

Fortigent, LLC

Part 2A of Form ADV

The Brochure

Rockville Location:
2600 Tower Oaks Blvd, Suite 300
Rockville, MD 20852
(301) 816-1200

Charlotte Location:
4828 Parkway Plaza Blvd
Charlotte, NC 28217

<http://www.fortigent.com>

March 31, 2015

This brochure provides information about the qualifications and business practices of Fortigent, LLC (“Fortigent” or “the Company”). If you have any questions about the contents of this brochure, please contact us at 301-816-1200. 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.

Fortigent is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

Additional information about Fortigent is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2. Material Changes

In February 2015, LPL Financial Holding, Inc., the ultimate parent company of Fortigent, announced that the Rockville offices will be closing and Fortigent operations will move to LPL's Charlotte location. Fortigent will continue to offer the services detailed in the brochure. This move is anticipated to be completed by fall 2015. Additionally, in May 2014 the Fortigent Research Department was consolidated into the LPL Financial LLC ("LPL") Research Department. This consolidation has no impact to the services provided by Fortigent.

A copy of Fortigent's complete Form ADV Brochure and Brochure Supplement is available without charge by contacting Fortigent at (301) 816-1200. Additional information about Fortigent is also available on the SEC's website at: www.adviserinfo.sec.gov.

Item 3. Table of Contents

Item 1. Cover Page.....	1
Item 2. Material Changes	2
Item 3. Table of Contents	3
Item 4. Advisory Business.....	4
Item 5. Fees and Compensation.....	7
Item 6. Performance Based Fees and Side-by-Side Management.....	10
Item 7. Types of Clients	11
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	13
Item 9. Disciplinary Information	20
Item 10. Other Financial Industry Activities and Affiliations.....	21
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..	23
Item 12. Brokerage Practices.....	27
Item 13. Review of Accounts	30
Item 14. Client Referrals and Other Compensation	32
Item 15. Custody	34
Item 16. Investment Discretion	35
Item 17. Voting Client Securities	36
Item 18. Financial Information.....	38

Item 4. Advisory Business

Fortigent, founded in November 2006, is owned by Fortigent Holdings Company, Inc. Fortigent Holdings Company, Inc. is indirectly owned by LPL Financial Holdings, Inc. (NASDAQ: LPLA). Information about these entities is contained below in Item 10, *Other Financial Industry Activities and Affiliations*.

As of December 31, 2014 the Fortigent managed approximately \$1.8 billion on a discretionary basis on behalf of approximately 1200 Access Overlay and Access Overlay II Unified Managed Account accounts and one (1) Private Fund account. The Company also managed approximately \$360 million on a non-discretionary basis for 858 Wrap Program accounts. Fortigent also provides wealth management solutions and consulting services to approximately 90 Financial Intermediaries. Each of these services is described in this section below.

Services to Financial Intermediaries

Fortigent provides investment research, consulting, portfolio accounting, database, data processing and support services and reporting on a wholesale fee basis to investment advisory firms and banks (“Financial Intermediaries”) to assist such firms in providing manager recommendations, monitoring, and reporting services to the Financial Intermediary’s Clients (“Financial Intermediary Clients”). Fortigent will also complete bespoke due diligence projects for Financial Intermediaries. Fortigent does not provide investment recommendations directly to Financial Intermediary Clients as part of these services.

Access Overlay and Access Overlay II Unified Managed Account Programs

The Fortigent Unified Managed Account (“UMA”) Program combines managed accounts comprised of individual securities, mutual funds and ETFs in one diversified portfolio. Fortigent offers these accounts through its Access Overlay and Access Overlay II Unified Managed Account Programs. In all cases Fortigent acts as the Sponsor, otherwise known as the Investment Manager, of both programs. Fortigent may also act in other capacities within the program as detailed below. Additionally, third parties may also participate in the programs as Research Providers or Overlay Managers as detailed below.

An investor participating in the Access Overlay or Access Overlay II Program establishes a discretionary account that is invested in a manner consistent with one of several multi-manager, multi-asset allocation strategies created by Fortigent or by the Financial Intermediary (as defined above).

Specifically, responsibilities for management of accounts participating in the Access Overlay and Access Overlay II Programs are divided as follows:

- Fortigent or the Financial Intermediary is responsible for the creation of a series of models with varying asset allocations and risk profiles. The Financial Intermediary is responsible for recommending which model(s) a Client may invest in. To create the models, Fortigent conducts initial and ongoing due diligence on investment advisers known as Research Providers that provide their own model portfolio allocations. Fortigent will also conduct due diligence on and recommend ETFs and mutual funds for models. It is the Financial Intermediary who makes the final recommendation to the Client with regard to which models they should invest in.
- Fortigent may also act as a Research Provider in the Access Overlay or Access Overlay II programs. In cases where Fortigent acts as a Research Provider its services as such are provided in addition to the other services provided by Fortigent, and Fortigent shall be entitled to collect fees from Clients for such services.

- To implement the models, Fortigent has selected an investment adviser known as the Overlay Manager. The Overlay Managers currently available for Access Overlay are Fortigent, LLC and Parametric Portfolio Associates, LLC, an SEC registered investment adviser. The Overlay Manager(s) currently available in the Access Overlay II Program are Fortigent, LPL Financial LLC (“LPL”) and Natixis Global Asset Management (“Natixis”). LPL is an SEC registered investment adviser and an affiliated company of Fortigent. Other Overlay Managers may be added to the Programs as required. Please consult your Financial Intermediary to determine which Overlay Manager(s) perform account functions on your account.
- The Overlay Manager is responsible for making discretionary trading decisions to implement the models in the participating Access Overlay and Access Overlay II Program accounts. The Overlay Manager may execute transactions according to its tax efficient management strategy, which may cause it to delay or defer causing the account to mirror its applicable model. Accordingly, the Overlay Manager may take actions for certain accounts that it does not for other accounts, even when such accounts are all intended to be managed to the same model. The Overlay Manager is responsible for providing periodic rebalancing services so the allocation of these accounts remains consistent with the selected model(s). Unless otherwise directed by a Client, Overlay Manager is responsible for seeking best execution on transactions for Access Overlay and Access Overlay II Program accounts. Fortigent is responsible for voting proxies for Access Overlay and Access Overlay II Program Clients, but not other voting or electing activities, such as class actions. Fortigent may delegate proxy voting responsibilities to others. Please consult your Custodial Account Agreement to determine which party is responsible for voting proxies for your account.
- As noted above, the Financial Intermediary may be responsible for the creation of series of models with varying asset allocations and risk profiles. The Financial Intermediary will be responsible for reviewing the Client’s financial situation and objectives to determine risk and suitability. The Financial Intermediary is responsible for working with the Access Overlay or Access Overlay II Program Client to determine the suitable model(s) for the Client, consistent with its investment objectives and constraints. The Financial Intermediary may also create its own model using a blend of Research Providers, mutual funds, and ETFs. The Financial Intermediary is responsible for providing performance reports (prepared by Fortigent) of the holdings, transactions, and performance of the Access Overlay or Access Overlay II Program account to the Client. Finally, the Financial Intermediary is responsible for informing the Client of the specific program fees to be paid by the Client with respect to the Access Overlay or Access Overlay II Program.

Private Fund Management

Fortigent serves as a discretionary investment adviser to “Private Funds,” as described further below, which are unregistered investment companies that are generally organized as limited liability companies sponsored by Fortigent. There is currently one Private Fund for which Fortigent serves as the investment adviser; however, this fund was closed to new assets as of December 31, 2012 is no longer being offered by the Company.

The fund is described as follows:

- Global-Event Driven Fund, LLC is a feeder fund that invests substantially all of its assets in Owl Creek II, L.P. (“Owl Creek”). Owl Creek’s investment objective is to seek above average returns through an opportunistic event-driven value strategy with a focus on capital preservation. Owl Creek has the ability to invest in both long/short distressed debt and long/short value equity of both U.S. and non-U.S. issuers.

Interests in the Private Fund are not registered under the Securities Act of 1933 (the “Securities Act”) and the Private Funds are excepted from the definition of an investment company under the Investment Company Act of 1940 (the “Investment Company Act”).

Wrap Program

In addition to the services described above, Fortigent provides non-discretionary and discretionary investment management (depending on the Investment Option selected by a Client), as well as administrative services such as trade processing and the processing of bank transactions, at the consent of the Clients, directly to Clients of the Financial Intermediaries. Services are provided through the Fortigent Access Program (the “Program”), a wrap fee program. A wrap fee program is an advisory program under which a specified fee, or fees, not based directly upon transactions in a Client’s account is charged for investment advisory services and the execution of Client transactions. The Program generally is made available by Fortigent through each Client’s Financial Intermediary.

