

Fortuna Investors LLC

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This Brochure provides information about the qualifications and business practices of Fortuna Investors LLC (“**Fortuna**”). If you have any questions about the contents of this Brochure, please contact John R. Cryan at 631-743-9555 or e-mail jrc@fortunainv.com

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Fortuna is a registered investment adviser. Registration of an Investment Adviser does not imply that Fortuna or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business. The oral and written communications of an Investment Adviser provide you with information about which you determine to hire or retain an Investment Adviser.

Additional information about Fortuna Investors LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material changes

No material changes to report from our prior filing in March 2014.

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Item 4 - Advisory Business

Fortuna Investors LLC ("**Fortuna**", "**the Firm**" or "**we**") is a limited liability company formed under the laws of the State of Delaware. The Firm is registered as an investment adviser with SEC pursuant to the Investment Advisers Act of 1940 (the "**Advisers Act**").

Investment Management and Supervisory Services

Fortuna offers discretionary and non-discretionary investment management and investment supervisory services to its Clients.

Our investment strategies are based on our proprietary research. Through our research, we have identified a set of investment rules that are used to select investments with characteristics that have led to successful investing over the years, and it is these investment rules that form the foundation of our strategies.

We strongly believe in the value of applying empirical, fundamental research to develop the investment rules behind our stock selection strategies. We have done very rigorous studies of the historical relationship between various investment characteristics and share price performance, and this research forms the basis of the rules behind every investment strategy we offer. Our investment rules select stocks in a logical, unemotional way.

We adhere to a disciplined systematic process and do not seek to deviate from our investment rules in executing our investment strategies. We believe that human social, emotional and cognitive factors cause many money managers to underperform their benchmarks because of an inability to overcome these innate biases. Our process is consistent and rational; we do not let short term market fluctuations distract us from our longer-term goals. We expect our investment rules to add value over full market cycles and we generally stay fully invested in the market. Our investment strategies, and the details of those strategies, may change. We have developed a rigorous and robust methodology for identifying and testing potential enhancements to our investment rules. Changes to the investment strategy will only be made following extensive analysis and formal approval by our Investment Rules Committee.

We may not transfer the management of a Client's account to anyone else without the Client's permission.

As of July 30, 2014, Fortuna manages Clients assets on a discretionary basis of \$31,500,000.

The owners of Fortuna are Gregory Milano, John R. Cryan and MSH Family Partnership Ltd.

Item 5 - Fees and Compensation

Management Fee

The Clients generally pay to us an annual advisory fee ("**Management Fee**"). We may waive or reduce the Management Fee as to all or any of Clients or agree with an investor to waive or alter the Management Fee as to that investor.

The Management Fee is based on a percentage of assets under management and is applied to the account asset value on a pro-rated basis, billed monthly in advance. The initial Management Fee will be based upon the date the account is accepted for management by

execution of the investment advisory agreement by Fortuna and Clients or when the assets are transferred. Thereafter, the Management Fee will be based on the market value of the account on the last day of the previous calendar month and will cover the period from the first day of the previous calendar month through the last day of the previous calendar month. The market value will be determined as reported by the custodian. Management Fees are generally assessed on all assets under management, including securities, cash and money market balances. Margin debit balances do not reduce the value of assets under management.

Fortuna's Management Fee includes compensation for the advisory and consulting services and other account-related services. There are no redemption/exit fees or transaction fees; however, the custodian may charge custodial fees, transaction fees, redemption fees, margin interest or commissions. These fees are independent of Fortuna's fees and should be disclosed by the custodian.

In addition, the Management Fee paid to Fortuna for investment advisory services is separate from any fees and expenses charged to shareholders of mutual fund shares, mutual fund companies or alternative pooled investment vehicles.

The Management Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by Fortuna and Clients (such as side letters). The Management Fees will generally follow the schedule of assets under management outlined below. In certain circumstances, fees may be negotiated.

Annual Management Fee

0.5% charged monthly or quarterly.

The Clients authorize us to debit fees monthly from his/her account directly from the custodian. The custodian will send a statement to the Client, at least quarterly, indicating all the amounts disbursed from the account including the amount of advisory fees.

