



## **Form ADV Part 2A Appendix 1**

### **Item 1**

#### **Wrap Fee Program Brochure Cover Page Investment Management Program II**

Sanchez Wealth Management Group, LLC

5150 Belfort Road, Ste. 702  
Jacksonville, FL 32256  
Phone: (904) 281-9261  
Toll Free: (888) 592-1488

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**This wrap fee program brochure provides information about the qualifications and business practices of Sanchez Wealth Management Group, LLC. If you have any questions about the contents of this brochure, please contact us at (904) 281-9261. 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. Registration does not imply a certain level of skill or training.**

**Additional information about Sanchez 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**

Sanchez Wealth Management Group, LLC (“Advisor”) has not made any material changes to its ADV Part 2A Appendix 1 (“Wrap Brochure”) since its last annual amendment on March 22, 2023.

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

Sanchez Wealth Management Group, LLC (the “Firm” or “Advisor”) is a limited liability corporation formed under Florida law and is registered as an investment advisor with the Securities and Exchange Commission (“SEC”) pursuant to the Investment Advisers Act of 1940.<sup>1</sup> The Firm was established in March 2010 by Chris Sanchez, the Firm’s President and owner, and has been registered as investment advisor since November, 2013.

The Advisor uses its Proactive Holistic Wealth Management Process, to organize the client’s assets, insurance, liabilities, and estate documents to help simplify, consolidate and integrate the aspects of their financial future. The Advisor helps the client define long-term investment objectives and choose model portfolios to complement the objectives.

Advisory services include portfolio management, financial planning, and consulting services. This Wrap Brochure provides information about the Advisor and its advisory services under its wrap program. The Advisor limits this program to legacy clients. Other investment advisory services offered by the Advisor are described in detail in the Advisor’s ADV Part 2A Brochure.

### Services

Through its wrap program, the Investment Management Program II (“IMP-2”) program, the Advisor provides ongoing investment advice and management on assets in the client’s account. The Advisor develops model portfolios and invests in accordance with the target allocations of the models chosen for the client. The Advisor periodically reviews the allocation and performance of the model portfolios and reallocates the client’s account accordingly, if necessary. The Advisor provides advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds (“ETFs”), real estate investment trusts (“REITs”), equities, and fixed income securities. The Advisor provides advice that is tailored to the individual needs of the client based on the client’s investment objective. LPL acts as custodian for the client’s account and provides brokerage and execution services as the broker-dealer on account transactions, and performs administrative services, such as quarterly performance reporting to the client.

### Fees and Compensation

The client pays the Advisor a single wrap fee (“Advisory Fee”) for advisory, brokerage and trade execution services.

The Advisory Fee is based on the value of assets managed by the Advisor, calculated as a percentage of assets under management. This fee is compensation for advisory services and portfolio management fees rendered by the Advisor as well as charges for execution and transaction services provided by LPL. The Advisory Fee is negotiable between the client and the Advisor and is set out in the Investment Advisory Agreement.

There is a minimum investment of \$100,000, although the Advisor may accept smaller accounts at its discretion. The Advisor charges no more than 2.00% annually for its portfolio management services. The amount of the investment advisory fee will be set out in the Investment Advisory Agreement executed by the client at the time the relationship is established.

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<sup>1</sup> Registration does not imply a certain level of skill or training.

The Advisory Fee is negotiated on a client-by-client basis depending on the size, complexity and nature of the portfolio managed and will be set forth in the Investment Advisory Agreement. Because Advisory Fees are negotiated, not all clients will pay the same fees. The client may pay a higher or lower Advisory Fee depending on considerations such as the size of the client's account, the amount of time the client has maintained an account with the Advisor, and/or the combined market value of related portfolios. While the Advisor believes that its Advisory Fees are competitive, the client may find lower or higher fees for comparable services from other sources.

