for the respective wrap fee program. The firm also makes an assessment of whether to establish an account for a particular client that includes ensuring the appropriate documentation, risk tolerance and asset allocation are made for the client.

Your account custodian will execute and clear all purchase and sale orders as directed. The custodian will maintain client account assets and provide other custodial functions, including crediting of interest and dividends on accounts, crediting of principal on called or matured securities, and other customary functions. They will also provide confirmations of each purchase and sale directly to the client and to our firm and will provide monthly account statements to clients each month in which account activity occurs, and at least quarterly regardless of account activity. Our custodian may also serve as general administrator of program accounts, which includes charging and collecting advisory fees and processing, deposits to and withdrawals from program accounts, etc.

### **Types of Clients Served by the Firm**

We provide our financial planning services and our wrap fee investment services to individuals and high net worth individuals, trusts, estates, foundations and charitable organizations to assist in meeting stated financial objectives in what is believed to be a cost-effective way.

### **Types of Clients Served within the Wrap Fee Program**

We generally offer our wrap fee program to the same types of clients we provide all our services. Our firm reserves the right to waive or reduce certain fees based on unique individual circumstances, special arrangements, pre-existing relationships, or as otherwise may be determined by our firm, and we may decline services to any prospective client for any non-discriminatory reason.

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

### **Selection and Review of Portfolio Managers**

We will perform initial and ongoing due diligence reviews on the investment vehicles or portfolio managers we may choose to employ within our allocation strategy. Should there be a potential conflict of interest involving our firm and a recommended portfolio manager, we will ensure that we use the same level of due diligence and selection/termination criteria for that portfolio manager, and we may further scrutinize that manager through our own supervisory staff or via an independent assessment to ensure appropriate portfolio selection, fees and other compensation meet within the account investment policy statement, firm procedures, and regulatory guidelines.

Our firm's investment committee meets on a semi-annual basis and reviews portfolio manager performance. The committee is responsible for determining if a portfolio manager should be replaced due to poor performance or concerns with non-compliance with regulatory requirements.

The benchmarks for account performance are based on each client's responses to firm suitability information and their IPS. Gather Financial Planning maintains current client profiles and will recommend adjustments to portfolios accordingly.

Clients will receive written performance evaluation reports monthly in printed or digital format. These reports may be prepared by our firm as well as external portfolio managers. The firm does not validate reports provided by external portfolio managers to clients and cannot attest as to whether they are calculated on a uniform and consistent basis. The firm's own performance reports are calculated using a time-weighted methodology that is programmed into its independent portfolio administration system. Portfolio performance evaluation reports are reviewed periodically by each client's lead planner. Reports are intended to inform clients about their investment performance over the current period and over the longer term since the account's inception, both on an absolute basis and as compared to a known benchmark.

#### Performance-Based Fees and Side-By-Side Management

Our fees will not be based upon a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Performance-based compensation may create an incentive for a firm to recommend an investment that may carry a higher degree of risk to a client. Gather Financial Planning does not use a performance-based fee structure because of the potential conflict of interest this type of fee structure may pose.

Side-by-side management refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not; this type of arrangement, and the conflict of interest it may pose, is also not applicable to our firm's practices.

#### Method of Analysis

When engaged to provide wrap program services, we will first evaluate several factors including the client's:

- current financial situation
- current and long-term needs
- investment goals and objectives
- level of investment knowledge
- tolerance for risk

Gather Financial Planning primarily employs a fundamental, long-term, passive index approach in its investment selection and implementation strategies. We also believe asset allocation is a key component of investment portfolio design and that an appropriate allocation of assets from diverse investment categories (stock vs. bond, foreign vs. domestic, large cap vs. small cap, high quality vs. high yield, etc.) are a primary determinant of portfolio returns – perceived to be critical to the long-term success of a client's financial objectives.

Our research and recommendations may be drawn from sources that include: financial publications, investment analysis and reporting software, research materials from outside sources, corporate rating services or inspections, annual reports, prospectuses and other regulatory filings, and company press releases.

We make asset allocation and investment policy decisions based on these and other factors. We will discuss with you how, in our best judgment, to meet your objectives while at the same time seeking a prudent level of risk exposure.

