



## **SENSUS Wealth Management Group LLC**

8000 IH 10 West, Suite 1500 San Antonio, Texas 78230

(210) 735-4000

[www.sensuswealth.com](http://www.sensuswealth.com)

ADV Part 2 Disclosure Brochure

**March 2021**

This brochure provides information about the qualifications and business practices of SENSUS Wealth Management Group LLC. If you have any questions about the contents of this brochure, please contact us at (210) 735-4000. 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 SENSUS Wealth Management Group LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2: MATERIAL CHANGES

Since our last annual update of this brochure in March 2020. There were no material changes to our business.

As our business is constantly evolving, we review our policies and procedures on a regular basis. In evaluating their continuing effectiveness, we may amend this document along with our policies and procedures from time to time.

Our brochure may be requested by contacting Rozanne McManus at (210) 735-4000 or [rozanne.mcmanus@sensuswealth.com](mailto:rozanne.mcmanus@sensuswealth.com). Our brochure is also available on our website [www.sensuswealth.com](http://www.sensuswealth.com). We will provide you with a new brochure at any time without charge.

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## ITEM 4: ADVISORY BUSINESS

SENSUS Wealth Management Group LLC (“SENSUS Wealth”, the “Firm”, or “Advisor”) was organized as a Texas limited liability company on February 22, 2010. The Firm began managing investment assets in June 2011. The Chief Executive Officer and owner of the Firm is Daniel E. Rodriguez.

### Types of Advisory Services

The Firm offers a suite of investment advisory services and programs for use with their clients. These services are designed to accommodate a wide range of investment philosophies, goals, needs and investment objectives to high-net-worth individuals, individual clients and other investment advisors. The Firm manages portfolios for its clients on a discretionary or non-discretionary basis. Through the various advisory programs and services, clients have access to a wide range of securities products depending upon the client’s investment objective and risk profile.

### Risk Based Investment Modeling Services

The Firm offers risk-based investment modeling services through Investnet Asset Management, Inc. (“Investnet”). Investnet is a “turnkey asset management provider” (“TAMP”), which provides risk-based investment modeling services to clients of broker/dealers and registered investment advisers throughout the United States. The Firm uses Charles Schwab & Co., Inc. (“Schwab”) as custodian and tax reporter for these accounts. There is no relationship between the Firm and either Investnet or Schwab, other than contractual relationships for their services. Clients electing to use the risk-based asset modeling services offered through Investnet are billed a “Management Fee” equal to a percentage of assets under management, quarterly in advance.

### Customization of Investment Advisory Services

Customized Investment Advisory Services offered through the Firm to “Qualified Clients” are specifically designed to ensure that their goals, risk tolerance and investment objectives are met. The Firm has discretionary trading authority on behalf of these accounts. The Firm has contracted with Interactive Brokers LLC, an independent broker/dealer firm, for trading, custodial and reporting services. There is no relationship between Interactive Brokers LLC and the Firm other than the contractual relationship for provision of custodial, reporting and trading services. Clients electing to participate in this program are charged a “Performance Fee”, subject to a high-water mark, quarterly in arrears. The Firm maintains investment advisory agreements and the Clients can impose restrictions on investments in certain categories of securities. Also, the portion of each client’s portfolio that will be invested in the Firm’s advisory program will be determined after consultation with each client.

### Qualified Clients

Only “Qualified Clients” (as defined by Rule 275.205-3 by the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940, in effect at the time of execution of the client agreement) are charged performance fees in the investment advisory services. In general, Rule 275.205-3 defines a “Qualified Client” as a natural person who, or a company that: (i) immediately after entering into an investment advisory contract, has at least \$1,000,000 under the management of the investment adviser; or (ii) the investment adviser reasonably believes, immediately prior to entering into

the contract, has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,100,000, exclusive of the client's primary residence.

### **Subadvisory Services**

SENSUS Wealth Management Group LLC serves as a Sub-Advisor to separately managed accounts in accordance with the terms and conditions set forth in the Investment Sub- Advisory Agreement.

### **Client Assets Under Management**

As of December 31, 2020, the Firm had approximately \$45,968,847 in assets under management ("AUM"), of which \$44,757,293 is managed on a discretionary basis and approximately \$1,211,554 managed on a non-discretionary basis.

## **ITEM 5: FEES AND COMPENSATION**

**Performance Fees:** Qualified Clients electing to participate in the Customization Advisory Services program are charged a "Performance Fee" quarterly in arrears. The Performance Fee is equal to 25% of the quarterly account trading profits, subject to a high-water mark, and is adjusted for any contributions or withdrawals in the account during the quarter. Under this schedule, a Performance Fee is payable only if the accounts have a quarterly trading profit. Performance Fees are withdrawn quarterly in arrears directly from the client accounts by the Custodian. The Custodian sends participating clients a quarterly statement. The Firm sends participating clients a quarterly summary showing the amount of the Performance Fee and how the fees are calculated. Monthly statements are available online with the Custodian.