The Advisory Fee is charged quarterly in advance as a percentage of the portfolio value on the last business day of the previous quarter or the last value provided by the custodian. These asset-based fees are assessed on all billable assets under management, including securities, cash, and money market funds. The initial Advisory Fee is deducted at the end of the first quarter in which at the time the account is established at the custodian and will include the prorated amount for the initial quarter. Subsequent Advisory Fees will be assessed at the beginning of each quarter thereafter and will be based on the value of the account value as of the close of business on the last business day of the preceding quarter. At the time of a subsequent Advisory Fee assessment, the Advisory Fee will be adjusted for deposits and withdrawals during the prior quarter pro rata based on the asset value of the transaction and based on the fee rate in effect at the time of the assessment.

Although the client does not directly pay charges for execution and transactions, the client should be aware that from the Advisory Fee paid to the Advisor, the Advisor pays LPL up to 0.20% of the Advisory Fee for LPL related charges associated with the client's account. The Advisor retains the remaining portion as compensation for its advisory services and portfolio management. These transaction charges paid by the Advisor to LPL vary based on the type of transaction. LPL makes certain mutual funds and ETFs available to the Advisor for no transaction fee ("NTF Securities"). Because the Advisor pays the execution and transaction charges, the client should understand that the Advisor has a financial incentive to select NTF Securities to avoid paying or to lower its transaction charges. The client should consider this conflict when monitoring purchases in their accounts in recognition of the overall fee and other arrangements with the Advisor for management of their accounts. All such conflicts can have an impact on the investment performance of the client's account.

The client should be aware that the Advisor offers similar services through its Investment Management Program I. However, brokerage and trading costs are not included in the advisory fee. The client should be aware that depending on trading activity in the account, the client could benefit from selecting the Investment Management Program I and paying brokerage and transaction costs separately.

The Advisor instructs LPL to deduct the Advisory Fee quarterly in advance from the client's brokerage account, unless other arrangements are set forth in the Advisory Agreement. If the Advisory Agreement is terminated before the end of the quarterly period, the Advisor will refund any pre-paid quarterly Advisory Fee on a prorated basis, based on the number of days remaining in the quarter after the termination date. However, if the account is closed within the first six (6) months by the client or as a result of withdrawals that bring the account value below the required minimum, the Advisor reserves the right to retain the pre-paid quarterly Advisory Fee for the current quarter in order to cover the administrative costs of establishing the account (for example, the costs related to transferring positions in and out of the account, data entry in opening the account, reconciliation of positions in order to issue quarterly performance reports, and re-registration of positions).

The client has the right to terminate the Advisory Agreement for investment advisory services without penalty within five (5) business days after entering into the Advisory Agreement. Thereafter, the Advisory Agreement will terminate upon the Advisor's receipt of the client's written notice. The Advisor may terminate providing investment advisory services upon written notice of termination to the client or upon the occurrence of certain events as described in the Advisory Agreement.

After the termination date, the Advisor has no responsibility to provide ongoing investment advice to the client.

#### *Other Types of Fees and Expenses*

In addition to the Advisory Fee, which includes LPL's execution and transaction costs, LPL charges additional cost directly to the client. LPL will notify the client of these charges at account opening and makes available a list of these charges on its website at [www.lpl.com](http://www.lpl.com). LPL's charges can include:

- An additional \$10 quarterly fee at the end of the quarter for accounts with assets valued at less than \$100,000.
- An annual alternative investment administrative fee of \$35 per position, subject to a maximum of \$100 per account per year for accounts that hold hedge funds, managed futures and/or REITs.
- Margin interest on any credit extended to or maintained by the client for an account approved for trading on margin and the client has entered into a margin agreement with LPL. LPL will retain a portion of any interest charged. This interest charge is in addition to the Advisory Fee. The Advisory Fee is not charged on any margin debit balance, rather only on the net equity of the account.
- The client will also pay LPL other miscellaneous administrative or custodial-related fees and charges that relate to an IMP-2 program account.

#### *Fees Charged by Third Parties*

There are other fees and charges that are imposed by parties other than the Advisor (third-parties) that apply to investments in IMP-2 program accounts.