### Investment Strategies

In general, our firm's primary approach to portfolio management is based on the principles of the Modern Portfolio Theory and a mathematical technique known as "mean variance optimization." The result of this process is an allocation that potentially produces the highest possible return for a given level of risk. Various cost-efficient investment vehicles are researched and recommended for each asset class. The firm may recommend that your portfolio be rebalanced in an attempt to maintain optimal allocation while minimizing tax exposures and trading costs.

Gather Financial Planning selects its investments by using criteria that includes performance. On occasion, we may recommend redistributing investment allocations to diversify a portfolio in an effort to reduce risk and increase performance. We may recommend holdings to increase sector weighting and/or dividend potential. In addition, we may recommend employing cash positions as a possible hedge against market movement which may adversely affect a portfolio. Finally, our firm may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance for a client, or any risk deemed unacceptable for a client's risk tolerance.

### Risk of Loss

While we believe our strategies and investment recommendations are designed to potentially produce the highest possible return for a given level of risk, we cannot guarantee that an investment objective or planning goal will be achieved. Some investment decisions may result in loss, including potential loss of the original principal invested. Each client must be able to bear the various risks involved in the investment of account assets, which may include market, currency, interest rate, liquidity, and operational or political risk, among others. Examples include:

### ***Active Investment Strategies***

Should you request we develop more active portfolio management strategies, you may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or "turnover" within an account. This may result in shorter holding periods, higher transactional costs and/or taxable events that will be borne by the investor, thereby potentially reducing or negating certain benefits that may be derived by shorter term investing.

### ***Company Risk***

When investing in securities, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. This is also referred to as unsystematic risk and can be reduced

through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry.

### ***Financial Risk***

Excessive borrowing to finance business operations increases the risk to 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.

### ***Fundamental Analysis***

The challenge of fundamental analysis is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

### ***Inflation Risk***

When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

### ***Management Risk***

An investment with a firm varies with the success and failure of its investment strategies, research, analysis and determination of its portfolio. If an investment strategy were not to produce expected returns, the value of the investment would decrease.

### ***Market Risk***

When the stock market as a whole or an industry as a whole falls, it can cause the prices of individual stocks to fall indiscriminately. This is also called systemic or systematic risk.

### ***Passive Market Strategies***

When a portfolio employs a passive, efficient markets approach (associated with Modern Portfolio Theory), an investor will need to consider the potential risk that the broader allocation may at times generate lower-than-expected returns than that from a specific asset, and that the return on each type of asset is a deviation from the average return for the asset class. It is felt that this variance from the "expected return" is generally low under normal market conditions if the portfolio is made up of diverse, low or non-correlated assets.

### ***Research Data***

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

## Security-Specific Material Risks

### ***Equity (Stock) Risk***

Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of their issuers change. If an investor held common stock or common stock equivalents of any given issuer, they may be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer.

Preferred stocks can be affected by interest rate and liquidity risks (described in adjacent paragraphs). Also note that their dividend payment is not guaranteed; some are subject to a call provision, meaning the issuer can redeem its preferred shares on demand, and usually when interest rates have fallen.

### ***ETFs***

ETF risks include risk due to underlying securities (e.g., stocks, bonds, derivatives, etc.), and ETFs can be affected by risks such as market, currency, credit, political, interest rate, etc., that are described in adjacent paragraphs. The liquidity of the underlying stocks in the index can affect “ETF liquidity.” Liquidity risk can result from an insufficient number of Active Participants performing their duties as intermediaries and liquidity providers in the ETF market. “Spread risk” may also occur, which is the difference between the bid and the ask price of a security. Due to the fact that ETF transactions are priced throughout the day and are traded on the exchanges like stocks, widening spreads may occur, and have an impact on certain portfolios or transactions. As with any security, if the ETF “fails,” the investor may lose their gains and invested principal. ETFs may carry additional expenses based on their share of operating expenses and certain brokerage fees. Indexed ETFs have the potential to be affected by “active risk;” a deviation from its stated index.

### ***Fixed Income Risks***

Various forms of fixed income instruments, such as bonds, money market funds, bond funds, and certificates of deposit, may be affected by various forms of risk, including:

**Credit Risk** - The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

**Duration Risk** - Duration is a measure of a bond’s volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

**Interest Rate Risk** - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.

**Liquidity Risk** - The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally

liquid (i.e., bonds), there are risks which may occur such as when an issue trading on any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

**Reinvestment Risk** – With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

**Bond Ladders** – Bond ladders can be adversely affected by those items noted above that may have impact on individual bond positions. Additionally, bond ladders are generally considered better served for accounts where ample funds are available to build and maintain an appropriate ladder, often benchmarked at \$50,000 or more, and portfolios employing this strategy must ensure adequate liquidity to avoid selling previously positioned bonds within the ladder.

