

## Item 1 - Cover Page (Brochure)

### Delphinus Financial Advisors, LLC



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#### **Contact Information**

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This Brochure provides information about the qualifications and business practices of Delphinus Financial Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at the phone or email listed above. 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.

Delphinus Financial Advisors, LLC is a registered investment advisor located in the Commonwealth of Massachusetts. Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an advisor provide you with information about which you determine to hire or retain an advisor.

Additional information about Delphinus Financial Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

This Item will provide a summary of any material changes made to this Brochure after the date of our last annual update, the date of which is referenced below.

We will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting us at the phone or email listed on the previous page. Brochures are provided free of charge.

Additional information about Delphinus Financial Advisors, LLC is available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Delphinus Financial Advisors, LLC who are registered as Investment Adviser Representatives.

The Firm has no material changes to report since the Firm's last ADV annual amendment update of January 31, 2024; however, since the Firm's last update, it has applied for registration with the Securities and Exchange Commission.

## Item 3 - Table of Contents

<b>Item 1 - Cover Page (Brochure)</b> .....	<b>1</b>
<b>Item 2 - Material Changes</b> .....	<b>2</b>
<b>Item 3 - Table of Contents</b> .....	<b>3</b>
<b>Item 4 – Advisory Business</b> .....	<b>4</b>
Firm Description.....	4
Advisory Services .....	5
<b>Item 5 – Fees and Compensation</b> .....	<b>5</b>
Open Retainer .....	5
General Fees and Compensation Notes.....	6
<b>Item 6 – Performance-Based Fees and Side-By-Side Management</b> .....	<b>7</b>
<b>Item 7 – Types of Clients</b> .....	<b>7</b>
<b>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss</b> .....	<b>7</b>
Methods of Analysis .....	7
Investment Strategies.....	7
Risk of Loss .....	7
<b>Item 9 – Disciplinary Information</b> .....	<b>8</b>
<b>Item 10 – Other Financial Industry Activities and Affiliations</b> .....	<b>8</b>
<b>Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b> .....	<b>8</b>
Code of Ethics.....	9
Participation or Interest in Client Transactions and Personal Trading.....	9
<b>Item 12 – Brokerage Practices</b> .....	<b>10</b>
<b>Item 13 - Review of Accounts</b> .....	<b>10</b>
<b>Item 14 - Client Referrals and Other Compensation</b> .....	<b>11</b>
<b>Item 15 - Custody</b> .....	<b>11</b>
<b>Item 16 - Investment Discretion</b> .....	<b>12</b>
<b>Item 17 – Voting Client Securities</b> .....	<b>12</b>
<b>Item 18 – Financial Information</b> .....	<b>12</b>

## Item 4 – Advisory Business

### Firm Description

Delphinus Financial Advisors, LLC (“Advisor”) is a fee-only holistic financial planning firm that specializes in providing holistic financial planning and investment advisory services to individuals and families. Advisor is owned and operated by Anthony A. Salotto, who established Delphinus Financial Advisors, LLC in January 2010. Advisor distinguishes itself from traditional investment advisory firms by serving as a trusted guide for providing clients a means to identify their personal financial objectives, find solutions to their financial problem areas, design and simplify their cash flow, perform tax planning as well as individual tax preparation, advising on financial risk and investment allocations, retirement planning, education planning, insurance, estate planning, and managing assets. All is tailored to the client’s unique objectives.

Advisor does not sell insurance or investment products, nor does it accept commission as a result of any product recommendations. Advisor does not pay referral or finder’s fees, nor does it accept such fees from other firms.

Advisor’s role is to make investment and planning recommendations. For new Open Retainer engagements, clients will execute a Limited Power of Attorney (LPOA) granting Advisor trading authority over certain client accounts. Advisor will manage these accounts on a discretionary basis meaning the Advisor will execute trades in these accounts without the client’s prior approval in accordance with client’s objectives and suitability. For certain Open Retainer client accounts where no LPOA is in place (“held away” accounts), Advisor will provide recommendations and advice that client is under no obligation to follow. The implementation of any recommendations made by Advisor for these non-LPOA accounts is the sole and exclusive responsibility of the client.

Advisor has a few legacy clients under a stand-alone Investment Management engagement. Note that with rare exceptions, stand-alone Investment Management is no longer being offered to new clients.

Advisor and client will enter into an agreement that details the scope of the relationship and responsibilities of both Advisor and client. Advice and services provided under the agreement are tailored to the stated objectives of the client.