If the client's assets are invested in mutual funds or other pooled investment products, the client should be aware that there will be two layers of advisory fees and expenses for those assets. The client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. In the case of mutual funds that are fund of funds, there could be an additional layer of fees, including performance fees that may vary depending on the performance of the fund. The client will also pay the Advisor the Advisory Fee with respect to those assets. Most of the mutual funds available in the program can be purchased directly. Therefore, the client could generally avoid the second layer of fees by not using the advisory services of LPL and the Advisor and by making their own decisions regarding the investment.

If the client transfers a previously purchased mutual fund into an IMP-2 program account, and there is an applicable contingent deferred sales charge on the fund, the client will pay that charge when the mutual fund is sold. If a mutual fund has a frequent trading policy, the policy can limit the client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting).

Although LPL makes available no-load and load-waived mutual funds to IMP-2 program accounts, LPL receives asset-based sales charges or service fees (e.g., 12b-1 fees) from certain mutual funds. LPL retains the fees and does not share the fees with the Advisor.

If the client holds a variable annuity as part of an IMP-2 program account, there are mortality, expense and administrative charges, fees for additional riders on the contract, and charges for excessive transfers within a calendar year imposed by the variable annuity sponsor. If the client holds a REIT as part of an account, there are dealer management fees and other organizational, offering and pricing expenses imposed by the REIT. If the client holds a UIT in the IMP-2 account, UIT sponsors charge creation and development fees, or similar fees. Further information regarding fees assessed by a product sponsor is available in the appropriate prospectus or offering document, which is available upon request from the Advisor or from the product sponsor directly.

### *Important Things to Consider About Fees on an IMP-2 Program Account*

The Advisory Fee is an ongoing wrap fee for investment advisory services which includes the cost of the execution of transactions and other administrative and custodial services. The Advisory Fee may cost the client more than purchasing the services separately; for example, paying an advisory fee plus commissions for each transaction in the account. Factors that bear upon the cost of the IMP-2 program account in relation to the cost of the same services purchased separately include the:

- type and size of the account
- historical and or expected size or number of trades for the account, and
- number and range of supplementary advisory and client-related services provided to the client.

The Advisor receives compensation as a result of the client's participation in the program, which may be more than what the client would pay to another investment advisory firm.

The Advisor may make amendments to the fee schedule, including negotiated fees, at any time with at least thirty (30) days written notice to the client.

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

There is a minimum investment of \$100,000 although the Advisor may accept smaller accounts at its discretion. The IMP-2 program account is available for individuals, IRAs, pension and profit-sharing plans, including plans subject to Employee Retirement Income Security Act of 1974 ("ERISA"), trusts, estates, charitable organizations, corporations and other business entities.

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

The Advisor provides the client investment advice and management in the IMP-2 program account.

LPL calculates the performance for the IMP-2 program account and delivers to the client, individual quarterly performance reports, which provides performance information on a time weighted basis. LPL performance reports are intended to inform the client as to how their investments have performed for a period, both on an absolute basis and compared to leading investment indices. The Advisory periodically reviews LPL's performance reports for accuracy.

The Advisor offers other types of advisory programs, including portfolio management, consulting and financial planning advisory services. Other portfolio management advisory services provided by the Advisor are similar to the IMP-2 account, in that the Advisor provides the investment advice and management to the client, except that the client pays transaction charges directly to the broker-dealer custodian rather than the

Advisor. Other investment advisory services offered by the Advisor are described in detail in the Advisors ADV Part 2A Brochure.

The Advisor has an incentive to recommend the client use it, rather than another portfolio manager because it will retain the advisory fee, therefore, it will receive higher compensation than if it recommended a non-affiliated portfolio manager. The Advisor manages this conflict by providing investment advisory services that are in the client's best interests.

### Investment Discretion

The Advisor provides advisory services on a discretionary basis for the purchase and sale of securities in the IMP-2 program. The client authorizes the Advisor to use discretion pursuant to the Investment Advisory Agreement.