The Financial Intermediary is responsible for meeting with Clients and determining whether a particular Client is a candidate for participation in the Program. The Financial Intermediary may use Fortigent’s proposal generation system to create an investment plan, which it will then present to the Client. After consultation with the Financial Intermediary, the Client may elect to participate in the Program. Once the Client, with the assistance of the Financial Intermediary, elects to participate in the Program, the Client will allocate those assets among the different investment options (“Investment Options”) in the program, as detailed below.

Fortigent offers the following Investment Options within the Program:

- A Unified Managed Account Option (“Access Overlay Program”), sponsored by Fortigent and customized by the Financial Intermediary, through which it retains the advice of investment advisers (“Research Providers”), including separate accounts investing in fixed-income securities offered through master services agreements entered into by Fortigent and Research Providers (“Fixed Income Overlay Option”)
- Mutual funds and exchange-traded funds (“Funds”) registered under the Investment Company Act (“Fund Option”)
- Individual equity and fixed-income securities (“Securities Option”)
- Certain alternative investment products, which are private investment funds (“Private Funds”) that would be an investment company under Section 3 of the Investment Company Act but for the exclusions from the definition of “investment company” under Section 3(c)(1) or 3(c)(7) of the Investment Company Act (“Alts Option”)

Participation in other Wrap/UMA Programs

Fortigent participates in other programs sponsored by affiliated and unaffiliated broker-dealers and investment advisory firms. Fortigent participates in these programs by providing investment models to program sponsors, but Fortigent does not execute transactions for Clients in such program, as program sponsors implement the investment models provided by Fortigent. Fortigent is responsible for communicating any changes to the investment model to the sponsor on a timely basis.

Item 5. Fees and Compensation

Services to Financial Intermediaries

Fees

Fortigent's compensation is comprised of an annual fixed fee ranging up to \$500,000 and a charge for each account with respect to which Fortigent provides reconciliation and performance reporting services. The per account charge ranges up to \$1500 per year per account, and are generally waived with respect to accounts associated with the Access Overlay Program. Fortigent invoices the Financial Intermediary for both the annual and per account charges quarterly in advance. The fees charged by Fortigent are not based on the capital gains or the capital appreciation of any funds of any Client. Lower fees may be negotiated on a case by case basis in the sole discretion of Fortigent and discounts may be provided to a Financial Intermediary based on, among other factors, the level of the Financial Intermediary's business relationship with Fortigent.

If additional accounts are added during the quarter, Fortigent reserves the right to bill the Financial Intermediary for a pro-rata portion of the additional accounts. A prorated refund will be issued when accounts are withdrawn during the quarter.

Financial Intermediaries generally pay Fortigent an annual increase on both the annual fixed fee and the per account charges commencing on the first anniversary following the date the Service Agreement is signed. This increase is negotiated directly between Fortigent and the Financial Intermediary.

Whether a Financial Intermediary in turn bills its Client(s) for all or a portion of this cost is within the sole discretion of the Financial Intermediary.

Termination

Generally, the Financial Intermediary Agreement may be terminated by either party, at any time for any reason, upon 90 days written notice during the first term of the contract, subject to a termination penalty. Thereafter, the Financial Intermediary Agreement may be terminated as of the end of the current term without penalty upon 90 days written notice in advance of annual renewal. Financial Intermediaries are responsible for payment of fees until the termination of the Financial Intermediary Agreement. All prepaid but unearned fees are refunded to the Financial Intermediary upon termination of an agreement.

Access Overlay and Access Overlay II Unified Managed Account Programs

Fees

Access Overlay Program Client fees are paid quarterly in arrears to Fortigent, the Overlay Manager, and the Research Providers. Fees are based on the net asset value of the account on the last business day of each calendar quarter. The annual investor fees range from 0.05% to 1.15% of assets under management ("AUM"), depending on size and the investment strategy selected for the investor's account. The portion of that total retained by Fortigent as sponsor of the program represents 0.09% to 0.25% of AUM (depending on account size and investment strategy selected), and the remainder is paid to the Overlay Manager and applicable Research Providers. As previously mentioned, Fortigent may act as a Research Provider in these programs and would receive compensation for that service in addition to the compensation as sponsor detailed above. The annual investor fee may be higher in cases where a Research Provider is providing services exclusively to certain investors and those services are not available to the entire Access Overlay

platform. Accounts are subject to an annual minimum total fee of \$350.

Access Overlay II Program Client fees are paid quarterly in arrears to Fortigent, the Overlay Manager, and the Research Providers. Fees are based on the net asset value of the account on the last business day of each calendar quarter. The annual investor fees range from 0.10% to 2.05% of assets under management ("AUM"), depending on size and the investment strategy selected for the investor's account. The portion of that total retained by Fortigent represents 0.10% to 0.50% of AUM (depending on account size and investment strategy selected), and the remainder is paid to the Overlay Manager and applicable Research Providers. Again, Fortigent may act as a Research Provider in these programs and would receive compensation for that service in addition to the compensation as sponsor detailed above. Accounts are subject to an annual minimum total fee of \$100.

Fees and minimums stated above are standard fees for Access Overlay and Access Overlay II accounts. In some circumstances Research Providers or Financial Intermediaries may be able to negotiate different fee structures and minimums than those stated above. Additionally, in some cases Financial Intermediaries may negotiate a lower fixed fee for Fortigent's services by agreeing to commit a certain level of assets to the Access Overlay and Access Overlay II Program. Access Overlay and Access Overlay II Program Clients should be aware that this may occur and should consult their Financial Intermediary for details on the fee arrangement.

If Fortigent is acting as a Research Provider in the Access Overlay II program, Fortigent will receive fees for such service in accordance with the Access Overlay II program.

Termination

The Access Overlay or Access Overlay II Agreement may be terminated at any time by either the Client or by Fortigent by written notice to the other of such termination. Upon notification, Fortigent will terminate the Access Overlay or Access Overlay II Agreement subject to the settlement of any outstanding trades and, if requested by Client, the liquidation of portfolio securities. Fees payable hereunder will be prorated to the date of termination as specified in the notice of termination.

Private Fund Management

Fees

Fortigent does not receive compensation for management of Private Fund.

The Private Fund bear its own operating expenses, including, but not limited to, fees and expenses associated with its investment program, e.g., for all costs, fees and expenses incurred in connection with the purchase, sale or carrying of any security or investment, including, but not limited to, transaction costs, custodial fees, and margin interest expense. In addition, the Private Fund will bear additional expenses such as the fees and expenses of professionals retained by the Private Fund to advise them in connection with their investment activities, legal expenses, internal and external accounting, audit and tax preparation expenses, administrative expenses, interest, taxes, costs and other expenses associated with the operation of the Private Fund, as applicable.

In the Private Fund's structure, management and operating fees are charged to the Private Fund by the underlying private funds. The Private Fund's fees are also in addition to any fees charged by investors' personal investment advisers (if applicable).

To the extent permitted by the applicable governing documents for the funds noted above, Fortigent Strategies Company, LLS ("FSC"), as administrative manager, in its sole and absolute discretion, may

agree to waive or modify the application of certain provisions of such governing documents with respect to certain investors, by side letter or otherwise, without obtaining the consent of any other investors.

Termination

As the Private Fund is currently closed, FSC will manage the liquidation process to ensure an orderly and efficient liquidation and redemption of all investors. Accordingly, no redemption requests are required or accepted at this time.

Wrap Program

Fees

Fortigent assesses Program fees (“Program Fees”) on a quarterly basis collected in advance, which include reimbursement for custody and trading (including the Overlay Manager, where applicable), Research Provider compensation, and advisory services provided to the Client and the Financial Intermediary. The Program Fees include economic, capital market, and investment management/manager research; investment advisory services; proposal generation; account reconciliation; trade facilitation; online access to accounts for both the Client and the Financial Intermediary; and performance reporting. Under certain circumstances, Program Fees may be negotiable and certain Financial Intermediary may have negotiated separate pricing for their Clients. Please consult your Financial Intermediary’s Form ADV Part 2 for more information.

Program Fees also include custody/brokerage fees assessed at the rates negotiated between the Client and the custody/brokerage provider. A full breakdown of all Program Fees can be found in Fortigent’s Part 2A Appendix 1 of Form ADV.

Termination

Use of the Program may be terminated at any time by either the Client or by Fortigent by written notice to the other of such termination. Upon notification, Fortigent will settle any outstanding trades and, if requested by Client, the liquidation of portfolio securities. Program Fees payable will be prorated to the date of termination as specified in the notice of termination.

Participation in other WRAP/UMA Programs

Fees

Fortigent is compensated for providing investment models to other wrap and UMA programs through a basis point fee paid by the program sponsor pursuant to an agreement between Fortigent and the program sponsor. Fortigent’s current basis point fee is 15 to 50 bps for each account that chooses Fortigent’s investment model depending on the program and the model chosen. Billing is handled by the program sponsor and remitted to Fortigent. For additional information regarding fees for these wrap and UMA programs (in addition to the brief description above in Item 4), please consult the applicable wrap and UMA program brochure prepared by the wrap program or and UMA program sponsor.