Advisor hereby acknowledges that it is a "fiduciary" when the firm’s services are subject to the provisions of Employment Retirement Income Security Act (ERISA) of 1974, as amended. When Advisor provides investment advice regarding a retirement plan account or individual retirement account, Advisor is a fiduciary within the meaning of Title 1 of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal revenue Code, as applicable, which are laws governing retirement accounts. Advisor operates under a special rule that requires Advisor to act in the best interests of the client and not put Advisor’s interests ahead of client’s interests.

As of December 31, 2023, the Firm managed \$110,888,134 in assets on a discretionary basis.

## Advisory Services

Advisor focuses on holistic financial planning and investment advisory. Advisor believes this is best achieved through the Open Retainer service. A description of this service follows.

An Open Retainer provides holistic/comprehensive financial planning and investment management for a fixed annual fee which is recalculated annually. Client intends to enter an on-going relationship with Advisor as their trusted guide in the financial areas of their life.

The goals and objectives of each client are retrieved and documented. Recommendations provided are uniquely individual to the client and their current situation. Detailed investment advice and specific recommendations are provided as part of this process.

During the **Initial Year** there are typically 5-10 meetings covering client-relevant topics. Each topic is typically covered in a separate meeting. If requested the number of meetings may be reduced by combining several topics into longer appointments. Meetings will be held face-to-face or remotely via secure computer links and/or by telephone. Implementation services are provided as needed. Topics may include:

- Asset allocation strategies
- Education planning
- Estate planning
- Insurance analysis
- Investment strategy & selection
- Portfolio/net worth analysis
- Record-keeping
- Small business planning
- Other financial planning or financial services as requested by the client
- Budgeting and cash flow
- Employee benefit analysis
- Goal setting
- Inventory of assets
- Investment implementation
- Real estate (primary or investment)
- Retirement planning
- Tax planning & preparation

In **Renewal Years** there are typically 3-5 meetings, depending on client needs. Topics may cover the full spectrum, but will usually be grouped into meetings to cover at least:

- Investment strategy review & update
- Portfolio rebalancing
- Retirement projection
- Other financial planning or financial services as requested by the client
- Investment implementation
- Portfolio/net worth updates
- Tax planning & preparation

Other Initial Year topics are reviewed every few years, or as needed.

## Item 5 – Fees and Compensation

### Open Retainer

Open Retainer annual fees are payable monthly in advance, and are paid directly from a client's custodial investment account(s) or via credit card, with the annual fee determined as follows by the sum of two components:

Investment Management component (minimum component fee of \$5,000):

First \$2.5m of total advised on assets 0.70%

Next \$2.5m of total advised on assets 0.50%

Over \$5.0m of total advised on assets 0.30%

Plus

Tax & Planning component: a flat annual fee of \$3,000

Note that the total fee (Investment Management plus Tax & Planning) will never be less than \$8,000.

Annual fees are initially calculated and are then recalculated annually (or sooner at Advisor's discretion if substantial new assets are added). At Advisor's discretion, the fee may be adjusted based on the complexity of the overall financial situation. In no event will the Advisor require prepayment of more than \$1,200.00 in fees, for services provided six months or more in advance from any client.

*Add-ons, credits, and miscellaneous adjustments:* Additional charges may be assessed at the sole discretion of Advisor for amended tax returns and for additional tax returns prepared for dependents of the client, if applicable. Credits and miscellaneous adjustments may also be applied, as deemed appropriate, at the sole discretion of Advisor.

### General Fees and Compensation Notes

Delphinus Financial Advisors, LLC is a fee-only financial advisory firm and does not sell investment or insurance products.

For Open Retainers, fees are generally not negotiable, and are paid directly by the client as described above. The client may terminate an engagement by providing written notice within five days of signing the agreement. Additionally, either party may terminate an agreement, without penalty, upon written notice. Any prepaid but unearned fees will be promptly refunded by Advisor. Any fees that have been earned but not yet paid by client will be due and payable. Whether fees have been earned or unearned will be determined by Advisor in Advisor's sole discretion.

In addition to Advisor's fee, clients may incur certain other fees, charges, and/or taxes due to implementation of Advisor's recommendations. Additional charges and fees will be imposed by custodians, brokers, third party investment and other third parties, such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and taxes are exclusive of, and in addition to, the Advisor's fee.

The fee structure listed above applies to new clients. Prior clients have various fees and fee structures depending on when they became clients. At Advisor's discretion, and on a case-

by-case evaluation, prior client fees may, after appropriate communication, be updated to a newer fee structure.

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

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

## **Item 7 – Types of Clients**

Advisor provides holistic financial planning and investment advisory services primarily to individuals and families. While there is no minimum income, net-worth or asset requirement, Advisor has a minimum annual fee as described in Item 5 above. For those who may not be a fit for Advisor, Advisor may provide names of other firms for consideration.

