

**Item 1 – Cover Page**

The Gensler Group

Firm Brochure  
(Form ADV Part 2A)

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March 30, 2016

**The brochure provides information about the qualifications and business practices of The Gensler Group (“Advisor”). If you have any questions about the contents of this brochure, please contact us at 619-554-1300 or Dan@GenslerGroup.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**The Gensler Group is a registered investment advisor. Registration does not imply any level of skill or training.**

**Additional information about The Gensler Group also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). This site can be searched by using Advisor’s name or by an identification number known as the CRD Number. Our CRD Number is 110543.**

## **Item 2 – Material Changes**

This brochure is dated March 30, 2016. The following identifies the material changes made to our brochure since the date of our last annual update and brochure revision dated June 15, 2015.

- Updated value of assets under management. (Item 4)

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## **Item 4 – Advisory Business**

Daniel G. Gensler doing business as The Gensler Group (“Advisor”, “we” or “our”) offers personalized investment advisory services to clients in the form of asset management and financial planning. The Advisor has been in business since January of 1996, and is owned by Daniel G. Gensler.

### **Gensler Group Asset Management Program**

We offer the Gensler Group Asset Management Program (referred to as “Program” in this brochure), an asset allocation program based on the individual needs of the client. Through this service, we offer you a customized and individualized investment program. Understanding your personal situation is very important to the services we provide. Therefore, we will have detailed discussions with you to understand your current financial situation and investments, goals, risk tolerance and investment objectives. A specific asset allocation strategy is crafted to focus on your specific goals and objectives. You may be asked to complete a confidential questionnaire in order to help define the risk tolerance and investment objective for your account. We may also create a financial plan or provide financial planning services to you as part of our engagement to manage your Program account. We primarily use no-load or load-waived mutual funds as the investment vehicle in managing your accounts; however we may also assist you with transactions in equity securities, fixed income securities, variable annuities, options, or alternative investments.

In order for us to manage your assets, you will be required to establish a Program account in your name at LPL Financial (“LPL”), a registered broker/dealer and custodian. LPL provides clearing, custody and other brokerage services for accounts established through the Program. Therefore, you will be required to establish a brokerage account in your name through LPL. You retain all rights of ownership of your accounts (e.g., right to withdraw securities or cash, vote proxies, and receive transaction confirmations). In addition, you have the ability to impose restrictions on investing in certain securities or types of securities.

Program accounts allow you to authorize us to manage your account on either a discretionary or non-discretionary basis. As of December 31, 2015, we manage \$151,515,077.00 of client assets on a discretionary basis and no client assets on a non-discretionary basis.

In order to hire us to provide investment management services, you will be required to enter into a written investment advisory agreement with us setting forth the terms and conditions, including the amount of investment advisory fees, under which we will manage your assets. You will also be required to enter into a separate brokerage account application with LPL.

### **Financial Life Navigator Planning Services**

For clients that wish to engage us separately for financial planning services, our **Financial Life Navigator** planning process is designed to discover and empower clients (“client”, “you” or “your”) to embrace your financial future. The process begins with a complimentary, no-obligation conversation to mutually determine if there is a good fit and to identify where value

can be added. We will explain how our firm operates, answer any of your questions and then we mutually agree if/how to proceed.

Once we have decided to proceed together, we will work to develop a thorough understanding of the various dimensions of your financial life. This part of the process will focus on the life goals that are important to you. The intent here is to genuinely explore goals and aspirations which we use as the foundation for the plan.

The next step is to gather the financial facts and details needed to craft the financial plan. We collect and examine information on your investments, retirement assets, business interests, liabilities, taxes, risk exposure, estate plans, and so on. After we complete the input and analysis, we present and review the financial plan with you.

Following review and approval of the financial plan, we mutually agree upon actions and assign (or identify) responsible parties for next steps. The goal is to provide a path for success which may include service, collaboration and plan implementation.

Financial planning services will terminate upon presentation of the written plan to the client and a discussion of that plan at a review meeting. Clients may elect to engage us for financial planning maintenance on a periodic basis.

Clients are free at all times to accept or reject any of Advisor's recommendations provided in the financial plan. Should a client decide to implement any recommendations contained in their financial plan, the client may, but is under no obligation to, utilize advisory representatives associated with the Advisor to implement those recommendations.