Termination

Fortigent’s provision of investment models to other wrap and UMA programs may be terminated at any time by either the wrap/UMA program sponsor or by Fortigent by written notice to the other of such termination. Fees payable will be prorated to the date of termination as specified in the notice of termination.

Item 6. Performance Based Fees and Side-by-Side Management

Not Applicable.

Item 7. Types of Clients

Services to Financial Intermediaries

The Financial Intermediaries utilizing this service generally include registered investment advisers, banks and trust companies, and independent broker/dealers.

Unified Managed Account (Access Overlay and Access Overlay II Programs)

Clients utilizing this service generally include individuals, pension and profit sharing plans, trusts, corporations, and estates.

The minimum account assets for the Access Overlay Program are \$250,000 for accounts utilizing the tax overlay feature of the program and \$100,000 for accounts not utilizing the tax overlay feature of the program. The minimum account assets for the Access Overlay II Program are \$250,000 for account utilizing the tax overlay feature of the program and \$10,000 for account not utilizing the tax overlay feature. The minimum annual fee for Access Overlay accounts is \$350 and the minimum annual fee for Access Overlay II accounts is \$100. These minimums are negotiable and have been waived for some Clients.

Private Fund Management

Fortigent provides investment advice to the Private Fund, which is a pooled investment vehicle often referred to as a hedge fund. This Private Fund is sponsored by Fortigent and is currently in liquidation.

Wrap Program

Fortigent offers the Access Program to individuals, trusts, estates, and charitable organizations, as well as pension plans and profit-sharing plans. As described above, the Programs generally are made available by Fortigent through each Client's Financial Intermediary.

All of the Access Program Investment Options have minimum account sizes and minimum Program Fees associated with them.

Access Overlay Program

The minimum account size for the Access Overlay Program, including the Fixed Income Overlay Option, is \$250,000 for accounts utilizing the Overlay Manager Tax Efficient Management Strategy, or \$100,000 otherwise. The minimum annual fee payable is \$350 for all accounts.

Fund and Securities Options

The minimum account size for the Fund and Securities Option Account is \$25,000. The minimum annual account charge is \$250.

Alts Option

The minimum account size for the Alts Option is subject to the requirements of the individual fund documents.

These minimums are negotiable and have been waived for some Clients.

Participation in other Wrap/UMA Programs

When Fortigent is engaged to provide investment models to other wrap and UMA programs, the wrap and UMA program Clients are generally not considered to be Fortigent Clients.

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

Services to Financial Intermediaries

Method of Analysis

Fortigent performs investment manager searches, recommends investment managers and monitors manager performance. As such, Fortigent will provide recommendations about investment managers to Financial Intermediaries.

Risks

Fortigent uses published databases of investment manager, mutual fund, ETF, and private fund performance. Fortigent does not independently audit or verify the performance figures reported by the managers and investment vehicles that appear in these databases.

Access Overlay and Access Overlay II Unified Managed Account Programs

Investment Strategy and Method of Analysis

As described above, Fortigent or the Financial Intermediary is responsible for creation of series of models with varying asset allocations and risk profiles. To implement the models, Fortigent conducts initial and ongoing due diligence on Research Providers that provide their own model portfolio allocations. In addition, Fortigent may select mutual funds and/or ETFs for each model. To implement the models, Fortigent has selected an Overlay Manager (which may be LPL or Fortigent) responsible for performing the buy/sell transactions.

Risk of Loss - General

All investing involves a risk of loss and the investment strategy offered by Fortigent could lose money over short or even long periods. Performance could be negatively impacted by a number of different market risks including, but not limited to, management techniques used by Fortigent may not produce the desired results. This could cause accounts to decline in value. In addition, Fortigent may rely on information that turns out to be wrong. Fortigent selects investments based, in part, on information provided by Research Providers to regulators or made directly available to Fortigent by the Research Providers or other sources. Fortigent is not always able to confirm the completeness or accuracy of such information, and in some cases, complete and accurate information is not available. Incorrect or incomplete information increases risk and a result in losses.

Potential Risks of Investing With Mutual Funds, ETFs and Bonds:

Redemption Fee Risk - A mutual fund redemption fee, also referred to as a “redemption fee,” “market timing fee,” or “short-term trading fee,” is a charge by a mutual fund company to discourage investors from making a short-term purchases and sales of mutual fund shares. Clients may incur redemption fees in the event that a model update is implemented, as Fortigent and the Overlay Manager do not consider individual Client holding periods when implementing model changes to Client portfolios. Redemption fees vary by mutual fund and are described in each mutual fund’s prospectus. Imposition of redemption fees can have a material impact on the performance of Access Overlay and Access Overlay II Program accounts.

Stock Market Risk - The mutual funds that invest in equity securities are subject to stock market risk. Stock market risk is the possibility that stock prices overall will decline over short or extended periods. Markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Investing in small and medium-sized companies involves greater risk than is customarily associated with more established companies. Stocks of such companies may be subject to more volatility in price than larger company securities.

Foreign Securities Risk - Foreign securities are subject to the same market risks as U.S. securities, such as general economic conditions and company and industry prospects. However, foreign securities involve the additional risk of loss due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards; limited availability of information; currency conversion; and pricing factors affecting investment in the securities of foreign businesses or governments.

Interest Rate Risk - Bonds also experience market risk as a result of changes in interest rates. The general rule is that if interest rates rise, bond prices will fall and so will the mutual fund's share price. The reverse is also true: if interest rates fall, bond prices will generally rise.

A bond with a longer maturity (or a bond fund with a longer average maturity) will typically fluctuate more in price than a shorter term bond. Because of their very short-term nature, money market instruments carry less interest rate risk.

Credit Risk - Bonds and bond mutual funds are also exposed to credit risk, which is the possibility that the issuer of a bond will default on its obligation to pay interest and/or principal. U.S. Treasury securities, which are backed by the full faith and credit of the U.S. Government, have limited credit risk, while securities issued or guaranteed by U.S. Government agencies or government-sponsored enterprises that are not backed by the full faith and credit of the U.S. Government may be subject to varying degrees of credit risk. Corporate bonds rated BBB or above by Standard & Poor's are generally considered to carry moderate credit risk. Corporate bonds rated lower than BBB are considered to have significant credit risk. Of course, bonds with lower credit ratings generally pay a higher level of income to investors.

Liquidity Risk - Liquidity risk exists when a particular security is difficult to trade. A mutual fund's investment in illiquid securities may reduce the returns of the mutual fund because the mutual fund may not be able to sell the assets at the time desired for an acceptable price, or might not be able to sell the assets at all.

Call Risk - Many fixed income securities have a provision allowing the issuer to repay the debt early, otherwise known as a "call feature." Issuers often exercise this right when interest rates are low. Accordingly, holders of such callable securities may not benefit fully from the increase in value that other fixed income securities experience when rates decline. Furthermore, after a callable security is repaid early, a mutual fund would reinvest the proceeds of the payoff at current interest rates, which would likely be lower than those paid on the security that was called.

Objective/Style Risk - All of the mutual funds are subject, in varying degrees, to objective/style risk, which is the possibility that returns from a specific type of security in which a mutual fund invests will trail the returns of the overall market.

U.S. Government Agency Securities Risk - Securities issued by U.S. Government agencies or government-sponsored entities may not be guaranteed by the U.S. Treasury. If a government-sponsored entity is unable to meet its obligations, the securities of the entity will be adversely impacted.

Private Fund Management

Investment Strategy and Method of Analysis

The Private Fund is a “feeder fund” that invests substantially all of its assets in an underlying private fund managed by an investment adviser that is not affiliated with Fortigent. Investors in the Private Fund are therefore exposed to the portfolio management decisions of the underlying private fund manager. The portfolio management styles offered by the underlying private fund managers may be deemed speculative and are not intended as a complete investment program. They are designed for sophisticated investors who fully understand and are capable of bearing the risk of such an investment.

