



**FORM ADV, PART 2A
APPENDIX 1
WRAP FEE PROGRAM BROCHURE**

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This wrap fee program brochure (“**Brochure**”) provides information about the qualifications and business practices of Detalus Advisors, LLC. If you have any questions about the contents of this Brochure, please contact Clint Lewis, Chief Compliance Officer, at 314-997-3191 or clewis@detalus.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about Detalus Advisors, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Item 2. Material Changes

None.

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Item 4. Services, Fees and Compensation

Description of Adviser

Detalus Advisors, LLC (“**Adviser**”) is an SEC-registered investment adviser with its principal place of business located in St. Louis, Missouri. Adviser began conducting business in 2001 under the name Hancock Investment Advisors. Manchester Holdings, LLC, the sole owner of Adviser, is majority-owned by the following individuals: Steven M. Rull, Joseph D. Garea, and Clinton J. Lewis.

Description of Services

Adviser has partnered with Marstone, LLC (“Marstone”), an SEC-registered investment adviser, to provide online financial management of client accounts through a secured internet portal (the “Program”). The Program offers discretionary account management using various model portfolio strategies (each, a “Strategy”) that invest primarily in exchange-traded funds (“ETFs”).

When a client signs up for the Program, the client will be required to complete an online questionnaire that is designed to determine the client’s investment goals, investment horizon, and risk tolerances, and ultimately the appropriate Strategy for the client.

Subject to Adviser’s oversight, Marstone acts as subadviser to the program, and is responsible for managing each client’s account in accordance with the selected Strategy.

Fees and Compensation

Program Fee

Program clients pay Adviser an annual asset-based fee of 0.68% (the “**Program Fee**”) for participating in the Program. The Program Fee includes investment management, brokerage, execution, and custody services.

Fees are payable quarterly in advance based upon the market value of the Account on the last business day of the previous quarter. The date funds and/or securities are delivered to the Custodian will determine the date on which the first quarterly fee will be due and payable. Fees will initially be prorated to the end of the first calendar quarter. The Adviser is authorized to deduct the Program Fee directly from each Program client’s account. A prorated Program Fee will be charged or credited for any partial period.

The Program Fee may cost a client more or less than the cost of purchasing investment management, brokerage, execution, and custody services separately. In evaluating the cost of the Program, clients should consider: (1) the amount of the Program Fee; (2) the level of trading activity in the client’s account; and (3) the cost of investment management, brokerage, execution, and custody services provided in connection with the Program if purchased separately.

Adviser may, in its discretion, waive or reduce the Program Fee for certain clients.

Fees Paid to Marstone

Out of the Program Fee, Adviser pays Marstone an asset-based annual fee of 0.05% for its subadvisory services and portfolio management of client accounts.

Other Fees and Expenses

The Program Fee does not include any internal fees and expenses charged by ETFs and/or mutual funds in which a client’s assets may be invested. Fees charged by ETFs and mutual funds generally include management fees, brokerage expenses, administrative expenses, and legal expenses. Clients may also be required to pay certain additional fees to transfer money to, or out of, their Program account (such as wiring fees or transfer/closing fees).

Certain Conflicts of Interest

Adviser's parent company, Manchester Holdings, LLC, and its majority partners own a minority interest in Marstone, and thus have an interest in Marstone's financial success. This relationship with Marstone creates a conflict of interest because Adviser has an incentive to recommend that clients participate in the Program based on the interests of Adviser's parent company and its majority partners in the financial success of Marstone rather than based solely on a client's best interests. Adviser addresses this conflict by disclosing its relationship with Marstone to Program clients and potential clients.

In addition, because Adviser receives the Program Fee paid by clients, it has an incentive to recommend the Program to potential clients. The amount of fees Adviser receives from clients participating in the Program may be more than what Adviser would receive from the client if the client participated in Adviser's other separate account management programs, and thus Adviser may have an incentive to recommend the Program over other services provided by Adviser.

Item 5. Account Requirements and Types of Clients

Account Minimum

Adviser has established a minimum initial account value for new Program accounts of \$5,000, which Adviser may waive in its discretion.

Types of Clients

Program clients typically include individuals (including accounts jointly owned by spouses) and traditional IRA and Rollover IRA accounts.

Item 6. Portfolio Manager Selection and Evaluation

Marstone's Discretionary Investment Process

Adviser has selected and engaged Marstone to act as portfolio manager of all Program client accounts. Marstone's responsibilities with respect to the Program include:

- developing and managing the various Strategies used to manage Program client accounts, including each Strategy's construction and asset allocation;
- developing the investor questionnaire designed to elicit information about each Program client's financial situation, investment objectives and risk tolerances, and recommending the suitable strategy for the client based on this information; and
- managing Program client accounts on a discretionary basis in accordance with the selected Strategy, including executing all trades for the account and periodic rebalancing.

Current and prospective Program clients are urged to review Marstone's own Form ADV, Part 2A brochure, which is provided to each client by Marstone upon signing up for the Program. Please contact Adviser at the phone number or email address shown on the cover of this Brochure to request a free copy of Marstone's Form ADV, Part 2A brochure.

Adviser's Selection and Oversight of Marstone

Adviser selected Marstone to act as subadviser to the Program and portfolio manager of each Program account based on a number of factors, including Marstone's efficient integration with Pershing, LLC (the Program custodian), Marstone's in-depth knowledge of separate account management, and the background of Marstone's management. Other consideration included the overall cost of Marstone's services under the

Program, the internal expenses of the Marstone Strategies, and Marstone's technology for automatic rebalancing and implementation of each Strategy.