**Management Fees:** Clients electing to use the risk-based asset modeling services offered through Envestnet are billed a "Management Fee" equal to a percentage of assets under management, quarterly in advance. The percentage charge ranges between 0% and 3% per annum, depending upon the aggregate value of all accounts within a client household. Management fees cannot exceed 3% of assets under management for these accounts. Fees are billed directly to, and debited from, the client's account by the Custodian, quarterly in advance. Management fees of 3% or greater are considered in excess of the industry norm; comparable services may be obtained for less.

Subadvisory fees and performance fees, as applicable, are paid by the investment advisor to SENSUS Wealth.

Qualified Clients electing to participate in the Customized Investment Advisory Services are not charged a Management Fee for assets managed within the aforementioned strategies.

Clients are responsible for verifying fee computations with quarterly statements from the custodian, showing all amounts paid from client's account, including the Firm's fees. Clients also have full time access to their accounts on the custodian's website, and can review daily, weekly and monthly activity reports, as well as other account information.

Fees are generally not negotiable and may be waived for employees, friends and family.

### **Additional Fees**

Individual client accounts also pay any fees assessed by the custodian and/or broker/dealer. These additional fees might include trade commissions or transaction fees, custodial fees, margin interest, wire fees, exchange fees, etc. These are paid directly by each account.

### **Termination**

Clients choosing to terminate the agreement during a billing period will be refunded any unearned prepaid fees on a pro rata basis.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

### **Side-by-Side Management**

Since Performance Fees are charged to certain clients, the Firm may make riskier investments than otherwise might be the case in order to increase the performance. Not all accounts managed by the Firm pay Performance Fees, so there may be an incentive for the Firm to favor the performance-based clients. This is mitigated by differences in investment objectives for each individual account and constant monitoring to ensure all clients are treated fairly.

## **ITEM 7: TYPES OF CLIENTS**

The Firm provides investment advisory services to individuals and high-net worth individuals.

Minimum account sizes for separate accounts will be negotiated on a case-by-case basis.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

The Firm requires a minimum account size of \$50,000 for participation in the Customization Advisory Services Program for Qualified Clients. From time to time we will waive the account minimum depending on client relationship, client service requirements and other circumstances.

### **Methods of Analysis**

To establish the types of analysis in evaluating investments for client accounts the Firm follows a disciplined process of research, selection and monitoring the following:

**Technical**—Analysis which reviews past performance in order to predict future performance. Our technical analysis includes but is not limited to the review of statistical analysis of the S&P 500 Index<sup>®</sup> to identify patterns, levels of support and resistance, and correlations to other indexes.

**Fundamental**—Analysis of underlying components that affect economic and market conditions. Our fundamental analysis includes but is not limited to studying market research, leading economic indicators, central bank policies, and geopolitical issues. In particular, we evaluate reports on the US labor market, productivity, consumer confidence, and gross domestic product (GDP) as we look for investment opportunities that will suit economic conditions. We monitor the activity of the Federal Reserve for their

bias on interest rates.

The Firm uses the following sources of information in its analysis:

- Charles Schwab & Co. Inc. - Reuters, News and Resources, Webcasts, Research for Analyst Ratings, Credit Suisse, Morningstar®, Ned Davis Research
- Charles Payne – Financial Analyst
- Interactive Brokers LLC – Market Statistics – Gains/Losses
- Jim Cramer

### **Investment Strategies**

The investment strategies the Firm uses to implement investment advice include:

- Long-term purchases (securities held at least a year)
- Short-term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Complex Leveraged Products

Our investment strategies may include any of the above based on the client's objectives and guidelines, which may be changed at any time. Clients may place reasonable restrictions on the strategies to be employed and the types of investments to be held in their accounts. It is important for the client to remember to update us with any changes in investment objectives and guidelines. Although we manage the client's assets in a manner consistent with the client's risk tolerance, there can be no guarantee that our efforts will be successful. Clients should be prepared to bear the risk of loss.

**Risk of Loss:** The Firm does not guarantee the future performance of the account or any specific level of performance, the success of any investment decision or strategy that the Firm may use, or the success of the Firm's overall management of the account. The client understands that investment decisions made for the client's account by the Firm are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. Other specific risks are discussed below.

**General:** All securities investing, and trading activities risk the loss of capital. While the Firm will attempt to moderate these risks, there can be no assurance that the Firm's investment activities will be successful or that losses will not be suffered. An investment in an individual account is suitable only for persons who have adequate means of providing for their current needs and personal contingencies and have no need for liquidity in their investments.