Risks

No guarantee or representation is made that investors will achieve their investment objectives. Investments in the Private Fund involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the Private Fund’s offering documents, which will be provided to each investor for review and consideration. Investing in securities involves risk of loss that investors should be prepared to bear. Any or all of such risks could materially and adversely affect investment performance and could cause investors to lose substantial amounts of money. Potential investors in a Private Fund should review such Private Fund’s offering memoranda and operating agreements as well as the provided underlying fund documents carefully and in their entirety. Below are some of the risks that investors should consider before investing in any Private Fund:

- Reliance on FSC, Fortigent, and the Underlying Private Fund Managers - The Private Fund’s performance depends upon the performance of the underlying private fund. Past performance of the underlying private fund, its investment adviser, FSC, Fortigent, or the Private Fund itself is no guarantee of the future performance of the Private Fund.
- Feeder Fund Concept – Investors should consider the effect on the Private Funds of their strategy of investing all or substantially all of their assets with the underlying private funds. There is no way of predicting how the underlying private fund will make investments or whether it will act in accordance with any disclosure documents. In addition, an investment in the Private Funds, because of their feeder fund format, contains the following additional risks:
 - If an investor were able to invest directly in or with the underlying private fund, the investor might avoid the additional layer of fees associated with an investment in the Private Fund. By investing in the underlying private funds indirectly through the Private Fund, investors will not only bear the fees associated with an investment in the Private Fund, but will also indirectly bear the fees associated with investing through the underlying private fund.
 - The underlying private funds’ managers will receive any performance-based allocations to which they are entitled irrespective of the performance of the Private Fund generally. Accordingly, the adviser to underlying private funds may receive compensation from the Private Fund, and thus indirectly from the investors, even if the Private Fund's overall results are negative.
- Unidentified Investments - There can be no assurance that the Private Fund will be able to continue to invest in the underlying private funds. There also can be no assurance that the underlying private funds will be able to identify and complete transactions that meet their objectives or that they will be able fully to invest their available committed capital. The markets for the investment

opportunities in which the underlying private funds may be interested are likely to be highly competitive.

- **Performance Allocations** - The performance allocations paid by the underlying private funds to their investment advisers may create an incentive for the underlying private funds or their investment advisers to make investments and pursue investment strategies that are riskier or more speculative than would be the case in the absence of a performance allocation.
- **Access to Information from Underlying Private Funds** - The Private Fund will receive periodic reports from the underlying private funds at the same time as any other investor with the underlying private funds. However, FSC or Fortigent will not be provided with any detailed information regarding the investments made by the underlying private funds because this information is considered proprietary information by the underlying private funds' investment advisers. This lack of access to information may make it more difficult for Fortigent to evaluate the underlying private funds.
- **Illiquidity of Investments** - In placing funds with the underlying private funds for investment, the Private Fund may be restricted in its ability to withdraw its investment therein to meet withdrawal requests by investors or to pay expenses or fees. In certain situations, the underlying private funds' investment advisers may invest in illiquid assets, including interests in other private funds ("Third Tier Funds"). As a result, to the extent that a Third Tier Fund receives redemption requests from an underlying private fund (or other investors in such Third Tier Fund), it may be forced to liquidate underlying positions quickly and therefore reduce the opportunity to realize maximum value for certain illiquid positions held by the Third Tier Fund. This would negatively impact the value of the underlying private fund's investment in the Third Tier Fund, which would then negatively impact the value of the Private Fund's investment in the underlying private fund. Similarly, in order to protect the Third Tier Funds from perceived inopportune liquidations, the managers of the Third Tier Funds may impose restrictions on redemptions, otherwise known as "gating." Should gating occur, the underlying private fund may be forced to impose restrictions on redemptions by the Private Fund, which would restrict or prohibit investors from redeeming investments in the Private Fund.
- **Proprietary Investment Strategies** - The underlying private funds generally uses proprietary investment strategies that employ considerations, algorithms and other factors in making investment decisions that are not fully disclosed to FSC, Fortigent, or the Private Fund. These strategies may involve risks under some market conditions that are not fully understood by the underlying private funds or their investment advisers. Certain of the underlying private funds may use investment strategies that are different from those typically employed by traditional managers of portfolios of stocks or bonds. The investment techniques employed by the underlying private funds may become less profitable over time as the underlying private funds and their investment advisers and competing asset managers or investors manage a larger group of assets in the same or a similar manner or as market conditions change. The strategies employed by the underlying private funds may involve significantly more risk than more traditional investment methods, and higher transaction costs.
- **Reliance on Certain Information** – Fortigent invests the Private Funds' capital with the underlying private funds on the basis of information and data supplied to it by the underlying private funds. Although Fortigent evaluates this information and data and seeks independent corroboration when it considers it appropriate and when it is reasonably available, Fortigent is not in a position to confirm the completeness, genuineness, or accuracy of such information and data.

- **No Current Income** - The Private Fund's investment policies should be considered speculative, as there can be no assurance that Fortigent's assessments of the short-term or long-term prospects of the underlying private funds will generate a profit. In view of the fact that the Private Funds will likely not pay dividends, an investment in the Private Fund is not suitable for investors seeking only current income for financial or tax planning purposes.
- **Forced Liquidation** - Substantial withdrawals by investors within a short period of time could require the Private Fund to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Private Fund's assets. The resulting reduction in the Private Fund's asset value could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base. In addition, if as a result of withdrawals from a Private Fund, the aggregate investment by the Private Fund in its respective underlying private fund falls below the minimum investment required by the underlying private fund and an exception is not obtained from the underlying private fund's manager, the Private Fund might be forced to withdraw all of its investment in the underlying private fund.

The above is only a brief summary of some of the important risks that an investor may encounter. Before deciding to invest in a pooled investment fund that Fortigent manages, you should consider carefully all of the risk factors and other information in the operating and subscription agreements.

Wrap Program

Method of Analysis

The Financial Intermediary is responsible for meeting with Clients and determining whether the Client is a candidate for participation in the Program. The Financial Intermediary may use Fortigent's Proposal Generation System to create an investment plan, which they will then present to the Client. After consultation with the Financial Intermediary, the Client may elect to participate in the Program. Once the Client, with the assistance of the Financial Intermediary, elects to participate in the Program, the Client will allocate those assets among the different Investment Options. Fortigent does not provide specific advice on these options to Clients.

General Investment Risks

All investing involves a risk of loss and the Program offered by Fortigent could lose money over short or even long periods. Performance could be negatively impacted by a number of different market risks, including, but not limited to, that the portfolio management techniques used by Fortigent may not produce the desired results. This could cause accounts to decline in value. In addition, Fortigent may rely on information that turns out to be wrong. Fortigent selects investments based, in part, on information provided by issuers to regulators or made directly available to Fortigent by the issuers or other sources. Fortigent is not always able to confirm the completeness or accuracy of such information, and in some cases, complete and accurate information is not available. Incorrect or incomplete information increases risk and may result in losses.

Fortigent seeks Research Providers and Funds with a variety of investment strategies in an effort to make a wide range of investment strategies available to Financial Intermediaries and Clients. Some strategies may be high-risk strategies. Such strategies usually have the potential for substantial returns; however, there are correspondingly significant risks involved in the strategies and they are not intended for all types of Clients. Clients who choose to follow high-risk strategies should be aware that there is the possibility of significant losses up to and including the possibility of the loss of all assets placed in the strategies. It is strongly recommended that Clients diversify their investments and do not place all of their investments in high-risk investment strategies.

Fortigent also may receive material nonpublic information about an issuer that prevents it from trading securities of that issuer for a Client when the Client could make a profit or avoid a loss.

Potential Risks Investing with Research Providers

Fortigent may, from time to time, replace existing Research Providers or hire others and cannot guarantee the continued availability of models utilizing particular Research Providers. In managing the model, certain Research Providers may pursue an investment strategy that utilizes underlying mutual funds or ETFs advised by the model or its affiliate(s) (“Proprietary Funds”). In such situations, the Research Provider or its affiliate(s) may receive fees from the Proprietary Funds for serving as investment advisers or other service providers to the Proprietary Fund (as detailed in the Proprietary Fund’s prospectus). These fees will be in addition to the management fees that a Research Provider receives for its ongoing management of the models and create a financial incentive for the Research Provider to utilize Proprietary Funds. Clients should discuss any questions with or request further information from their Financial Intermediary concerning the use of Proprietary Funds in models or the conflict of interest this creates.

Potential Risks of Investing with Funds, Equities, and Bonds

Stock Market Risk – The Funds that invest in equity securities are subject to stock market risk. Stock market risk is the possibility that stock prices overall will decline over short or extended periods. Markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Investing in small and medium-sized companies involves greater risk than is customarily associated with more established companies. Stocks of such companies may be subject to more volatility in price than larger company securities.

Foreign Securities Risk – Foreign securities are subject to the same market risks as U.S. securities, such as general economic conditions and company and industry prospects. However, foreign securities involve the additional risk of loss due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards; limited availability of information; currency conversion; and pricing factors affecting investment in the securities of foreign businesses or governments.

Interest Rate Risk – Bonds also experience market risk as a result of changes in interest rates. The general rule is that if interest rates rise, bond prices will fall and so will the mutual fund’s and ETF’s share price. The reverse is also true: if interest rates fall, bond prices will generally rise.

A bond with a longer maturity (or a bond fund with a longer average maturity) will typically fluctuate more in price than a shorter term bond. Because of their very short-term nature, money market instruments carry less interest rate risk.

Credit Risk – Bonds and bond mutual funds and ETFs are also exposed to credit risk, which is the possibility that the issuer of a bond will default on its obligation to pay interest and/or principal. U.S. Treasury securities, which are backed by the full faith and credit of the U.S. Government, have limited credit risk, while securities issued or guaranteed by U.S. Government agencies or government-sponsored enterprises that are not backed by the full faith and credit of the U.S. Government may be subject to varying degrees of credit risk. Corporate bonds rated BBB or above by Standard & Poor’s are generally considered to carry moderate credit risk. Corporate bonds rated lower than BBB are considered to have significant credit risk. Of course, bonds with lower credit ratings generally pay a higher level of income to investors.