### Methods of Analysis and Investment Strategies

The Advisor's investment strategies include both strategic and tactical asset allocation as well as an unconstrained approach. All of the Advisor's strategies begin with a top-down macroeconomic view of the capital markets and capital trends. The Advisor constructs portfolios based on its views of those markets over three (3) to five (5) year time horizon, but with watchful eye on how short-term events impact risk. Strategic and Tactical allocation models stay largely invested at all times, while the unconstrained approach will utilize cash as a defensive tool during periods of high volatility and/or risk. The Advisor will also utilize hedging strategies where appropriate.

Resources include multiple third-party independent research (both paid and non-paid), economic conferences, due diligence meetings, and technical analysis. The Advisor considers factors that include, but are not limited to market trend analysis, valuation considerations, capital fund flows, current economic conditions, and prevailing foreseeable risks and/or conflicts.

The clients is advised and should understand that:

- investing in securities involves risk of loss that the client should be prepared to bear;
- asset allocation does not ensure profit or protect against loss;
- there is no guarantee that model portfolio allocations will produce the desired results. The results will depend upon the ability of the portfolios to achieve the investment objectives;
- past performance is not a guarantee of future results;
- market conditions, interest rates, and other investment related risks may cause losses in their portfolio;
- risk parameters established for the portfolio are guidelines only – the selected risk parameters may be exceeded and index comparisons may outperform the portfolio;
- their portfolio's value is subject to a variety of factors, such as liquidity and volatility of the securities markets;
- the investment objective selected for the IMP-2 program is an overall objective for the entire account and may be inconsistent with a particular holding and the account's performance at any time;
- achievement of the stated investment objective is a long-term goal for the account; and
- there may be a higher level of risk with inverse ETFs because to accomplish their objectives, they may pursue a range of investment strategies through the use of swaps, futures contracts and other derivative instruments.



The Advisor's advisory services include portfolio management, financial planning, and consulting services. The Brochure provides information about the Advisor and its advisory services.

The Advisor provides advisory services for the following types of investments: equity securities, warrants, options, debt securities, REITS, mutual funds, closed end funds, exchange traded funds, unit investment trusts, private placements, limited partnerships, structured products, and alternative investments.

#### Performance-Based Fees

The Advisor does not accept performance-based fees, which are fees based on a share of capital gains or appreciation of the assets of the client.

#### Side-By-Side Management

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

The Advisor does not participate in side-by-side management.

#### Voting Client Securities

The Advisor does not vote proxies on behalf of the client's securities. The client maintains exclusive responsibility for (i) directing the manner in which proxies solicited by issuers of securities they beneficially own will be voted, and (ii) making all elections relative to mergers, acquisitions, tender offers, bankruptcy proceedings or other types of events pertaining to the client's investments.

The Advisor does not render advice to or take any actions on behalf of the client with respect to any legal proceedings, including bankruptcies and shareholder litigation, to which any securities or other investments held in the client's account, or the issuers thereof, become subject, and does not initiate or pursue legal proceedings, including without limitation shareholder litigation, on behalf of the client with respect to transactions, securities or other investments held in the client's account. The right to take any actions with respect to legal proceedings, including shareholder litigation, with respect to transactions, securities or other investments held in a client account is expressly reserved to the client.

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

The Advisor obtains the client's financial information, risk tolerance and investment objectives to determine the investments in the client's IMP-2 account. The Advisor will contact the client periodically to review the client's IMP-2 program and determine whether there have been any changes to the client's situation.

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

No restrictions are placed on the client's ability to contact and consult with the Advisor regarding the IMP-2 program.

## Item 9 Additional Information

### Disciplinary Information

Registered investment advisors are required to disclose specific information related to certain legal or regulatory events that may be material to choosing an advisor. The Advisor and its Covered Persons have not been the subject of any material legal or disciplinary proceedings.

### Other Financial Industry Activities and Affiliations

Investment advisor representatives (“IAR”) of the Advisor are Dually Registered Persons with LPL Financial (“LPL”). LPL Financial is a broker-dealer that is independently owned and operated and is not affiliated with the Advisor. Please refer below for a discussion of the benefits the Advisor may receive from LPL Financial and the conflicts of interest associated with receipt of such benefits.