**Overall Investment Risk:** All securities investments risk the loss of capital. The nature of the securities to be purchased and traded and the investment techniques and strategies to be employed by the Firm may increase this risk. While the Firm will devote its best efforts to the management of portfolio, there can be no assurance that the individual accounts will not incur losses. Many unforeseeable events, including actions by various government agencies, and domestic and international economic and political developments, may cause sharp market fluctuations that could adversely affect performance.

**Dependence on our Firm:** The success of our clients largely depends upon our firm. There is no guarantee that our firm or the individuals employed by our firm will remain willing or able to provide advice to our clients or that trading on this advice will be profitable in the future. The performance of our firm depends upon certain

key personnel. If any of these personnel become incapacitated, the performance of our clients may be adversely affected.

**Financial Markets and Regulatory Change:** The instability in global financial markets has increased the risks associated with the investment activities and operations of investment funds, including those resulting from a reduction in the availability of credit and the increased cost of short-term credit, a decrease in market liquidity and an increased risk of bankruptcy of third parties with which we work. Market disruptions over the recent years and the increase in capital being allocated to investment funds and other alternative investment vehicles have led to increased scrutiny and regulation over the investment fund and asset management industry. In addition, the laws and regulations affecting business continue to evolve unpredictably. Laws and regulations applicable to our clients, especially those involving taxation, investment and trade, can change quickly and unpredictably in a manner adverse to our clients' interests.

**Equity Securities:** We buy, on our clients' behalf, equity securities, seeking to profit from both security selection and thematic sector or market timing decisions. The value of these investments will generally vary with their issuer's performance and movements in the equity markets. Because of this, clients may suffer losses if it invests in equity instruments of issuers whose performance diverges from expectations. There is no assurance that the Firm will correctly evaluate the nature and magnitude of the various factors that could affect the prospects invested securities. The individual account holders may lose their entire investment or may be required to accept cash or securities with a value less than their original investment. Under such circumstances, the returns generated from investments may not be adequate compensation for the risks assumed.

**Failure of Brokers and Other Depositories:** There is the possibility that the institutions, including brokerage Firms and banks, with which the Firm will do business, or with whom securities may be entrusted for custodial purposes, will encounter financial difficulties that may impair the operational capabilities, or the capital position of the portfolios managed by the Firm. Clients are reminded that investing in any security entails risk of loss, which they should be willing to bear.

#### **ITEM 9: DISCIPLINARY INFORMATION**

There have been no disciplinary actions against SENSUS Wealth Management Group LLC or Mr. Rodriguez.

#### **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Mr. Rodriguez has business interests outside of the Firm, and may receive compensation from these interests. This activity does not pose a conflict of interest and time spent with these interests is minimal.

#### **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

##### **Code of Ethics**

The Code of Ethics sets forth standards of conduct expected of SENSUS Wealth Management Group LLC ("the Firm") personnel (collectively referred to as "employees") and focuses on three specific areas where employee conduct has the potential to adversely affect the client:

Misuse of nonpublic information



Personal securities trading  
Outside business activities

The ethical culture of the Firm is of critical importance must be supported at the highest levels of our firm. Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination with the Firm. Any client or prospective client may request a copy of the Firm's Code of Ethics, which will be provided at no cost.

- The following basic principles guide all aspects of the Firm's business and represent the minimum requirements to which the Firm expects employees to adhere:
- The interest of clients comes before employees' personal interests and before the Firm's interests.
- The Firm must fully disclose all material facts about conflicts of interest of which it is aware between itself and clients as well as between Firm employees and clients.
- Employees must operate on the Firm's behalf and on their own behalf consistently with the Firm's disclosures and to manage the impacts of those conflicts.
- The Firm and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- The Firm and its employees must always comply with all applicable securities laws.

Honesty, integrity and professionalism are hallmarks of the Firm. The Firm maintains the highest standards of ethics and conduct in all business and client relationships.

**Misuse of Nonpublic Information**

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm. Employees may not convey nonpublic information nor depend upon it in placing personal or clients' securities trades.

**Personal Securities Trading**

All employee participation in private placements or initial public offerings must be pre- approved by the compliance officer

Employees are required to submit reports of personal securities trades on a quarterly basis, and securities holdings annually. These are reviewed by the compliance officer to ensure compliance with the Firm's policies.

**Outside Business Activities**

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed, or the employee will be directed to cease this activity.

## **ITEM 12: BROKERAGE PRACTICES**

### **Selection of Brokers**

The Firm has discretionary authority to (a) buy, sell, exchange, convert or otherwise trade in any approved securities and (b) place orders for the execution of such securities transactions with or through such brokers-dealers as we may select, subject to the terms of the client's Advisory Agreement. We adhere to the restrictions of each client's investment policy, objectives and guidelines.