Liquidity Risk – Liquidity risk exists when a particular security is difficult to trade. A mutual fund's or an ETF's investment in illiquid securities may reduce the returns of the mutual fund because the mutual fund or ETF may not be able to sell the assets at the time desired for an acceptable price, or might not be able to sell the assets at all.

Call Risk – Many fixed-income securities have a provision allowing the issuer to repay the debt early, otherwise known as a “call feature.” Issuers often exercise this right when interest rates are low. Accordingly, holders of such callable securities may not benefit fully from the increase in value that other fixed-income securities experience when rates decline. Furthermore, after a callable security is repaid early, a mutual fund or ETF would reinvest the proceeds of the payoff at current interest rates, which would likely be lower than those paid on the security that was called.

Objective/Style Risk – All of the mutual funds and ETFs are subject, in varying degrees, to objective/style risk, which is the possibility that returns from a specific type of security in which a mutual fund invests will trail the returns of the overall market.

U.S. Government Agency Securities Risk – Securities issued by U.S. Government agencies or government-sponsored entities may not be guaranteed by the U.S. Treasury. If a government-sponsored entity is unable to meet its obligations, the securities of the entity will be adversely impacted.

Participation in other Wrap/UMA Programs

Method of Analysis

In providing models to wrap and UMA programs, Fortigent performs investment product searches, recommends investment products and monitors performance of those products for inclusion in the Fortigent models.

General Investment Risks

All investing involves a risk of loss and the models offered by Fortigent could lose money over short or even long periods. Performance could be negatively impacted by a number of different market risks, including, but not limited to, that the portfolio management techniques used by Fortigent may not produce the desired results. This could cause accounts to decline in value. In addition, Fortigent may rely on information that turns out to be wrong. Fortigent selects investments based, in part, on information provided by issuers to regulators or made directly available to Fortigent by the issuers or other sources. Fortigent is not always able to confirm the completeness or accuracy of such information, and in some cases, complete and accurate information is not available. Incorrect or incomplete information increases risk and may result in losses.

Alternative Strategy Mutual Fund Risks

Some of Fortigent's models may include alternative strategy mutual funds which invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risk, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity.

Item 9. Disciplinary Information

Fortigent and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a Client's evaluation of the company or its personnel.

Item 10. Other Financial Industry Activities and Affiliations

Fortigent has affiliated entities that provide a variety of investment related services as further described below.

Fortigent Strategies Company, LLC is the administrative manager for a Private Fund for which Fortigent serves as the investment adviser.

Fortigent's indirect owner, LPL Financial Holdings Inc. (NASDAQ: LPLA), is a publicly traded company. Fortigent and LPL Financial LLC ("LPL") are related persons. LPL is an investment adviser registered with the SEC. LPL also is a broker-dealer registered with FINRA and the SEC. As a broker-dealer, LPL transacts business in various types of securities, including mutual funds, stocks, bonds, commodities, options, private and public partnerships, variable annuities, real estate investment trusts and other investment products. LPL is registered to operate in all 50 states and has primarily an independent-contractor sales force of registered representatives and investment adviser representatives dispersed throughout the United States. LPL is also registered as a transfer agent with the SEC and as an Introducing Broker with the Commodity Futures Trading Commission. In addition, LPL is qualified to sell insurance products in all 50 states.

Fortigent and LPL have an agreement in place whereby LPL may act as the Overlay Manager in the Access Overlay II Program. Additionally, LPL registered representatives may be associated with third party investment advisers, as an outside business activity. From time to time, such investment advisers may enter into agreements with Fortigent for research and reporting services.

All personnel in the LPL Research Department receive a regular salary and a discretionary bonus. Such discretionary bonus for LPL Research personnel is based on the performance of the LPL Research portfolios where we manage a complete portfolio. This bonus presents a potential conflict of interest because the team may focus on short-term performance, have incentive to take undue risk, or favor certain portfolios over others. However, LPL mitigates that conflict by having the compensation calculation be based on short- and long-term performance, having a cap on the amount of compensation paid (regardless of return obtained), having a negative incentive (where bonus can be less than 100%), and having an portion of the compensation be tied to the performance of all discretionary portfolios.

Certain associated persons of Fortigent serve on advisory boards of Financial Intermediaries of Fortigent. In this capacity, these individuals may be asked to consult with the Financial Intermediaries' management on business planning and strategy, among other issues. Fortigent believes that no conflicts of interests arise in having its associated persons serve on the advisory boards of its Financial Intermediaries as these Financial Intermediaries do not receive any financial benefit from Fortigent as a result of its associated persons serving on these advisory boards.

In addition, Fortigent receives sponsorships for its forums and meetings. Sponsorship may include coverage of travel and hotel expenses for attendees. The sponsors may include investment managers that are recommended to Financial Intermediary Clients and Access Overlay or Access Overlay II Clients, and custodians. Fortigent also discloses all sponsors at the forums or upon request. Fortigent mitigates this conflict through the independence of its research and due diligence process, which never contemplates sponsorship of a forum for consideration of an investment manager for inclusion on its recommended list. Fortigent maintains policies and procedures that protect the independence of its research and due diligence process.

Financial Intermediaries may also be investment managers that are recommended to Financial Intermediary Clients and Access Overlay or Access Overlay II Clients. Fortigent mitigates this conflict through the independence of its research and due diligence process, which never contemplates the Financial Intermediaries engagement of Fortigent in determining whether to consider an investment manager for inclusion on its recommended list. Fortigent maintains policies and procedures that protect the independence of its research and due diligence process.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Executive Summary

Securities and Exchange Commission (SEC) Rule 204A-1 (the Rule) under the Investment Advisers Act of 1940, as amended, requires investment advisors to adopt codes of ethics. The Rule requires an investment advisor's code of ethics to set forth standards of conduct and requires supervised persons to comply with applicable federal securities laws. Codes of ethics must address personal trading, including the reporting of personal securities holdings and transactions and the pre-approval of certain investments. This document contains the Code of Ethics for the LPL Financial family of affiliated companies (collectively referred to as "LPL Financial"*), each of which is defined on Schedule A.

Covered Persons

Personnel that are covered (Covered Persons) under LPL Financial Code of Ethics (the Code) include the following:

- Home office employees
- Financial advisors
- Registered assistants
- Registered program managers

Covered Persons are considered access persons under the Rule and are required to adhere to all policies and to report to LPL Financial as described herein. Employees of The Private Trust Company, certain non-registered personnel (such as non-registered assistants and program managers), and temporary or contract workers are excluded from the requirements of the Code and are not Covered Persons

Compliance with Securities Laws

Covered Persons are required to abide by all applicable federal securities laws. Policies concerning these securities laws are discussed in other manuals and guides. Covered Persons are not permitted, in connection with the purchase or sale, directly or indirectly, of a security held or to be acquired by a client to:

- Defraud such client in any manner
- Mislead a client, including by making any statement that omits material facts
- Engage in any act, practice, or course of conduct that operates or would operate as a fraud or deceit on a client
- Engage in any manipulative practice with respect to such client
- Engage in any manipulative practice with respect to securities, including price manipulation
- Favor the interests of one client over another client
- Profit personally, directly or indirectly, as a result of knowledge about a security or a transaction

Conflicts of Interest

LPL Financial and its Covered Persons have an affirmative duty of care, loyalty, honesty and good faith to act in the best interests of its clients. Covered Persons should avoid even the appearance of a conflict of interest and should fully disclose all material facts concerning any conflict that does arise with a client.

Insider Trading

In accordance with the Insider Trading and Securities Fraud Enforcement Act of 1988, Covered Persons may not trade a security while in the possession of non-public information about the security. Additionally, Covered Persons may not disseminate or tip such information to others who may trade the security. Material information includes any information that a reasonable investor would consider in making an investment decision. Non-public information is information that has not been disseminated in a manner that would make it generally available to investors. A Covered Person who has reason to believe that he or she, or a customer, is in possession of “inside information” should contact LPL Financial Legal Department prior to taking any action.

Protecting Confidentiality

In the course of normal business activities, Covered Persons may receive confidential information concerning clients and potential clients. To maintain client confidence and trust, this information must be handled with integrity and discretion. As a general rule, confidential information pertaining to a client of LPL Financial should never be communicated to anyone other than the financial advisors (FAs), assistants, and employees of LPL Financial who need to know, and where appropriate, to the participants involved in a specific transaction. A judgment about who needs to know about particular client information depends on the facts and circumstances, and should be discussed by the Covered Person with his or her supervisor (e.g., for FAs, the branch office manager or the Compliance Department). Examples of persons within LPL Financial who may need to know include senior management and Compliance staff. In the event confidential client information is communicated, the recipient of the information should be advised of its confidential nature, that it is given solely for the purpose of fulfilling his or her responsibilities with the client, and that it is not to be disclosed in any other form to any other person.