### ***Index Investing***

ETFs and indexed funds have the potential to be affected by “active risk” or “tracking error risk,” which might be defined as a deviation from a stated benchmark. Since the core portfolio attempts to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position, or from a “sample” or “optimized” index ETF that may not as closely align the stated benchmark. In these instances, the firm may recommend reducing the weighting of a satellite holding; utilize very active satellites, or use a “replicate index” ETF as part of a core holding to minimize the effects of the tracking error in relation to the overall portfolio.

### ***Mutual Funds***

One of the earliest forms of public investing was the closed-end mutual fund from the late 1700’s in Europe. The first modern-day US mutual fund was the Massachusetts Investors Trust; created in 1924. As with ETFs, the risk of owning a mutual fund is reflected in the underlying security(ies). Mutual funds are affected by risks such as market, interest rate, currency, credit, political, active risk, etc., as described in adjacent paragraphs. It is important to note that even “conservative” funds, such as a money market fund or fixed income fund, can and have lost their value below the principal amount invested. Mutual funds typically carry additional expenses based on their share of operating expenses and trading (brokerage) fees, which may result in the potential duplication of certain fees paid by the investor. Index mutual funds can also be adversely affected by QDI ratios as previously described.

There are essentially nine main types of mutual fund shares classes, as well as sub-classes for some of these. Some mutual funds are sold through brokerage firms and assess a commission (“load) in addition to their underlying fees earlier noted, while others are offered through investment advisors, retirement plans and other institutions. “No load” funds are also available to the public through brokerage firms, and they usually incur trading (brokerage) fees. If a client chooses to purchase a mutual fund on their own through a broker/dealer on their own, they should consider the trading fees, internal operating costs, as well as potential commissions they may pay through that executing firm. Our firm is not a broker/dealer and (per Item 4) does not recommend nor is compensated by a “loaded” fund.

## ***QDI Ratios***

While many ETFs, ETNs, and index mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be part of an ETF/ETN or mutual fund portfolio), may be considered “non-qualified” under certain tax code provisions. We consider a holding’s QDI when tax-efficiency is an important aspect of the client’s portfolio.

## **Item 7 - Client Information Provided to Portfolio Managers**

### **Information Provided to Portfolio Managers**

Through our wrap fee program engagement, we gather data from you about your financial situation, investment objectives, and we note any reasonable restrictions you may want to impose on the management of the account. We will then provide this information to the portfolio manager who invests on behalf of your account in accordance with the strategies set forth for your portfolio.

### **Discretionary Account Management**

The selected portfolio manager assumes discretionary authority over the client’s account or their assigned portion of the portfolio. Via limited power of attorney, discretionary authority allows the investment manager to implement decisions, such as the purchase or sale of a security on behalf of your account, without requiring your prior authorization for each transaction in order to meet your stated account objectives. This authority will be granted by you through your execution of both our engagement agreement and the selected custodian’s account opening documents. The custodian maintaining your account will specifically limit our firm’s authority to the placement of trade orders and the request for the deduction of our advisory fees.

Should an investor prefer their account be managed under a non-discretionary agreement, requiring prior approval of all investment purchases and sales, our firm will not be able to serve the account under its wrap fee investment program and other firm offerings should be considered (i.e., investment consultation aspect of our financial planning services).

### **Privacy Policy Statement**

We respect the privacy of all our clients and prospective clients; both past and present. We recognize that you have entrusted us with nonpublic personal information and it is important to us that all employees and clients of our firm know our policy concerning what we do with that information.

We collect personal information about our clients from the following sources:

- Information our clients provide to us to complete their financial plan or investment recommendation;
- Information our clients provide to us in agreements, account applications, and other documents completed in connection with the opening and maintenance of their accounts;
- Information our clients provide to us orally; and
- Information we may receive from service providers, such as custodians, about client transactions.

We may disclose nonpublic personal information about you to unaffiliated third parties in certain circumstances. For example, in order for us to provide planning or investment management services to you, we may disclose your personal information in limited circumstances to various service providers, such as your custodian or independent contractors hired by Gather Financial Planning.