For non-advisory accounts held at LPL, a Sanchez Wealth Management Group, LLC IAR receives commissions on securities transactions as a registered representative through their affiliation with LPL. Also as a result of this relationship, LPL has access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about the client even if the client does not establish any account through LPL. If you would like a copy of the LPL privacy policy, please contact the Advisor. Notwithstanding the IARs’ affiliation with LPL, the Advisor is solely responsible for the investment advice rendered. Advisory services are provided separately and independently of the brokerage services the IARs offer through LPL unless otherwise disclosed.

The potential for the receipt of commissions or advisory fees gives an IAR an incentive to recommend an investment or investment services based on the compensation received, rather than on the client’s needs. The Advisor addresses these conflicts by disclosing this potential conflict to the client to assure that their interests are considered; and IARs must recommend securities products that are suitable for the client. Further, IARs do not earn commissions on the sale of securities or investment products recommended or purchased in advisory accounts. The client may direct any questions regarding the compensation the IAR receives for recommending a product to the IAR. The client is under no obligation to purchase investment products through the IAR.

IARs are insurance licensed in one or more states and may recommend the purchase of insurance products through an affiliated company of LPL or other insurance companies and agencies. The IAR will receive commissions for the sale of such insurance products. The IAR’s ability to receive commissions from the sale of insurance products presents a conflict of interest in that it gives an incentive to recommend a particular insurance product over a different insurance product or a different investment which is based on the compensation received, rather than on the client’s needs. The Advisor addresses these conflicts by disclosing the potential conflict to the client to assure that the client’s interests are considered.

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

Sanchez Wealth Management Group, LLC has adopted a Code of Ethics (“Code”) pursuant to industry standards. The Code is predicated upon serving the best interest of the client. All Covered Persons must at all times reflect the professional standards expected of those engaged in the investment advisory business and shall act within the spirit and the letter of the federal, state, and local laws and regulations pertaining to investment advisors and the general conduct of business. These standards require all personnel to be

judicious, accurate, objective, and reasonable in dealing with both the client and other parties so that their personal integrity is unquestionable.

The Code of Ethics is certified annually with Covered Persons of the Firm. For a copy of the Code of Ethics, a written request should be sent to 5150 Belfort Road, Ste. 702, Jacksonville, FL 32256, attention: Chris Sanchez.

On occasion, the Advisor buys or sells securities that it recommends to the client or may recommend securities transactions in which the Advisor or its Covered Persons has some financial interest. This practice would create a conflict of interest if the transactions were structured to trade on the market causing an impact on recommendations made to the client. The Chief Compliance Officer will review a Covered Person's personal transactions on a quarterly basis. The Advisor's Code of Ethics requires pre-approval of personal transactions in some cases. The Advisor believes that it has adopted sufficient controls so that personal transactions are consistent with advice given to the client.

#### Review of Accounts

LPL will deliver account statements at least quarterly that will include a summary of the client's account performance. Portfolio performance summaries will provide historical information regarding the client's investments and should not be relied upon as predictive of future performance.

The value of securities held in the client's portfolio will be valued by the custodian, broker-dealer, or other investment vendor. Some investments, such as alternative investments or private placements values are based upon the value provided by the investment's manager, which may be monthly and/or quarterly, but not less than annually. Often these values are estimates made by the alternative investment's manager and may not be the liquidation value.

The President reviews the client's account activity no less than quarterly. The level of review is determined by the complexity of the portfolio at the discretion of the Advisor's President. Other factors that may trigger review are changes in economic or market conditions and individual client situations.

#### Client Referrals and Other Compensation

The Advisor acts as a referral agent to third-party investment advisor firms and receives referral compensation from such investment advisor firms. Disclosure regarding the compensation to be received from these referral relationships is made to the client at the time of the referral.

The Advisor and/or its Dually Registered Persons are incented to join and remain affiliated with LPL Financial and to recommend that the client establish accounts with LPL Financial through the provision of Transition Assistance (discussed in above and the IAR's ADV Part 2B Brochure Supplement).