Personal Securities Transactions

All Covered Persons must comply with LPL Financial policies regarding personal securities transactions. In addition to the following policies, other policies concerning personal securities transactions are discussed in other manuals and guides.

- Purchases of limited or private offerings require pre-approval from the Compliance Department prior to proceeding with a transaction.
- LPL Financial prohibits Covered Persons from acquiring any securities in an initial public offering without prior written approval from the Compliance Department.
- Research employees must obtain pre-clearance prior to placing any transaction in any reportable security as defined below.

Covered Persons are required to adhere to LPL Financial policy concerning restricted trading periods that may be in place from time to time. This policy may prohibit Covered Persons from engaging in transactions in securities on an LPL Financial blackout list until the stated blackout period has elapsed.

Violations of the Code

Any violation or non-compliance with the Code must be immediately reported to the chief compliance officer and to the Legal Department. Examples include non-compliance with applicable rules and regulations, fraud, or illegal acts involving any aspect of the firm’s business, material misstatements in client records or reports, or any activity that is harmful to clients. Any violation of the Code may result in disciplinary action including but not limited to warning, fines, disgorgement, suspension, demotion, or termination of employment or licensing. Violations can be reported via the Code of Ethics Violations

Reporting Form or via email at LPLFinancial.CodeofEthicsViolations@lpl.com.

Personal Securities Holdings

LPL Financial policy permits Covered Persons to maintain personal securities accounts or holdings at LPL Financial and other financial institutions. Holdings include those securities in which a covered person has any direct or indirect beneficial ownership (including a trust). A covered person is considered to be the beneficial owner of an account in which he or she has any financial interest or ability to exercise control and of any account belonging to immediate family members (including any relative by blood or marriage) sharing the covered person's household. Covered Persons must notify the Compliance Department of, and receive prior written approval for, opening accounts or holding personal securities at financial institutions other than LPL Financial. Covered Persons are either required to set up LPL Financial to receive duplicate copies of statements for the accounts held at other financial institutions or to report them directly to LPL Financial on no less than an annual basis.

Periodic Reporting

Transaction Reports

The Rule requires all Covered Persons to report certain security and transaction information to LPL Financial on a periodic basis. LPL Financial will generate the reporting internally for all securities and transactions within LPL Financial accounts. For securities and transactions held at other financial institutions, LPL Financial will rely on either duplicate statements or forms received within the Compliance Department for securities and transactions for the vast majority of Covered Persons.

Quarterly Transaction Reports

Covered Persons are required to provide LPL Financial with quarterly information regarding all transactions involving reportable securities within 30 days of each calendar quarter end. As stated above, LPL Financial will rely on either duplicate statements or forms received within the Compliance Department for transactions for the vast majority of Covered Persons.

Purchases or sales subject to an automatic dividend reinvestment plan need not be reported. Transactions held outside of a brokerage account must be reported within 30 days of each calendar quarter end.

Holdings Reports

Within 10 days of becoming associated with LPL Financial, Covered Persons must provide holding information for all reportable securities. All holdings reports must be current as of a date not more than 45 days prior to becoming a covered person. Holdings information must be updated on an annual basis thereafter and must be current as of a date not more than 45 days prior to the date the holdings report is submitted.

As stated above, LPL Financial will rely on either duplicate statements or forms received within the Compliance Department for transactions for the vast majority of Covered Persons. Transactions held outside of a brokerage account must be reported within 30 days of each calendar quarter end.

Reportable Securities

All securities are reportable (reportable securities) on the periodic reporting, except:

- Direct obligations of the U.S. government
- Money market instruments (bankers' acceptances, bank certificates of deposit, commercial paper,

repurchase agreements and other high-quality short-term debt instruments), where “high-quality short-term debt instrument” is defined to mean any instrument having a maturity at issuance of fewer than 366 days and which is rated in one of the highest two rating categories by a nationally recognized statistical rating organization, or which is unrated but is of comparable quality

- Shares issued by money market funds
- Shares issued by open-end mutual funds (other than exchange-traded funds)
- Shares issued by open-end unit investment trusts (other than exchange-traded funds)

Acknowledgement of Receipt of Code

All Covered Persons are required to acknowledge receipt of delivery of this Code from LPL Financial, as well as any amendments to the Code that may be delivered. Additionally, it is the responsibility of all Covered Persons to read, understand and abide by all aspects of the Code.

Standards of Business Conduct

LPL Financial requires all Covered Persons to conduct all business dealings in an ethical fashion and to abide by not only the technical requirements of this Code, but also to the spirit in which it is intended.

Item 12. Brokerage Practices

Services to Financial Intermediaries

Financial Intermediaries may choose any custodial and trading partner. From time to time, Fortigent may recommend to its Financial Intermediaries that the Financial Intermediary Clients establish brokerage accounts with third party custodians such as the Schwab Institutional division of Charles Schwab & Co., Inc., Pershing Advisory Solutions, LLC, Fidelity Institutional Wealth Services or TD Ameritrade to maintain custody of Financial Intermediary Clients' assets and to effect trades for their accounts. These custodians may provide Financial Intermediary Clients with access to institutional pricing and operations services typically not available to retail investors.

These custodians may also make available to Fortigent other products and services that benefit Fortigent and may not benefit the Financial Intermediaries or the Financial Intermediary Clients. Some of these other products and services assist Fortigent in administering the Financial Intermediary Clients' accounts. These include software and other technology that provide access to Client account data (such as trade confirmations and account statements), provide research, pricing information and other market data, and assist with back-office support, recordkeeping and Client reporting. Many of these services generally may be used to service all or a substantial number of Financial Intermediary Clients' accounts, including accounts not maintained at said custodian.

In addition, Fortigent receives sponsorships for its forums from certain custodians recommended to Financial Intermediaries and Access Overlay and Access Overlay II Clients. Fortigent discloses all sponsors at the forums or upon request. Fortigent mitigates this conflict through the independence of its research and due diligence process, which never contemplates sponsorship of a forum for consideration of a custodian to recommend to Financial Intermediaries, Access Overlay and Access Overlay II Clients. Fortigent maintains policies and procedures that protect the independence of its research and due diligence process.

Fortigent may receive referrals of Financial Intermediaries from certain custodians recommended to Financial Intermediaries, Access Overlay and Access Overlay II Clients. Fortigent mitigates this conflict through the independence of its research and due diligence process, which never contemplates referrals when considering a custodian to recommend to Financial Intermediaries, Access Overlay and Access Overlay II Clients. Fortigent maintains policies and procedures that protect the independence of its research and due diligence process.

Access Overlay and Access Overlay II Unified Managed Account Programs

Fortigent may delegate all trading responsibilities to Overlay Managers Parametric, LPL or Natixis, or may not delegate. Because of the nature of the Access Overlay and Access Overlay II Programs, Overlay Managers will cause the trading in these accounts to occur at the custodian selected by the Client except in cases where Overlay Manager determines that execution is required to be done away from the custodian selected by the Client. Currently, Clients may choose among Charles Schwab & Co., Inc., Fidelity Institutional Wealth Services, TD Ameritrade, Pershing Advisor Solutions, LLC, or SEI Investment Company, Inc. for custody services. Some Access Overlay II Clients or their Financial Intermediaries may direct trading to specific broker-dealers as designated in the Financial Intermediary or Client Agreements.

Accordingly, the Overlay Managers will not be able to negotiate the terms and conditions (including, but not limited to, asset-based or transaction-based commission rates) relating to the services provided by such broker or custodian. The Overlay Managers do not have any responsibility for obtaining for the Client from any such broker or custodian the best prices or particular commission rates with or through any such

custodian, Fortigent or Overlay Managers will make best efforts to honor advisor directed brokerage requests but may execute trades with other brokers in their discretion.

The Overlay Managers generally aggregate securities sale and purchase orders for a Client with similar orders being made contemporaneously for other Clients. When orders are aggregated, the average price of all securities purchased or sold in such transactions may be determined and a Client may be charged or credited, as the case may be, the average transaction price. As a result, however, the price may be less favorable to the Client than it would be if similar transactions were not being executed concurrently for other Clients.

Wrap Program

The Client and the Financial Intermediary will select a custodian of the Client's assets and a broker for trade executions (except, as agreed upon, in limited circumstances for the Fixed Income Overlay Option). In directing the use of a particular broker, Clients may lose out on certain benefits that may otherwise be obtained, and it should be understood that Fortigent will not have authority to obtain volume discounts. Consequently, the Client may forfeit more favorable commission rates and executions.