Otherwise, we do not disclose nonpublic personal information about our clients to anyone, except in the following circumstances:

- When required to provide services our clients have requested;
- When our clients have specifically authorized us to do so in writing;
- When required during the course of a firm assessment (i.e., independent audit); and
- When permitted or required by law (i.e., periodic regulatory examination).

In the event that it is necessary to share your non-public personal information with an unaffiliated third party, we will request that you give us specific permission via a signed statement. Unless this “opt-in” statement is signed, we will not share your information with an unaffiliated third party.

Within our firm, we restrict access to client information to staff that need to know that information. All personnel and our service providers understand that everything handled in our office is confidential and they are instructed to not discuss client information or situation with someone else unless they are specifically authorized in writing by the client to do so. This includes, for example, providing information about a spouse’s IRA or to children about their parents’ accounts, etc.

To ensure security and confidentiality, we maintain physical, electronic, and procedural safeguards to protect the privacy of client information.

We will provide you with our privacy policy on an annual basis and at any time, in advance, if our policy is expected to change.

#### **Item 8 - Client Contact with Portfolio Managers**

You should notify us of any changes in your financial situation, investment objectives, or account restrictions and we will submit this information to your portfolio manager. You may also contact the portfolio manager by coordinating a call or communication through our firm, or you may directly contact the portfolio manager if you prefer.

Our firm recommends that at least annually you review with us your account reports as well as your financial situation. When necessary, you should submit updated account profile information for our review and analysis. Additionally, you should contact us if there are changes in your financial situation or investment objectives that would affect your current investment strategy or if you wish to reasonably modify any existing restrictions.

#### **Item 9 - Additional Information**

##### **Disciplinary Information**

Neither Gather Financial Planning nor a member of our firm’s management has been involved in a reportable material criminal or civil action, administrative enforcement, or self-regulatory organization proceeding that would reflect upon our firm’s advisory business or the integrity of our firm.



### Other Financial Industry Activities and Affiliations

Our policies require our firm and its associates to conduct business activities in a manner that avoids actual or potential conflicts of interest between the firm, its employees and clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest which might reasonably compromise our impartiality or independence.

### ***Material Relationships and Conflicts of Interest***

Neither Gather Financial Planning nor a member of firm management or a registered associate has an application pending to register as or with a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm; nor are we required to be. In addition, neither our firm nor a member of our management is or has a material relationship with any of the following types of entities:

- municipal securities dealer, government securities dealer or broker
- bank, credit union or thrift institution, or their separately identifiable departments or divisions
- accountant or accounting firm
- lawyer or law firm
- insurance company or agency
- pension consultant
- real estate broker, dealer or advisor
- sponsor or syndicator of limited partnerships
- trust company
- issuer of a marketable security, to include an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)

Upon your request, you may be provided a referral to various professionals, such as an accountant, attorney or insurance representative. While these referrals are based on our best information, we do not guarantee the quality or adequacy of the work provided by these referred professionals. We do not have an agreement with or receive fees from these professionals for these informal referrals. Any fees charged by these other entities for their services are completely separate from fees charged by Gather Financial Planning.

Gather Financial Planning (as well as other unaffiliated advisory firms) may pay a licensing fee to Wealth Gathering, LLC for use of its online educational material with firm clients. Wealth Gathering, LLC is an unregistered financial educational company that is under common control of Michael Goldman, Executive Director of Gather Financial Planning.

### ***Recommendation or Selection of Other Investment Advisors and Conflicts of Interest***

As stated in Item 4, following the development of your plan, we may recommend that your portfolio be managed by an unaffiliated registered investment advisor due to their unique investment strategy. Before doing so, we first conduct what we believe is an appropriate level of due diligence on the recommended third-party advisor, to include ensuring their firm is appropriately licensed, registered or notice-filed within your jurisdiction when required. Please note that both our firm and the other

investment advisor (as portfolio manager) will share in a portion of the advisory fee involving this type of account (as described in Item 4).