The Advisor endeavors at all times to put the interests of the client first. The client should be aware, however, that the receipt of economic benefits by the Advisor or its related persons in and of itself creates a potential conflict of interest.

#### Research & Other Soft Dollar Benefits

The client will establish brokerage accounts with LPL to maintain custody of the client's assets and to effect

trades for the client's accounts. LPL is not affiliated. LPL provides brokerage and custodial services to independent investment advisory firms, including the Advisor. For the Advisor's accounts custodied at LPL, LPL generally is compensated by the client through commissions, trails, or other transaction-based fees for trades that are executed through LPL Financial or that settle into LPL accounts. For IRA accounts, LPL Financial generally charges account maintenance fees. In addition, LPL also charges clients miscellaneous fees and charges, such as account transfer fees. Such administration fees are not directly borne by the client but may be taken into account when the Advisor negotiates its advisory fee with the client.

LPL also makes available to the Advisor other products and services that benefit the Advisor but may not directly benefit the client's account(s). Many of these products and services may be used to service all or some substantial number of the client's account(s), including (an) account(s) not maintained at LPL.

Services provided by LPL to the Advisor include research (including mutual fund research, third-party research, and LPL's proprietary research), brokerage, custody, and access to mutual funds and other investments that are available only to institutional investors or those that would require a significantly higher minimum initial investment. In addition, LPL makes available software and other technologies that provide access to the client's account data (such as trade confirmations and account statements), to facilitate trade execution, provide research, pricing information, quotation services, and other market data, assist with contact management, facilitate payment of fees to the firm from the client's account, assist with performance reporting, facilitate trade allocation, and assist with back-office support, record-keeping, and client reporting. LPL also provides access to financial planning software, practice management consulting support, best execution assistance, consolidated statements assistance, marketing and educational materials, technological and information technology support, and LPL corporate discounts. any of these services are used to service all or a substantial number of the Advisor's accounts.

LPL provides the Advisor with other services intended to help the Advisor manage and further develop its business. Some of these services assist the Advisor to better monitor and service program accounts maintained at LPL Financial. However, many of these services benefit only the Advisor; for example, services that assist the Advisor in growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate; and include practice management-related publications, consulting services, attendance at conferences and seminars, meetings, and other educational and/or social events, marketing support, and other products and services used by the Advisor in furtherance of the operation and development of its investment advisory business. LPL provides other benefits such as educational events or occasional business entertainment of the Advisor's personnel.

In evaluating whether to recommend the client should custody assets at LPL, the Advisor may take into account the availability of some of the foregoing products, services, and other arrangements as part of the total mix of factors it considers and not solely the nature, cost, or quality of custody and brokerage services provided by LPL, which create a potential conflict of interest.

The Advisor addresses this conflict by conducting quarterly reviews of a sampling of execution quality and annual reviews of commission rates, trade error rates, quality of client reporting, block trading, reputation, and financial strength of the broker-dealer. The quarterly and annual reviews include a comparison to other industry participants offering the same or similar services.

The Advisor subscribes to research and other web-based services published by Natixis Global Asset Management ("Natixis") and Blackrock Model Portfolios. BlackRock and Natixis do not charge the Advisor a

subscription fee for services, however model portfolios may include recommendations for investment products offered or managed by BlackRock, Inc., including iShares and BlackRock Mutual Funds or Natixis. The Advisor may attend user conferences sponsored by these companies and have access to consultants for which they do not charge the Advisor. Because BlackRock, Inc. and Natixis affiliates earn revenue from investments in their respective investment products, they do not charge the Advisor fees for these services. These discounts create a conflict of interest for the Advisor.

### Custody

The Advisor does not maintain custody of the client's assets. LPL will send quarterly account statements to clients. The Advisor urges clients to compare statements received from LPL or any other custodians with any reports the Advisor may provide. If there are any differences, please contact the Advisor immediately for resolution.

Neither the Advisor nor its associated persons will accept delivery of the client's securities or funds in the name of the Advisor or its associated person.

### Financial Information

The Advisor has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to the client nor has it been the subject of a bankruptcy proceeding.