The Clients may, upon written request and approval from Fortuna, pay their monthly management fee by submitting a check to us within 30 days of the invoice. An example would include where the Client's account does not have sufficient funds or is restricted from direct withdrawal (e.g., 401(k) plan assets).

Item 6 - Performance-Based Fees

Fortuna charges performance-based fees which are based on a share of appreciation of the Client Account's assets in excess of the performance of a market index. Pursuant to Rule 205-3 Investment Advisers Act of 1940 (the "**Advisers Act**"), any Client account that pays a performance fee must be a "Qualified Client."

Fortuna currently charges a Performance Fee at the end of each fiscal year, based on 20% of the Net Profits, if any, in excess of a non-cumulative hurdle rate equal to the rate of return for the iShares Russell 1000 Index (ETF) (ticker symbol "**IWB**"), calculated including any reinvested dividends, for that fiscal year allocable to the Account shall be paid to the Fortuna Investors.

In measuring the Client Account assets for the calculation of the performance fee, Fortuna includes realized and unrealized capital gains and losses.

Generally, at the end of each year, we charge an aggregate amount equal to a percentage of the new net profits, subject to a “high water mark”. The high water mark feature prevents us from receiving a performance fee as to profits that simply restore previous losses and is intended to insure that each performance fee is based on the long-term performance of an investment in the Client Account. If the Account has a net loss allocable to it during any fiscal year and during a subsequent fiscal year there is a Net Profit allocable to the Account, no Performance Fee will be paid until subsequent cumulative Net Profits offset an amount equal to the previously allocated net losses (the “**Loss Carryforward**”). The Loss Carryforward will be reduced proportionately to reflect any Account Withdrawals.

The Client Account generally pays us after we have provided the Client Account a monthly statement prepared by us that describes the fees that are due to us for our services. Upon approval by both parties, the Client pays Fortuna directly or Fortuna may debit the Client’s custodial account.

In our sole discretion, we may waive all or any portion of the management fee or performance fee with respect to a Client Account or any future Client Accounts.

A performance based fee arrangement may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. In order to address this potential future conflict, we have adopted an allocation policy and implemented procedures designed to prevent this conflict from arising. Any investment opportunity would generally be allocated pro-rata based on each Client Account’s size using the average price, with possible exceptions; during efforts to rebalance or tax manage.

Clients should refer to the investment advisory agreement for additional or supplementary information regarding the Management Fee and Performance Fee paid by each Client.

Item 7 - Types of Clients

As discussed in Item 4, we provide investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and corporations. In the future, we may offer our services to other Client Accounts and/or private pooled investment vehicles.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Our method of investment management is systematic and unemotional. That means that the stocks we buy for a Client’s account are chosen by our investment rules which are reflected in a computer model we have developed, rather than by a person who makes individual judgments about each stock. We use investment rules that we find have produced attractive theoretical returns in the past (either on an absolute and/or risk-adjusted basis) to make future stock selections. Our investment rules examine a variety of performance and valuation measures to identify a score for each company and our portfolios consist of the companies in each industry that score the highest at the point in time when purchased. The performance measures can generally be bucketed as measures of rates of return, growth and financial risk.

We do not conduct any research regarding the merits of any individual stock above and beyond those parameters included in our investment rules — in other words we do not speak with company management, follow company news, review brokerage research or assess short-term economic factors and the potential impact on our strategies. In fact, we believe these more subjective parameters often cloud the judgment of money managers, leading to under instead of outperformance.

Accounts are generally rebalanced on a monthly basis. Some strategies are rebalanced in full monthly and others have 12 one year tranches, where each tranche is held for a year starting in a different month. For example, the January tranche is purchased in January and held until the following January when some or all of the holdings will be sold and replaced by new selections as dictated by our investment rules. The data for our models comes from industry leading data providers, such as S&P CapitalIQ, which is a McGraw Hill Financial product.

An investment in stocks managed using our methods involves risks. These risks are typical of the risks of investing in a diversified portfolio of large and mid cap US listed stocks. We believe that these kinds of investments are suitable for investors who are prepared to make a long-term commitment to this method, who will not need to sell their investments, and who have enough assets to assume the risk of changes in the value of their investments.