#### Code of Ethics Description

The firm holds itself to a *fiduciary standard*, which means we will act in the utmost good faith, performing in a manner believed to be in the best interest of our clients. Gather Financial Planning believes that its business methodologies, ethics rules, and adopted policies are appropriate to eliminate or at least minimize potential material conflicts of interest and to appropriately manage any material conflicts of interest that may remain. Clients should be aware that no set of rules can possibly anticipate or relieve all potential material conflicts of interest. Our firm will disclose to advisory clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

We have adopted a Code of Ethics that establishes policies for ethical conduct for all our personnel. Our firm accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Our policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to annually attest to their understanding of and adherence to the Code of Ethics. Our firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

CERTIFIED FINANCIAL PLANNER™ Professionals associated with our firm also adhere to the Certified Financial Planner Board of Standards, Inc. Code of Ethics, which states:

A CFP® professional must:

1. Act with honesty, integrity, competence, and diligence.
2. Act in the client's best interests.
3. Exercise due care.
4. Avoid or disclose and manage conflicts of interest.
5. Maintain the confidentiality and protect the privacy of client information.
6. Act in a manner that reflects positively on the financial planning profession and CFP® certification.

Further, CERTIFIED FINANCIAL PLANNER™ Professionals associated with our firm adhere to the Standards Of Conduct as detailed by Certified Financial Planner Board of Standards, Inc.

#### Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither our firm nor its associates are authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a "related person" (e.g., associates, their immediate family members, etc.) has a material financial interest, such as in the capacity as an underwriter or advisor to an issuer of securities, etc.

Our employees are prohibited from borrowing from or lending to a client unless the client is an approved lending institution.

Gather Financial Planning recognizes that, should it act as the advisor to the sponsor of an ERISA-qualified retirement plan (i.e., 401(k) or pension plan), and an associate of the firm serves in an advisory capacity to one or more of the plan's participants, a potential or implied conflict of interest may occur. When appropriate, the firm may offset certain advisory fees as determined by our firm.

Our firm is able to provide a broad range of services to its clients, including financial planning, investment consultation, and investment management services; we may be paid a fee for some or all of these services. Due to our firm and its associate's ability to offer two or more of these services and possibly be compensated for each aspect of the engagement, a potential conflict of interest may exist. Therefore, you are under no obligation to act on our recommendations and, if you elect to do so, you are under no obligation to complete all of them through our firm or a service provider whom we may recommend.

#### Firm/Personnel Purchases of Same Securities Recommended to Clients and Conflicts of Interest

Our firm does not trade for its own account (e.g., proprietary trading). The firm's related persons may buy or sell securities the same as, similar to, or different from, those we recommend to clients for their accounts. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client. Clients often have different objectives and risk tolerances. At no time will our firm or any related party receive preferential treatment over a client. In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of a client's order, etc.), our policy requires that we restrict or prohibit related parties' transactions in specific securities. Any exceptions or trading pre-clearance must be approved by our firm in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

#### Review of Accounts

##### ***Types of Reviews***

Accounts are reviewed by investment management staff on no less than an annual basis, as well as periodic review by supervisory personnel. Reviews are made to determine whether accounts are being managed in accordance with each client's investment objectives.

Additional reviews may take place at a client's request or as the result of significant market or economic developments. A copy of revised portfolio allocation reports will be provided to the client upon request.

All reviews will consider account performance in light of industry standards.

##### ***Client Provided Reports***

You will receive account statements sent directly from your account custodian where your investments are maintained.

You may be provided periodic performance summary reports or annual gain/loss reports for taxable accounts. Some of our clients may receive additional reports depending on their specific requirements. All firm performance reports will be prepared in accordance with appropriate jurisdictional guidance. Clients are urged to carefully review and compare account statements that they have received directly from their custodian with any performance report received from our firm.

## Economic Benefit from External Sources and Potential Conflicts of Interest

### ***Selection of Custodians***

We may receive an economic benefit from external sources in the form of the support products and services they make available to us and other independent investment advisors. Our firm participates in one or more of our custodians' advisor support programs and we recommend them to our clients for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give our clients, although our firm receives economic benefits through its participation in the program that are typically not available to "retail investors." These benefits include the following products and services (provided either without cost or at a discount):

- receipt of duplicate client statements and confirmations
- research related products and tools
- consulting services
- access to a trading desk serving our clients
- access to block trading (which provides our ability to aggregate securities transactions for execution and then allocate the appropriate shares to our client's accounts)
- the ability to have advisory fees deducted directly from our client's accounts per our written agreement
- access to an electronic communications network for client order entry and account information
- access to mutual funds with no transaction fees, and to certain institutional money managers
- discounts on research, technology, and practice management products or services provided to our firm by third party vendors