### **Best Execution**

The Firm recognizes its responsibility to attain best execution of trades conducted on behalf of clients. The Firm considers the following in determining best execution: access to order flow, financial stability of broker/dealer, ease of correcting errors, quality of reports, access to research, commission structure, accuracy and speed of execution. The Firm periodically assesses its broker/dealer relationships to monitor quality of executions.

### **Research and Other Soft-Dollar Benefits**

The Firm currently has no formal soft-dollar arrangements, where specific products or services are paid for with soft dollars generated for the Firm by individual trades the Firm places in client accounts. However, the custodians provide the Firm with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act").

### **Brokerage for Client Referrals**

The Firm does not receive referrals from a broker/dealer or third-party providing service to the Firm.

### **Directed Brokerage**

Some clients may choose to execute trades through broker/dealers with whom they have an existing relationship. In this instance, the Firm is less able to meet its fiduciary duty to obtain best execution for transactions executed for clients. These clients are also unable to participate in aggregated trade orders.

### **Order Aggregation**

The Firm will generally aggregate brokerage orders for its clients and allocate the securities purchased or sold among the participating accounts, with each account receiving the same terms. The proportion in which participating accounts will share transactions will be determined by the Firm on the basis of investment objectives, cash availability, expected cash and liquidity needs, and other relevant factors. The overarching principle for that allocation is that no client is intentionally favored over another client that is similarly situated.

### **Trade Errors**

Any trade errors resulting in losses in an individual client will be assumed by the Firm.

### **ITEM 13: REVIEW OF ACCOUNTS**

The Firm reviews separate accounts at least annually. Triggering factors for additional reviews would include major market moves, changes in investment objective or a client's financial circumstance. Such reviews entail looking at holdings of each portfolio and cash flows in light of each client's investment objective.

Clients with separate accounts are required to open accounts with qualified custodians, which send at least quarterly statements directly to clients. These statements show the account holdings valued as of period end and all transactions occurring during the period.

### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

The Firm pays referral fees to independent solicitors that are registered as investment advisor representatives. These solicitors are not employees, they are independent contractors. The referring party receives a percentage of our fees or may receive a fixed fee, as specified in the contract between that solicitor and the Firm, which is paid from the management fee and performance fee, as applicable, the client pays to SENSUS Wealth. All such referred clients sign a disclosure acknowledgement letter detailing this relationship and the fee arrangement. Clients pay the same fees to SENSUS Wealth regardless of whether or not they were introduced to the Firm by an outside party receiving a portion of the management fee paid to the Firm.

### **ITEM 15: CUSTODY**

Because the Firm generally has the authority to instruct the account custodian to deduct the investment management fee and the performance allocation directly from the client's account, the Firm is considered to have "custody" of client assets. Custody is defined as having any access to client funds or securities. This limited access is monitored by the client through receipt of account statements directly from the custodian. These statements all show the deduction of the management fee and the performance allocation from the account. Otherwise, the Firm may only direct the movement of funds from one account in the client's name to another such titled account but has no other access to funds.

### **ITEM 16: INVESTMENT DISCRETION**

For discretionary accounts, the Firm has full trading authority under a limited power of attorney assigned to the Firm, which is included in the investment advisory agreement. The Firm will exercise discretion in a manner that is consistent with the stated investment objectives for the account. The Firm only exercises discretion in accounts where the Firm has been authorized to do so, in writing, by the client. As a result, the Firm will determine both the type and amount of investments, to be purchased or sold on each client's behalf. The Firm follows the investment strategy as set forth in the investment advisory agreement. Clients may place restrictions on the Firm's discretion in writing. Nondiscretionary accounts are managed for clients not willing or unable to provide limited power of attorney to the Firm.

#### **ITEM 17: VOTING CLIENT SECURITIES**

We do not vote proxies for clients or assist with proxy voting decisions. Clients receive proxy voting material directly from the account custodian.

#### **ITEM 18: FINANCIAL INFORMATION**

There is no financial condition that is reasonably likely to impair the Firm's ability to meet its contractual commitments to its clients.

#### **ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Please see the brochure supplement for information regarding the Firm's owner, Daniel E. Rodriguez.

For information regarding the calculation of performance-based fees and risk to the client, please see the "Performance-based Fees and Side-by-Side Management" section of this brochure.

Neither the Firm nor its owner or officers has been involved in an award in an arbitration claim alleging damages, or an award of being found liable in a civil, self-regulatory organization, or administrative proceeding.

Neither the Firm nor any of its officers or owner has a relationship or arrangement with an issuer of securities.