There have been times that portfolios of investments selected using some of our strategies have declined in value; on some occasions, these declines have been greater in percentage terms than the declines experienced by broad market indices such as the S&P 500 or Russell 1000. We develop and recommend models based on their historical, theoretical performance; but we cannot assure Clients that those models will produce returns in the future similar to their historical, theoretical returns.

Risk of Loss Factors

The following are certain of the material risks involved in our investment strategy. This list does not purport to be a complete enumeration or explanation of the risks involved in such strategy.

Limited Operating History

Our Firm has a limited operating history for prospective Clients to evaluate prior to selecting us as an investment adviser.

Operational Risk

Operational risk is the potential for loss caused by a deficiency in information, communication, transaction processing and settlement and accounting systems. We maintain controls that include systems and procedures to record and reconcile transactions and positions, and to obtain necessary documentation for trading activities.

Long Term Investments

Our strategy will frequently require longer-term holding periods for its positions in order to be successful and positions may experience considerable price volatility over such holding periods.

Use of Leverage

Although we do not intend to utilize leverage, a Client may request such use. We may leverage investment positions by borrowing funds from securities broker dealers, banks or others. While leverage presents opportunities for increasing the total return on an investment, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by a Client would likely be magnified to the extent that any of them are leveraged.

Performance-Based Fee

As described in Item 6, we charge a performance based fee to the Client Accounts and most likely to any future Client Accounts. A performance-based fee arrangement may create an incentive for Fortuna to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. In order to address this potential future conflict, we have adopted an allocation policy and implemented procedures designed to prevent this conflict from arising. Any investment opportunity would generally be allocated pro-rata based on each Client Account's size using the average price, with possible exceptions; during efforts to rebalance or tax manage.

Item 9 - Disciplinary Information

The Firm has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

Item 10 - Other Financial Industry Activities and Affiliations

Fortuna offers fee-based management consulting and investment management and supervisory services on managed investment accounts to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and corporations (the “**Managed Accounts**” or “**Clients**”).

We may in the future provide such services to other clients. Fortuna and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

Item 11 Code of Ethics, Participation/Interest in Client Transactions, Personal Trading

Code of Ethics Pursuant to Rule 204A-1 of the Advisers Act

Pursuant to Rule 204A-1 of the Advisers Act, we have adopted a Code of Ethics and Employee Investment Policy that establishes various procedures with respect to investment transactions in accounts in which employees of Fortuna or related persons (such as members of their immediate household) have a beneficial interest or accounts over which an employee has investment discretion. The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must at all times place the interests of our Clients first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics; and
- Employees should not take inappropriate advantage of their position at Fortuna.

All Fortuna employees are deemed to be “Access Persons” and are required to adhere to a comprehensive Code of Ethics and Employee Investment Policy, which covers the duty of confidentiality as well as personal trading. All employees are required to certify their adherence to the Code of Ethics and Employee Investment Policy.

In addition, employees may not acquire securities for their own account in an initial public offering without pre-clearance from the CCO. Employees must also obtain pre-approval from the CCO before engaging in any outside business activities or private placements.

All of our employees must direct their brokers to send duplicate brokerage statements to the CCO. These records are used to monitor compliance with the foregoing policies.

These policies apply to any personal transactions involving equity, debt, options, or futures. This policy does not apply to transactions involving government securities, open-end mutual funds, broad based index products, exchange traded funds, money market funds or other instruments which afford the investor no discretion over individual securities. Fortuna’s Code of Ethics and Employee Investment Policy are available to Clients upon request.

Privacy Policy

We are committed to maintaining the confidentiality, integrity and security of our Client’s personal information. It is our policy to collect only information necessary or relevant to our management business and to use only legitimate means to collect such information. Without Client consent we do not disclose any non-public personal information about our Clients or former Clients to anyone except for servicing and processing transactions and as required by law. We restrict access to non-public personal information about our Clients to those employees with a legitimate business need for the information. Fortuna maintains security practices, physical, electronic, and procedural safeguards to guard Investor’s non-public personal information.