Our recommended custodians may also pay for other professional services received by our firm. These products and/or services assist us in managing and administering our client accounts, including accounts not maintained at a custodian, and are made available to us by our custodian are intended to help our firm manage and further develop our business enterprise. Some of these products and services may benefit our firm but may not necessarily benefit a specific client account. While our firm does not think these services are considered "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934, certain jurisdictions where we serve client accounts believe they fall under this definition. The availability of these services benefits our firm because we do not have to produce or purchase them, and we may not be required to pay for such services as long as our clients maintain assets in accounts at that custodian. Beyond that, these services are not contingent upon us committing any specific amount of business to a specific custodian involving trading commissions, or assets in custody. It may appear that we may have an incentive to select or recommend a particular custodian based on our firm's interest in receiving research or other products or services rather than on our clients' interest in receiving most favorable execution, which may be considered a potential conflict of interest. However, we believe our selection of a recommended custodian is in the best interests of our clients since our selection is primarily based on the scope, quality and price of their services that benefit both our firm and our clients.

We periodically conduct an assessment of each custodian, their range of services and capabilities, as well as the reasonableness of fees, in comparison to their industry peers. We have determined the noted custodians execute our clients' trades in a manner consistent with our duty to seek "best execution."

### ***Directed Brokerage***

Our internal policy and operational relationship with our custodians require client accounts custodied with them to have trades executed per their order routing requirements. Our firm does not direct which executing broker should be selected for client account trades; whether that is an affiliate of our custodian or another broker of that custodian's choice. As a result, an account holder may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case. In addition, since we routinely recommend our preferred custodian, and the custodian may choose to use the execution services of its broker affiliate for some or all of our client account transactions, there is an inherent conflict of interest involving our recommendation since our advisory firm receives various products or services described in this section. Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades; we do not receive interest on our client accounts' cash balances. We do not accommodate client-directed brokerage for our wrap fee program and, as a result, the client may experience greater price spreads.

### ***Client Referrals from Custodians***

We do not receive referrals from our custodians; nor are client referrals a factor in our selection of a custodian.

### **Client Referrals and Other Compensation**

We do not engage in solicitation activities involving unregistered persons.

Michael Goldman and Abigail Morton are members of the Garrett Planning Network, Inc., an organization that assists financial planners in fee-only, financial planning practices. Garrett Planning Network, Inc. is not a registered financial industry participant, however, they are paid an annual membership fee for services that include training, compliance and operational support to enhance a participant's ability in providing quality service and advice to the public.

Investment advisor representatives of our firm may also hold individual membership or serve on boards or committees of professional industry associations such as the National Association of Personal Financial Advisors (NAPFA), Financial Planning Association (FPA), or the Certified Financial Planner Board of Standards, Inc. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements.

A benefit the noted entities provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for participant firms or individual financial planners within a selected state or region. These passive websites may provide means for interested persons to contact a firm or planner via electronic mail, telephone number, or other contact information, in order to interview the participating firm or planner. Members of the public may also choose to telephone association staff to inquire about a firm or individual planner within their area, and would receive the same or similar information.

A portion of our membership fees may be used so that our name will be listed in some or all of these entities' websites (or other listings). Prospective clients locating our firm or one of our associates via these methods are not actively marketed by the noted associations. Clients who find us in this way do

not pay more for their services than clients referred to us in another fashion, such as by another client. We do not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

#### Voting Client Securities

You may receive proxies or other solicitations directly from your selected custodian or transfer agent. We do not generally forward copies of any correspondence relating to the voting of your securities, class action litigation, or other corporate actions.

Our firm does not vote proxies on your behalf nor do we provide guidance on the voting of proxies. You will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by you shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to your holdings.

We will not offer guidance on or have the power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. However, we will answer limited questions via a scheduled meeting with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or its legal representative.

#### Financial Information

Fee withdrawals must be done through a qualified intermediary (e.g., the custodian of record), per the client's prior written agreement, and following the client's receipt of our firm's written notice (termed "constructive custody").

Engagements with our firm do not require that we collect advance fees from a client of more than \$1,200 for our advisory services that we have agreed to perform six months or more into the future.

As a fiduciary under federal law, Gather Financial Planning must make full and fair disclosure to clients of all material facts relating to the advisory relationship. On 4/9/2020, the firm received a Paycheck Protection Plan Loan through the Small Business Association in conjunction with the relief afforded from the CARES [Act]. The firm used the PPP to continue payroll for the firm and the firm did not suffer any interruption of service.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition.

Due to the nature of our firm's advisory services and operational practices, an audited balance sheet is not required nor included in this brochure.