The financial planning services described herein, do not include discretionary asset management services. To receive discretionary asset management services, client must engage Advisor through a separate written investment advisory agreement and pay a separate fee for such services. Please see description of Gensler Group Asset Management Program in this brochure for additional information.

## **Consultations**

Clients may also contract with us for consultations on any topic(s) of interest. We will together determine whether the consultations will involve one or more meetings, but you will have the final determination as to the actual length of the consultation services.

Services terminate upon completion of the requested consultations. However, either party can terminate services at any time by providing written notice to the other party. Termination will be effective immediately upon receipt of such notice. If services are terminated within five business days of signing the client agreement, services will be terminated without penalty. For agreements terminated after the five business days, you will be responsible for the time expended to the date of termination and we will provide you with a billing statement detailing the charges due.

## **Seminars**

We offer educational and informational seminars to the public at no charge. Seminars are always offered on an impersonal basis and will not focus on the individual needs of participants or include recommendations on specific investment products.

## **Newsletters and Publications**

We provide a periodic newsletter via e-mail to both current and prospective clients at no charge. All communications are general and informational in nature and there are no specific products discussed or recommended.

In addition, Advisor has and will continue to write books on industry-related topics. These publications are available for purchase and Advisor will be compensated through these sales. In addition, complimentary copies may be provided to our clients and prospective clients.

## **Item 5 – Fees and Compensation**

The specific fees you will pay will be disclosed to you prior to any services being provided.

### **Gensler Group Asset Management Program**

The annual advisory fee for asset management services is a maximum of 1.75%, and is based on a percentage of the market value of your account, including cash holdings. You can bundle household accounts in order to reach a higher account value and therefore a lower fee charge. In addition, fees may be negotiable based on various factors including, but not limited to, asset and investment holdings within the account, complexity of your financial situation and trading activity.

The amount of the advisory fee will be as agreed upon in the written investment advisory agreement between Advisor and client. Advisory fees are billed quarterly in advance and calculated as of the account's asset value on the last business day of the prior quarter. Fees for accounts opened at any time other than the beginning of a quarter will be prorated based on the number of days remaining in the initial quarter.

Advisory fees will be deducted from your accounts through a direct debit by LPL, and you must provide LPL with written authorization to debit advisory fees from your accounts and pay the fees to Advisor. LPL is responsible for calculating and debiting all fees from your accounts.

In addition to the investment advisory fee you pay to us, you will pay certain transaction charges for trade execution. We do not receive any portion of the transaction charges. These transaction charges are paid to LPL and are set out in the LPL brokerage account application.

You may also incur certain charges imposed by third parties other than Advisor in connection with investments made through the account including, but not limited to, mutual fund 12b-1 fees, mutual fund management fees and administrative expenses, mutual fund transaction fees,

deferred sales charges on previously purchased mutual funds transferred into the account, variable annuity expenses, other transaction charges and service fees, IRA and qualified retirement plan fees, administrative servicing fees for trust accounts, creation and development fees or similar fees imposed by unit investment trust sponsors, hedge fund and managed future investment management fees, managed futures investor servicing fees, fees relating to American Depository Receipts, and other charges required by law. Advisor does not receive any portion of these fees.

If your account invests in mutual funds, you should be aware that there will be two layers of fees for those investments. You will pay the mutual fund a management fee as a shareholder of the fund. You will also pay us an advisory fee for managing those assets. For those mutual funds available in the Program that may be purchased directly, you could generally avoid the additional fees by not using our management services and by making your own decisions about your mutual fund investments. Please note that Dimensional Fund Advisors Funds may not be purchased directly at this time. A description of the management fees and administrative expenses charged by mutual funds are available in each mutual fund's prospectus.

Advisory representatives of the Advisor are also separately registered as licensed securities representatives of LPL. In this capacity, the advisory representatives can sell securities to clients and receive compensation in the form of commissions and 12b-1 fees or trails. However, such compensation will not be received in connection with investments made in Program accounts.

The Program may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and we would have no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for the account or do not wish to purchase ongoing investment advice or management services, you should consider opening a commission-based brokerage account rather than a Program account.

Either party may terminate the agreement for services at any time. Upon termination, any pre-paid, unearned fees will be refunded. Termination shall be effective from the time the other party receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of advisory fees.