Upon request, we will provide you with a copy of our privacy policy.

Item 12 - Brokerage Practices

We have discretionary authority to manage the Client Accounts and most likely future Client Accounts, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. Our authority is governed by the terms of the investment management agreement with the Client Account.

In selecting an appropriate broker dealer to affect a Client trade, we seek to obtain “best execution,” meaning generally the execution of a securities transaction for a Client in such a manner that a Client’s total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking best execution, we take into consideration the price of a security offered by the broker dealer, as well as a broker dealer’s full range and quality of services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (e.g., research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

Soft Dollar Policy

Fortuna does not currently participate in any soft dollar programs. Additionally, we do not select brokerage firms based on research or other non-brokerage products provided to us, and our stock selections do not generally use third party research products or services.

Aggregation of Orders

We generally aggregate trade orders for multiple Client Accounts, which are custodied at the same custodian, in order to achieve more efficient execution or to provide for equitable treatment among the accounts. The Clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

Allocation

Our policy prohibits any allocation of trades in a manner that favors our proprietary accounts, affiliated accounts, or any particular Client(s) or group of Clients over other Client Accounts. We have adopted a policy for the fair and equitable allocation of transactions that generally analyses each trade on an investment by investment basis, taking into consideration the specifics of each trade and the characteristics of each Client Account. To the extent that multiple Client Accounts participate in a particular transaction such transaction will generally be allocated pro-rata among such Client Accounts, unless facts specific to the transaction and the trade warrant an alternative allocation methodology.

Trade Errors

As a fiduciary, we have the responsibility to effect orders correctly, promptly and in the best interests of the Client Accounts. In the event any error occurs in the handling of any transactions due to Fortuna's actions, or inaction, or the actions of others, our policy is to assess each trade error on a case-by-case basis.

Item 13 - Review of Accounts

The Client Accounts are reviewed on a continual basis by Mr. Milano to assure conformity with investment objectives and guidelines.

We engage in active management for the Client Accounts and, accordingly, review our transactions, positions and cash balances on a daily basis.

Item 14 - Client Referrals and Other Compensation

We do not currently utilize any third party marketers or solicitors.

Item 15 - Custody

The amended and revised Rule 206(4)-2 of the Advisers Act sets forth extensive requirements regarding possession or custody of Client funds or securities. The Rule requires advisers that have custody of Client funds or securities to implement a set of controls designed to protect those Client assets from being lost, misused, misappropriated, or subject to financial reverses.

Advisers with custody of Client funds and securities must maintain them with “Qualified Custodians” defined under the amended rule to include banks and savings associations and registered broker dealers.

Fortuna does not maintain direct custody or possession of any of its Client’s funds or securities. Among other things, the Qualified Custodian will provide clearing, custodial and record keeping services. Clients will receive account statements directly from the Qualified Custodian and we will deliver account statements directly to the Clients on at least a quarterly basis. The Client is encouraged to carefully review and compare all statements.

Item 16 - Investment Discretion

Fortuna has authority to supervise and direct, on an ongoing basis, the investments of the Client in accordance with the Client’s predetermined investment objectives and guidelines. We are authorized, in our discretion and without prior consultation with the Client, to: (1) buy, sell, exchange, and otherwise trade any stocks, bonds or other securities or assets and (2) place orders and negotiate commissions (if any) for the execution of all transactions in securities with or through such broker dealer underwriters or issuers. Any limitations to such authority will be communicated by the Client to us in writing.

Use of sub-advisers

Fortuna does not currently have any sub-advisory agreements.

Item 17 - Voting Client Securities

To the extent Fortuna has been delegated proxy voting authority on behalf of its Clients, Fortuna complies with its proxy voting policies and procedures that are designed to ensure that in cases where Fortuna votes proxies with respect to Client securities, such proxies are voted in the best interest of the Client Accounts. The beneficial owners in the Client Account may not direct voting of proxies. Upon request, we will provide our Clients with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast for such Client.

Item 18 - Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. Fortuna 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.