- *Access Overlay Program Trades*

Fortigent delegates all trading responsibilities to the Overlay Manager for the Access Overlay Program. The Overlay Manager may buy, sell, exchange, convert, tender, and otherwise trade in any stocks, bonds, or other securities, as well as execute securities transactions through accounts established with such brokers or dealers as the Financial Intermediary or the Client may select. The Client and the Financial Intermediary will select a custodian of the Client's assets and a broker for trade execution. Accordingly, the Overlay Manager will not be able to negotiate the terms and conditions (including, but not limited to, asset-based or transaction-based commission rates) relating to the services provided by such custodian. The Overlay Manager does not have any responsibility for obtaining for the Client from any such custodian the best prices or particular commission rates with or through any such custodian, although Fortigent has sought to obtain preferred pricing arrangements from the custodians from which the Client may select. The Overlay Manager generally aggregates securities sale and purchase orders for a Client with similar orders being made contemporaneously for other Clients. When orders are aggregated, the average price of all securities purchased or sold in such transactions may be determined and a Client may be charged or credited, as the case may be, the average transaction price. As a result, however, the price may be less favorable to the Client than it would be if similar transactions were not being executed concurrently for other Clients.

- *Fixed Income Overlay Option Trades*

Each Fixed Income Overlay Option Research Provider will have investment discretion over that portion of the Client's accounts managed by the particular Research Provider. The Client should receive disclosures of each such Research Provider's practices, including brokerage, aggregation of orders, and use by the investment manager of "soft dollars" to obtain research products and services from broker-dealers based on customer orders placed through the broker-dealer. The designation by a Client of a particular broker-dealer for execution of Client account transactions will severely limit the ability of the Research Provider to manage the account and may affect the commission rates and the method and pricing of execution of the Client's account transactions for the portion of the Client's portfolio managed by a particular Research Provider. The Client is urged to review each Research Provider's disclosures on brokerage practices in deciding whether to direct the Research Provider to use a particular broker for execution of the Client's portfolio transactions.

- *Fund Option and Securities Option Trades*

Fortigent attempts to negotiate the commission rate that a Client is to pay to the broker that it has directed Fortigent to use. The Client either approves the commission rate negotiated by Fortigent or separately determines the commission rate pursuant to its own efforts. In either procedure, the authority to negotiate and establish the rate is solely maintained by the Client. A disparity in commission charges may exist among the commissions charged to Clients. In some instances, the Financial Intermediary may negotiate commission or asset-based pricing for all trading in Client accounts.

Fortigent generally does not aggregate orders for Clients, which could potentially achieve a better average price on ETF and equity transactions for Clients. Furthermore, Fortigent generally uses Market-on-Close (“MOC”) orders for ETFs, equity transactions, and domestic fixed-income securities. A MOC order is a market order that is submitted to execute as close to the closing price as possible.

As such, in accordance with the rules of the New York Stock Exchange (“NYSE”) for entering/canceling/modifying MOC orders, all MOC orders must be received at NYSE (and at AMEX) by 3:45 p.m. ET, unless entered to offset a published imbalance. NYSE rules also prohibit the cancellation or reduction in size of any MOC order after 3:45 p.m. ET. NASDAQ rules require that all MOC orders must be received by 3:50 p.m. ET and cannot be cancelled after 3:50 p.m. ET. Clients should be aware of the probable effect a large order will have on the closing price and thus the risk of receiving an unfavorable price due to this practice engaged in by Fortigent.

In effecting transactions, Fortigent is not obligated to seek in advance competitive bidding for the most favorable commission rate applicable to any particular transaction for the Client’s account or recommend any broker on the basis of its posted commission rate.

- *Alts Option Trades*

Fortigent will generally invest the Alts Option assets in underlying private funds directly and without the involvement of any financial intermediary such as a broker-dealer. Thus commissions are not ordinarily payable in connection with such investments.

Participation in other Wrap/UMA Programs

Fortigent provides models and is not responsible for selecting brokers or executing transactions.

Item 13. Review of Accounts

Services to Financial Intermediaries

The performance of managers, private funds, mutual funds, or ETFs is generally monitored on a quarterly basis and typically reviewed by Portfolio Management Committees. The Portfolio Management Committees are also responsible for the day-to-day management of Fortigent model portfolios consisting of manager sleeves, mutual funds, and/or ETPs. Factors which may trigger a review include changes in performance or advisory fee as well as political and economic events. The recommended list on the Fortigent portal, which is available to all Financial Intermediaries, is updated as necessary.

Most of Financial Intermediaries receive Financial Intermediary Clients' performance reports on a quarterly basis. The performance reports may then be forwarded by the Financial Intermediaries to their respective Financial Intermediary Clients.

Access Overlay and Access Overlay II Unified Managed Account Programs

The Portfolio Management Committees are responsible for the day-to-day management of Fortigent model portfolios consisting of manager sleeves, mutual funds, and/or ETPs. Factors which may trigger a review include changes in performance or advisory fee as well as political and economic events.

The Portfolio Management Committees also oversee Fortigent's performance of initial and ongoing due diligence on Research Providers, mutual funds, and ETFs participating in the models.

Access Overlay and Access Overlay II Clients receive quarterly reports prepared by Fortigent. Such reports are provided to the Clients directly by their Financial Intermediaries. These reports detail the Client's positions, gains and losses, income and expenses, and the performance the account. Access Overlay and Access Overlay II Clients receive statements directly from the custodian on a monthly or quarterly basis.

Private Fund Management

FSC has elected to close and liquidate the Private Fund effective December 31, 2012. FSC will manage the liquidation process to ensure an orderly and efficient liquidation and redemption of all investors.

Until final liquidation, Fortigent generally furnishes each investor with the following:

- Periodic statements that include the unaudited net asset value or capital account balance of the investor's interest in the Private Fund and the monthly and year-to-date performance, as applicable;
- Periodic letters discussing the results of the Private Fund for the fiscal quarter just ended;
- Annual audited financial statement of the Private Fund; and
- Schedule K-1.

Wrap Program

The Financial Intermediary is responsible for meeting with Clients and performing reviews of the investment allocation for Client accounts.

The Financial Intermediary receives Clients' performance reports on a quarterly basis. The performance reports may then be forwarded by the Financial Intermediary to their respective Financial Intermediary Clients.

Participation in other Wrap/UMA Programs

Fortigent's strategic asset allocation framework is based on Mean Variance Optimization ("MVO"). MVO is a mathematical algorithm that optimizes portfolios across a set of asset classes. The result of this algorithm creates "efficient" portfolios from the blend of possible asset classes. From this efficient frontier, we build a series of allocations (varying degrees of risk) for various portfolio modules. Fortigent creates model portfolios consisting of manager sleeves, mutual funds, and/or ETPs based on these allocations. Ongoing review is managed subject to the oversight of the portfolio management team.

Item 14. Client Referrals and Other Compensation

General

Fortigent may compensate third parties, including Financial Intermediaries, via a revenue sharing arrangement for referring other Financial Intermediaries to Fortigent. In addition, Fortigent may provide discounts to the fees a Financial Intermediary pays Fortigent under the Services Agreement based on, among other factors, the level of the Financial Intermediary's business relationship with Fortigent.

In addition, from time to time, Fortigent may enter into written agreements with other unrelated third parties ("Solicitors") to use their best efforts on behalf of Fortigent to solicit and refer as Clients those individuals or entities that the Solicitors believe are suitable and appropriate for the Access Overlay and Access Overlay II Program. These solicitation agreements typically provide for the Solicitor to earn a percentage of the fees earned by Fortigent and/or its related persons from the Client (via fees paid within Access Overlay or Access Overlay II fees). Subject to existing federal and state securities laws and regulations, Solicitors receive such fees on a fully vested basis, so long as the Client participates in the Access Overlay or Access Overlay II Program. Generally, a Client who is referred to the Access Overlay or Access Overlay II by a Solicitor does not pay any higher fee or additional amounts other than what would be paid by any other Client who comes directly to the Access Overlay or Access Overlay II without the benefit of a Solicitor. Such agreements are usually for an unspecified duration and are terminable upon notice.

The solicitation arrangements comply with Rule 206(4)-3 under the Investment Advisers Act of 1940. In such cases, in compliance with Rule 206(4)-3, Client and investors are provided with a disclosure document by the Solicitor describing the Solicitor's relationship with Fortigent and the compensation to be paid to the Solicitor by Fortigent. In addition, the Client acknowledges in writing the receipt of Fortigent's Form ADV Part 2A and the separate Solicitor's disclosure document, when applicable.

Fortigent may receive referrals of Financial Intermediaries from certain custodians recommended to Financial Intermediaries, Access Overlay or Access Overlay II Clients. Fortigent mitigates this conflict through the independence of its research and due diligence process, which never contemplates referrals when considering a custodian to recommend to Financial Intermediaries, Access Overlay or Access Overlay II Clients. Fortigent maintains policies and procedures that protect the independence of its research and due diligence process.