For additional information, please see Item 12 – Brokerage Practices.

### **Financial Life Navigator Planning Services**

The fixed fee for planning services generally ranges from \$2,750 to \$20,000. Fees are negotiable based upon the actual services provided and the complexity of your situation. Fees are due upon completion of the services, presentation of the plan and receipt of a billing statement from Advisor.

If client engages Advisor to manage a Program account and deposits at least \$1,000,000 for management within the Program account, Advisor will waive the fixed fee for financial planning services.

Either the Advisor or the client can terminate services at any time by providing written notice to the other. Termination will be effective immediately upon receipt of such notice. However, client will be responsible for paying for work completed prior to the date of termination.

Financial planning maintenance involves updating and preserving changes to a client's personal information and financial goals. Advisor will charge an annual fee for financial planning maintenance in the amount of \$1,200 per year. This fee will be billed on an annual basis. If Advisor is managing client assets in a Program account, the annual maintenance fee will be waived.

As stated above, advisory representatives of the Advisor are also separately registered as licensed securities representatives of LPL. In this capacity, the advisory representatives can sell securities to clients and receive normal and customary compensation in the form of commissions and 12b-1 fees or trails. This presents a conflict of interest in that the advisory representatives have an incentive to recommend investments when providing financial planning services that are based on the compensation that may be received rather than client needs. To address this conflict, clients are advised that they are under no obligation to use an advisory representative of Advisor for implementation of financial planning recommendations; investment products and asset management services may be purchased through other brokers or agents not affiliated with advisory representatives. In addition, to the extent that client's do subsequently hire an advisory representative of Advisor for assistance in his/her capacity as a registered representative of LPL or as an advisory representative of Advisor, additional discussions take place regarding the relationship and, in the case of opening a Program account, the client would be required to enter into a written investment advisory agreement with Advisor.

### **Consultations**

Fees for consultations are charged at a non-negotiable hourly rate as follows:

Administrative Staff Time	\$ 75
Para-Planner Time	\$150
Wealth Advisor	\$375

Fees will be billed directly to the client upon completion of the consultation services and are due upon receipt of a billing statement.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

### **Item 7 – Types of Clients**

We provide services to the following types of clients; individuals, high net worth individuals, trusts, and estates.

There is a \$500,000 minimum to establish a Program account, although exceptions may be granted to this minimum at Advisor's discretion. In addition, you can bundle household accounts (i.e., accounts of family members at the same residence) to meet the minimum account size requirement.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

We predominantly use mutual funds as the investment vehicle within Program accounts. When constructing a portfolio of mutual funds, we generally use index strategies based on efficient market theories. Index management is a financial strategy that doesn't entail any forecasting or market timing. The goal is to minimize transaction costs, maximize diversification and avoid adverse consequences of failing to correctly anticipate the future. We implement this strategy by constructing a portfolio of multiple mutual funds that are designed to track markets using an asset allocation mix based on your investment objective for the Program account. By tracking the market, a portfolio is highly diversified, has low turnover and low internal mutual fund management fees.

At this time we predominately use Dimensional Fund Advisors (DFA) mutual funds in constructing portfolios. There are a variety of different DFA mutual funds that are used including, but not necessarily limited to US equity funds, international equity funds (including emerging market funds), real estate funds, and fixed income funds. The particular DFA funds that your Program account will invest in depend upon your investment objectives, level of risk tolerance, sensitivity to taxes, and other factors. The overall portfolio composition will have a tilt to small company stocks and value stocks, as history tells us over long periods of time, these areas tend to perform better. Of course, past performance does not guarantee future success. As a result, this will expose the Program account to greater risk than an account invested in lesser amounts of small cap and value oriented mutual funds.

There are risks associated with investing in securities. The following highlights some of the risks associated with the types of investments that may be purchased for your account:

- Investing in international markets presents additional risks including currency fluctuations, the potential for diplomatic and political instability, regulatory and liquidity risks and foreign taxation among others. The risks of foreign investing are generally greater in emerging markets.
- High yield bonds carry greater risks than bonds rated as investment grade. For example, they are issued by organizations that do not qualify for an investment grade rating by one of the rating agencies because of the potential for higher default by the issuer. Another risk is that further financial difficulties by the issuer may result in a decrease in the market value, and this may make it impossible to liquidate the bond prior to maturity.