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

### **Methods of Analysis**

The main sources of information Advisor may rely upon when researching and analyzing securities will include traditional research materials such as financial newspapers and magazines, annual reports, prospectuses, filings with the SEC, as well as research materials prepared by others, company press releases and corporate rating services. Advisor also subscribes to various professional publications deemed to be consistent and supportive of Advisor's investment philosophy.

Moreover, Advisor approaches investment portfolio analysis and implementation based on internal factors such as your tax situation, overall risk tolerance, current financial situation, and your personal goals and aspirations. After identifying these items, your portfolio will be structured around your individual needs, while attempting to minimize negative effects of external factors, such as interest rates, market performance, and the economy as a whole.

### **Investment Strategies**

In general, Advisor recommends no-load mutual funds (i.e., mutual funds that have no sales fees), U.S. government securities (including individual bonds), money market accounts, and certificates of deposit. In certain cases, other products may be deemed appropriate for you and may be recommended, based upon your goals, needs and objectives. And in the course of providing investment advice, Advisor may address issues related to other types of assets that you may already own.

### **Risk of Loss**

Any investing in securities involves risk of loss that clients should be prepared to bear. While Advisor will use its best judgment and good faith efforts in rendering services to client, not

every investment decision or recommendation made by Advisor will be profitable. Advisor cannot warrant or guarantee any level of account performance, or that an Account will be profitable over time. Client assumes all market risk involved and understands that investment decisions are subject to various market, currency, economic, political, and business risks.

## **Item 9 – Disciplinary Information**

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Delphinus Financial Advisors, LLC or the integrity of Delphinus Financial Advisors, LLC's management. Delphinus Financial Advisors, LLC has no information to disclose which is applicable to this Item.

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

Advisor is a member of the Alliance of Comprehensive Planners (ACP). This non-profit, member-owned organization provides training and support through an alliance of fee-only comprehensive financial advisors. As a member of ACP, Advisor has the right to use proprietary products and systems designed by ACP. ACP offers education in the form of in-person, web, and telephone conferences (which may provide continuing education credits) and services produced by collaborative efforts of the fee-only financial advisors.

Advisor is a member of the National Association of Personal Financial Advisors (NAPFA), which requires that its members are fee-only and obtain a minimum of 60 continuing education credits every two years.

Advisor is a member of the National Association of Tax Professionals (NATP), a non-profit professional association which provides support, continuing education, and research services to its members.

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

Delphinus Financial Advisors, LLC seeks to avoid material conflicts of interest. Accordingly, neither Advisor nor its Investment Adviser Representatives nor its team members receive any third party direct monetary compensation (i.e., commissions, 12b-1 fees, or other fees) from brokerage firms (custodians) or mutual fund companies.

Although Advisor believes that its business methodologies, ethics rules, and adopted policies are appropriate to eliminate, or at least minimize, potential material conflicts of interest, and to appropriately manage any material conflicts of interest that may remain, clients should be aware that no set of rules can possibly anticipate or relieve all potential material conflicts of interest. In any event, Advisor will disclose to advisory clients any material conflict of interest relating to Advisor, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

## **Code of Ethics**

Advisor has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons of Advisor must acknowledge the terms of the Code of Ethics annually, or as amended.

Additionally, Advisor follows the standards set by the Certified Financial Planning Board, the Fiduciary Oath promulgated by the National Association of Personal Financial Advisors, and the Cambridge Pledge to Clients by the Alliance of Comprehensive Planners.

## **Participation or Interest in Client Transactions and Personal Trading**

Advisor does not currently participate in securities in which it has a material financial interest. Advisor and its related persons, as a matter of policy, do not recommend to clients, or buy or sell for client accounts, securities in which the firm or its related persons has a material financial interest.

Advisor or individuals associated with Advisor may buy and sell some of the same securities for its own account that Advisor buys and sells for its clients. When appropriate the Advisor will purchase or sell securities for clients before purchasing or selling the same securities for Advisor's own account. In some cases, Advisor may buy or sell securities for its own account for reasons not related to the strategies adopted by the Advisor's clients. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with making decisions in the best interest of advisory clients while at the same time, allowing employees to invest for their own accounts.

Certain classes of securities, such as open-ended mutual funds, are designated as exempt transactions, meaning employees may trade these without prior permission because such trades would not materially interfere with the best interest of Advisor's clients. Nonetheless, because the Code of Ethics permits employees to invest in the same securities as clients, there is a possibility that employees might somehow benefit from the market activity of a client. Accordingly, when applicable, Employee trading is monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Advisor and its clients.