LPL Financial, an affiliated company of Fortigent, may receive payments known as revenue sharing from investment companies or product companies when those products are sold to LPL Financial customers. Fortigent may recommend those products and, thereby may increase the amount of revenue sharing received by LPL Financial. This creates a conflict of interest for Fortigent in the form of additional financial incentive and benefit to an affiliated company of Fortigent if Fortigent recommends those particular products.

Private Fund Management

FSC previously served as Administrative Manager, and Fortigent previously served as investment manager, to three Private Funds: Ironwood Partners Access Fund, LLC, Discretionary Managed Futures Fund, LLC, and Small Cap Long Short Fund, LLC. The Private Funds' new Administrative Manager and Adviser pays LPL Financial a percentage of the advisory fees earned by the new Administrative Manager and Adviser from the Fund with respect to investors who were invested in the Fund on the final day for which FSC and Fortigent managed and advised the Private Funds.

Although Fortigent does not receive payment with respect to new investors in these Private Funds, this relationship results in a specific conflict. Fortigent is incentivized to maintain these Private Funds on its list of recommended private funds available to its Financial Intermediary Clients. Fortigent thereby increases the likelihood of legacy investors subscribing for additional interests, which would increase the fees paid to Fortigent, and decreases the likelihood of redemptions by certain investors, which would decrease such fees.

Additionally, LPL Financial may also receive fees on other funds run by the new Administrative Manager and Adviser that Fortigent maintains on its list of recommended private funds. This relationship also results in a specific conflict since Fortigent may be incentivized to add more funds run by the Administrative Manager because that may result in more fees being paid to LPL Financial, an affiliated company of Fortigent.

Item 15. Custody

Access Overlay and Access Overlay II Unified Managed Account Programs and Wrap Program

All Access Overlay, Access Overlay II and Access Program Client assets are held in custody by unaffiliated broker/dealers. Access Overlay, Access Overlay II and Access Program Clients should receive at least quarterly statements from the broker/dealer that holds and maintains the Client's Access Overlay, Access Overlay II and/or Access Program assets. Fortigent urges you to carefully review such statements and compare such official custodial records to the account statements provided to you by your Financial Intermediary. The Financial Intermediary performance reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Private Fund Management

All Private Fund assets, other than interests in the underlying private funds, are held in custody by unaffiliated broker/dealers or banks. Fortigent is deemed to have custody over the Private Fund described in Item 4 because of FSC's role as administrative manager to the Private Fund.

Investors in the Private Funds do not receive statements from the custodian of the activity within the Private Funds. Instead, the third party administrator to the Private Fund distributes monthly or quarterly performance and net asset value statements to each investor, and the Private Fund are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed to the investors.

Item 16. Investment Discretion

Services to Financial Intermediaries

Given that Fortigent does not provide investment recommendations directly to Financial Intermediary Clients, Fortigent assumes no responsibility or liability for any advice and/or recommendation rendered by Financial Intermediaries to their Financial Intermediary Clients.

Access Overlay and Access Overlay II Unified Managed Account Programs

Fortigent may delegate all trading responsibilities to Overlay Managers, Parametric, LPL or Natixis, or may not delegate. However, Fortigent retains the authority to select the Research Providers, mutual funds, and ETFs to be used in the Client accounts by making adjustments to the models. The Overlay Manager(s) may choose to implement adjustments to accounts as a result of changes to models at its sole discretion and in accordance with its tax efficient management strategy, when applicable.

Private Fund Management

The Private Fund operates as a “feeder fund” that invests substantially all of its assets (other than cash awaiting investment or distribution) in underlying private funds. As such, Fortigent has little investment discretion with respect to the Private Fund.

Participation in other Wrap/UMA Programs

As noted above, Fortigent does not have discretion to execute trades through certain third party wrap and UMA programs.

Trade Errors

Fortigent’s trade error correction policy specifies that the Private Fund is not responsible for trade errors committed by Fortigent in conjunction with the management of the Private Fund.

Fortigent will seek to correct trade errors in Access Overlay or Access Overlay II accounts to make the Client whole as if the error did not occur. It is Fortigent’s standing policy, however, to donate any gains resulting from trade errors to charities selected by Fortigent on an annual basis. It is important to note, however, that Trade Error corrections may depend on the Trade Error Policy of the selected Custodian.

Item 17. Voting Client Securities

Access Overlay and Access Overlay II Unified Managed Account Programs

Fortigent or the Overlay Manager, is responsible for voting proxies for Access Overlay and Access Overlay II Program Clients. With regard to Access Overlay, the Overlay Manager, Parametric Portfolio Associates, LLC conducts all proxy voting activities on behalf of Access Overlay Clients. For information on Parametric's proxy voting policy or how proxy were voted please contact Fortigent. With regard to Access Overlay II, Fortigent has contracted with an outside third party, Broadridge, to conduct all proxy voting activities on behalf of Fortigent.

Upon written request, Clients can also take responsibility for voting their own proxies, or can give the Overlay Manager instructions about how to vote their respective shares. Additionally, some Financial Intermediaries may vote proxies for their Clients. Please consult your Access Overlay or Access Overlay II Program Agreement to determine who is voting proxies for your account.

With regard to all matters (other than proxies) for which shareholder action is required or solicited with respect to securities beneficially held in the Access Overlay or Access Overlay II Program Clients' accounts, such as (i) all matters relating to class actions, including without limitation, matters relating to opting in or opting out of a class and approval of class settlements and (ii) bankruptcies or reorganizations, Fortigent affirmatively disclaims responsibility for electing/voting (by proxies or otherwise) on such matters and will not take any action with regard to such matters.

Upon written request, Clients can also take responsibility for voting their own proxies, or can give the Overlay Manager instructions about how to vote their respective shares. Additionally, some Financial Intermediaries may vote proxies for their Clients. Please consult your Access Overlay or Access Overlay II Program Agreement to determine who is voting proxies for your account.

Private Fund Management

Fortigent's Chief Compliance Officer is charged with identifying the proxies and other securities upon which Fortigent will vote, voting the proxies based on determinations made by Fortigent, and ensuring that proxies are submitted promptly and properly. It is anticipated that there will be little to no proxy voting in any given year.

Fortigent's policy is to vote Client proxies in the interest of maximizing investor value. To that end, Fortigent will vote in a way that it believes will cause the investment to increase the most or decline the least in value. Consideration will be given to both the short and long term implications of the proposal to be voted on when considering the optimal vote.

Fortigent monitors for potential conflicts of interest between the Private Fund's interests and its own within the proxy voting process. Nevertheless, if Fortigent's Chief Compliance Officer determines that Fortigent, its affiliates, or its related persons face a material conflict of interest in voting a proxy (e.g., an employee of Fortigent may personally benefit if the proxy is voted in a certain direction), Fortigent's procedures provide for a committee to determine the optimal vote. If the committee cannot come to a unanimous decision, the procedures provide for an independent third party to determine the appropriate vote. As an added protection, the third party's decision is binding.

Fortigent's complete proxy voting policy and procedures are memorialized in writing and are available for review by Private Fund investors. In addition, Fortigent's complete proxy voting record is available to current Private Fund investors. Investors should contact Fortigent at the phone number listed on the front of this document if they have any questions, or if they would like to review either of these documents.

With regard to all matters (other than proxies) for which shareholder action is required or solicited with respect to securities beneficially held by the Client's account, such as (i) all matters relating to class actions, including without limitation, matters relating to opting in or opting out of a class and approval of class settlements and (ii) bankruptcies or reorganizations, Fortigent affirmatively disclaims responsibility for voting (by proxies or otherwise) on such matters and will not take any action with regard to such matters.

Wrap Program

Access Overlay Program

The Overlay Manager is responsible for voting proxies for Access Overlay Program Clients. With regard to all matters (other than proxies) for which shareholder action is required or solicited with respect to securities beneficially held in the Access Overlay Program Clients' accounts, such as (i) all matters relating to class actions, including without limitation, matters relating to opting in or opting out of a class and approval of class settlements, and (ii) bankruptcies or reorganizations, Fortigent affirmatively disclaims responsibility for electing/voting (by proxies or otherwise) on such matters and will not take any action with regard to such matters. Upon written request, Clients can also take responsibility for voting their own proxies or can give the Overlay Manager instructions about how to vote their respective shares.

Fund and Securities Options

Clients are responsible for voting proxies with respect to Funds, individual equities, and fixed-income securities within the Program. With regard to all matters (other than proxies) for which shareholder action is required or solicited with respect to securities beneficially held in these Program accounts, such as (i) all matters relating to class actions, including without limitation, matters relating to opting in or opting out of a class and approval of class settlements, and (ii) bankruptcies or reorganizations, Fortigent affirmatively disclaims responsibility for electing/voting (by proxies or otherwise) on such matters and will not take any action with regard to such matters.

Alts Option

Alts are primarily invested in alternative investments that typically do not issue proxies.

Item 18. Financial Information

Fortigent has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage Client accounts.