Adviser periodically reviews the quality of Marstone's services as subadviser to the Program and portfolio manager to Program accounts, including evaluating the performance of Program accounts, Marstone's rebalancing of accounts, and Marstone's other services to the Program and Program clients. Adviser may replace Marstone as subadviser to the Program and portfolio manager to Program accounts if Marstone fails to meet Adviser's expectations for services.

Adviser's parent company and its majority partners own a minority interest in Marstone. Please see *Item 4. Services, Fees and Compensation—Certain Conflicts of Interest*, above, for additional information about this relationship, including certain conflicts of interest created by the relationship and how Adviser addresses these conflicts.

Please be aware that, while Adviser may periodically review performance reports that Marstone provides to Program clients and prospective clients, Adviser does not independently verify the accuracy of these performance presentations or their compliance with any performance presentation standards. The performance information provided by Marstone to clients and prospective clients may not be calculated on a uniform or consistent basis.

Item 7. Client Information Provided to Portfolio Managers

As part of signing up for the Program, each client will be required to provide information about his or her finances, investment objectives, and risk tolerances. The client will also be required to provide certain identification information, such as the client's name, address, account number, and social security number (or taxpayer identification number). This information will be provided to both Adviser and to Marstone, and Marstone will use certain of this information in recommending a suitable Strategy for the client.

Although Adviser and/or Marstone will contact Program clients periodically, clients must promptly update the financial and other information they provided in signing up for the Program if any of this information changes by contacting Adviser at digitaladvice@detalus.com. A client's failure to timely update this information could materially impact the quality and applicability of Marstone's recommended Strategy.

Item 8. Client Contact with Portfolio Managers

Adviser and Marstone personnel who are knowledgeable about the management of Program client accounts are available for client consultation upon reasonable request. Clients are encouraged to contact Adviser at the phone number or email address on the cover of this Brochure if they have any questions about the management of their Program account.

Item 9. Additional Information

Disciplinary Information

Adviser is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of Adviser's advisory business or the integrity of Adviser's management. The following disciplinary event is related to Adviser's affiliated broker dealer, Detalus Securities, LLC, (f/k/a Hancock Securities Group, LLC). The event did not involve Adviser, its clients, or the Program. Clint Lewis was disciplined by FINRA in 2010 for failure to properly supervise an independent contractor registered representative who was acting alone in converting client funds through that contractor's outside business

activity. The contractor acted without the knowledge of Mr. Lewis and was terminated in March 2008. Mr. Lewis was fined \$5,000 and suspended from acting in any principal capacity except as options principal for 10 business days. Mr. Lewis was not part of the registered representative's fraudulent activities.

Other Financial Industry Activities and Affiliations

Adviser is under common control with the following entities:

- ***Detalus Insurance Services, LLC.*** Management personnel and related persons of Adviser are separately licensed as registered insurance agents of Detalus Insurance Services, LLC, Adviser's affiliated insurance agent.
- ***Detalus Securities, LLC.*** Management personnel and related persons of Adviser are separately licensed as registered broker representatives of Detalus Securities, Adviser's affiliated SEC registered broker-dealer.

Additionally, Adviser's parent company and its majority partners own a minority interest in Marstone. Please see *Item 4. Services, Fees and Compensation—Certain Conflicts of Interest*, above, for additional information about this relationship, including certain conflicts of interest created by the relationship and how Adviser addresses these conflicts.

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

Adviser has adopted a Code of Ethics (the "***Code***"), which sets forth ethical standards of business conduct that Adviser requires of its employees, including compliance with applicable federal securities laws. Adviser and its personnel owe a duty of loyalty, fairness and good faith towards clients, and have an obligation to adhere not only to the specific provisions of the Code but also to its guiding principles.

Adviser's Code includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by Adviser's access persons. The Code also requires the prior approval of any acquisition of securities in a limited offering (*e.g.*, private placement) or an initial public offering. It also contains oversight, enforcement and recordkeeping provisions.

Adviser's Code includes Adviser's policy prohibiting the use of material non-public information. While Adviser does not believe that it has any particular access to material non-public information, Adviser and its employees are prohibited from using non-public information in the management of their own or any client accounts. A copy of Adviser's Code is available to its advisory clients and prospective clients by contacting Adviser at the phone number or email address include on the cover of this Brochure.

Adviser's personnel may purchase, sell, or hold securities for their own accounts that are also held or have been or will be purchased or sold for Program client accounts. This presents a conflict of interest by creating opportunities for Adviser's personnel to take advantage of a client by, for example, trading ahead of a substantial pending client trade. Adviser's Code specifically prohibits Adviser's personnel from taking advantage of clients in their personal trading activities.

Review of Accounts

Client Program accounts are monitored by Adviser on a regular basis, typically quarterly. Accounts are reviewed in the context of the investment objectives and guidelines of each Strategy as well as any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Client accounts are reviewed by Clinton Lewis, Adviser's Chief Compliance Officer, and/or Betsy Ross, Compliance Operations Associate.

Client Referrals and Other Compensation

Adviser may pay referral fees to independent persons or firms (“*Solicitors*”) for introducing clients to Adviser, including clients that may participate in the Program. Adviser requires any Solicitor to provide the prospective client with a copy of Adviser’s Brochure and a separate disclosure statement that includes certain information about the solicitation arrangement.

As a matter of firm practice, the advisory fees or Program Fees paid to Adviser by clients referred by Solicitors are not increased as a result of any referral.