Advisor will disclose to advisory clients any material conflict of interest relating to Advisor, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice. Advisor will notify clients in advance of its policies in respect to officers trading for their own account including the potential conflict of interest that arises when recommending securities to clients in which Advisor or its principal holds a material position.

## Item 12 – Brokerage Practices

Advisor may use its discretion when recommending a broker-dealer. Client is not obligated to effect transactions through any broker-dealer recommended by Advisor. When recommending a broker-dealer the Advisor will comply with its fiduciary duty to obtain best execution and with the Securities Exchange Act of 1934, and will take into account such relevant factors as:

- Price
- The broker-dealer's facilities, reliability and financial responsibility
- The ability of the broker-dealer to effect transactions, particularly with regard to such aspects as timing, order size and execution of order
- The research and related brokerage services provided by such broker or dealer to the Advisor, notwithstanding that the account may not be the direct or exclusive beneficiary of such services
- Any other factors the Advisor considers to be relevant

Advisor currently recommends clients use Charles Schwab & Co. Inc. as the independent qualified custodian for their assets. Charles Schwab & Co. Inc. ("Schwab") is a registered broker-dealer and SIPC member. Advisor is independently owned and operated and not affiliated with Schwab. Schwab offers to independent investment Advisors, services which include custody of securities, trade execution, clearance, and settlement of transactions. Advisor may receive some benefits from Schwab through its participation in their program. (Please see the disclosure under Item 14 below.)

## Item 13 - Review of Accounts

Delphinus Financial Advisors, LLC is responsible for reviewing accounts and providing recommendations as follows:

Open Retainer clients typically receive account reviews annually in conjunction with the relevant client meeting, or as needed upon client request. Legacy Investment Management clients receive account reviews annually. Reviews are performed by Anthony Salotto or by other Investment Advisor Representatives registered with Delphinus Financial Advisors, LLC.

Open Retainer clients typically receive financial planning recommendations at or soon after the conclusion of a client meeting. Recommendations are provided by Anthony Salotto or by other Investment Advisor Representatives registered with Delphinus Financial Advisors, LLC.

If you maintain any brokerage account(s), your custodian will provide a statement at least quarterly which includes a list of all assets held in the account, asset values, and all transactions affecting the account assets, including any additions or withdrawals.

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

Delphinus Financial Advisors, LLC is a fee-only financial planning firm and does not sell insurance or investment products, nor does it accept commissions because of any product recommendations.

As disclosed under Item 12 above, Advisor participates in Schwab Advisor Services™ which provides Advisor and its clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available to Advisor various support services some of which help Advisor manage or administer clients' accounts, while others help Advisor manage and grow its business. Schwab's support services are generally available on an unsolicited basis (Advisor doesn't have to request them) and at no cost to Advisor. These benefits may include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors without cost or at a discount. The benefits received by Advisor through participation in the program do not depend on the amount of brokerage transactions directed to Schwab. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of Schwab for custody and brokerage services.

## **Item 15 - Custody**

Clients will receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. Advisor urges all clients to carefully review such statements and compare such official custodial records to any statements that we may provide to you. Advisor may also provide clients with periodic reports on client's account. These reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Because we deduct Advisor's fees for some clients, we are deemed to have constructive custody. Because the Firm follows certain SEC Rule custody safeguards, the Firm is not subject to the additional requirements of an adviser with physical custody of client funds and securities.

The Firm may, at times, have constructive custody of assets to the extent it uses Standing Letters of Authorizations ("SLOAs") for third-party money movement. The Firm satisfies

the requirements set forth in the SEC No-Action Letter of February 21, 2017, to avoid the surprise annual audit requirements otherwise required of an adviser with custody.

### **Item 16 - Investment Discretion**

Advisor's role is to make investment and planning recommendations. For new Open Retainer engagements, clients will execute a Limited Power of Attorney (LPOA) granting Advisor trading authority over certain client accounts. Advisor will manage these accounts on a discretionary basis meaning the Advisor will execute trades in these accounts without the client's prior approval in accordance with client's objectives and suitability. For certain Open Retainer client accounts where no LPOA is in place (for "held away" accounts), Advisor will provide recommendations and advice which client is under no obligation to follow. The implementation of any recommendations made by Advisor for these non-LPOA accounts is the sole and exclusive responsibility of the client.

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

As a matter of firm policy and practice, Advisor does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for all securities maintained in client portfolios. At the request of a client, Advisor may provide advice to clients regarding the client's voting of proxies.

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

Registered Investment Advisers are required to provide you with certain financial information or disclosures about their financial condition. Advisor will not require prepayment of more than \$1200 in fees for services to be provided six months or more in advance from any client. Advisor has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.