Although we do not typically recommend investing in individual equities within Program accounts, upon client request we may also assist clients with analyzing existing stock holdings to determine appropriate levels of concentration. When conducting such analysis we use a fundamental approach. This means that we review the business overall by reviewing its financial



statements and financial health, its management and competitive advantages, and its competitors and markets.

We use a variety of sources of data to conduct our economic, investment and market analysis, such as financial newspapers and magazines, economic and market research materials prepared by others, corporate rating services, annual reports, prospectuses, and company press releases.

Investing in securities involves risk of loss that clients should be prepared to bear.

For information regarding the strategy used to develop financial planning advice, please refer to the discussion under Financial Planning in Item 4 of this brochure.

### **Item 9 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our advisory business or the integrity of our management. We have no information applicable to this Item.

### **Item 10 – Other Financial Industry Activities and Affiliations**

Advisory representatives of the Advisor are separately registered as licensed securities representatives of LPL. In this capacity, the advisory representatives can sell securities to clients and receive compensation in the form of commissions. Client's purchasing securities from an advisory representative in his capacity as a licensed securities representative will receive certain disclosure documents (e.g., prospectus, brokerage account agreement) when conducting such transactions.

LPL's parent company, LPL Investment Holdings, Inc., is a publicly traded company with shares listed on The NASDAQ Global Select Market under the trading symbol "LPLA". Mr. Gensler is a shareholder of LPLA.

Advisory representatives of the Advisor are also licensed as independent insurance agents. In this capacity, the advisory representatives can sell insurance products to clients and receive compensation in the form of commissions. Client's purchasing insurance from advisory representatives will receive certain disclosure documents (e.g., prospectus) and complete an insurance application process when conducting such transactions.

### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

All investment advisors are required to establish, maintain and enforce a Code of Ethics. We have established a Code of Ethics that will apply to all of our associated persons. An investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of its clients at all times. We have a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for our Code of Ethics, which also covers our insider-trading and

personal securities transactions policies and procedures. We require all supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and when changes occur, all supervised persons will sign an acknowledgment that they have read, understand and agree to comply with our Code of Ethics. We have the responsibility to make sure that the interests of all clients are placed ahead of our interests or the supervised person's own investment interests. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. We must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect the duty of complete loyalty to all clients. This disclosure is provided to give you a summary of our Code of Ethics. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

It is our policy not to affect any principal transactions for your account. Principal transactions are generally defined as transactions where an investment advisor, acting as principal for its own account, buys from or sells any security to any advisory client. We will also not cross trades between your account and the account of another client.

Advisor and its advisory representatives may buy or sell securities for our personal accounts identical to those recommended to clients. This creates a potential conflict of interest. It is our express policy that all persons associated in any manner with us must place the interests of clients ahead of their own when making personal investments. In addition, we require that client transactions be placed before our own transactions. We monitor trading by our associated persons.

## **Item 12 – Brokerage Practices**

Advisor requires that clients direct LPL as the sole and exclusive broker/dealer to execute transactions for Program accounts. LPL is not paid a commission for executing transactions. Because advisory representatives of Advisor are licensed with LPL, this presents a conflict of interest. Clients should understand that not all advisors require their clients to direct brokerage. By requiring the client to select LPL, clients may be unable to achieve the most favorable execution of client transactions. Therefore, directed brokerage may cost clients more money.

Advisor may receive support services and/or products from LPL, which assist Advisor to better monitor and service client accounts maintained at LPL. These support services and/or products may be received without cost, at a discount, and/or at another negotiated rate, and may include the following:

- investment-related research
- pricing information and market data
- software and other technology that provides access to client account data
- compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support

- computer hardware and/or software
- other products used by Advisor in furtherance of its investment advisory business operations

Clients do not pay more for services as a result of this arrangement. Advisor makes no corresponding commitment to LPL or any other entity to invest any specific amount or percentage of a client's assets in any specific securities or programs as a result of this arrangement.

You are free to select any broker/dealer you wish in order to implement the financial planning of consulting advice we give you. If you wish to have one of our advisory representatives implement the advice in their separate capacity as registered representatives, LPL will be used. Certain advisory representatives are registered representatives of LPL and are required to use the services of LPL when acting in this capacity. LPL has a wide range of approved securities products for which it performs due diligence prior to selection. LPL's registered representatives are only permitted to sell these products. Commissions charged for these products may be higher or lower than commissions you may be charged if you purchased the investment products through another broker/dealer.

Given the individual nature of our asset management services, as well as the fact that we invest primarily in DFA mutual funds and not individual equities, we do not aggregate transactions in Program accounts for one client with other clients.

### **Item 13 – Review of Accounts**

If you have established Program accounts and have also received a financial plan, you can have your plan reviewed at any meeting with us and can receive an update to that plan at least annually. Reviews and updates are provided at no additional charge to you.

If you have not established Program accounts but have engaged Advisor for financial planning maintenance, you can have your plan reviewed throughout the year.

If you have not established Program accounts and have received a financial plan without financial planning maintenance, we suggest that you have your financial situation reviewed at least annually. If you elect to have this review and update, you will be required to sign a new client agreement and we may charge you additional fees.

All Program accounts, such Program accounts are reviewed at least quarterly.

During any month that there is activity in the Program account, you will receive a monthly account statement from LPL showing account activity as well as positions held in the account at month end. Additionally, you will receive a confirmation of each transaction that occurs within the Program account unless the transaction is the result of a systematic purchase, redemption or exchange. You will also receive a detailed quarterly report showing performance, positions and activity from LPL. All account data and statements are also available on-line through the LPL Account View portal.

Program account reviews can also be triggered upon your request, a change in your circumstances, unusual market activity or unusual economic conditions. Advisory representatives each review their own accounts although we may also review accounts as a group. Absent specific instructions from you, account reviews include confirming account holdings, checking proper allocations and making sure investments are still working toward your goals and objectives.

#### **Item 14 – Client Referrals and Other Compensation**

We may also enter into agreements with solicitors (referring parties) to refer clients to us. If a client is referred to us by a solicitor, the solicitor will provide the client with a copy of this disclosure brochure. The client will also receive a copy of the solicitor disclosure statement as required.

If a referred client enters into an investment advisory agreement with us, a cash referral fee is paid to the referring party that is based upon a percentage of client advisory fees generated. This referral relationship will not result in clients being charged any fees over and above the normal fees charged for the advisory services provided.

As a result of our relationship with LPL, we may also receive production bonuses, stock options, and other things of value such as free or reduced-cost attendance at LPL's national sales conference or top producer forums and events. Production bonuses and awards for conference attendance are based on overall business produced by us and do not favor one product or program over others. The awarding of stock options is based on total production, recurring revenue and growth rate of production. Advisory fees for Program accounts are considered recurring revenue and, thus, there may be a financial incentive for us to recommend that you establish Program accounts so that we will receive recurring revenue and possibly receive stock options from LPL.

#### **Item 15 – Custody**

We do not have custody of your funds or securities. Custody for all Program accounts is maintained by LPL, a qualified custodian. You will receive account statements directly from LPL at least quarterly. We encourage you to carefully review these statements when you receive them. In addition, LPL will provide you with performance reports for your accounts on our behalf.

We may provide you with customized reporting of your account from time to time upon request. Please keep in mind that these reports do not take the place of or otherwise replace the official statements you receive from the custodian of your Program account assets.

#### **Item 16 – Investment Discretion**

Upon receiving written authorization from you in our investment advisory agreement, we may provide discretionary investment advisory services for your accounts. Discretionary authority is limited in that we will only be given discretionary trading authority. This authority will allow us

to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

We will not have access to your funds and/or securities with the exception of having advisory fees deducted from your account and paid to us by the account custodian. Any fee deduction will be done pursuant to your prior written authorization provided to LPL.

#### **Item 17 – Voting Client Securities**

We do not have the authority to and will not vote proxies on your behalf. You will receive proxy related information directly from your account custodian or a third-party vendor hired by the custodian. We will not be providing you with this information. You should read through the information provided with the proxy-voting documents and make a determination based on the information provided. It is your ultimate responsibility for making all proxy-voting decisions.

#### **Item 18 – Financial Information**

We are required in this Item to provide you with certain information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet our contractual or fiduciary commitments to clients, and we have not been the subject of a bankruptcy petition.