

**Part 2A of Form ADV: *Firm Brochure***

**Forté Capital<sup>SM</sup> LLC**  
**WEALTH MANAGEMENT**

Forté Capital LLC  
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February 6, 2024

This brochure provides information about the qualifications and business practices of Forte Capital LLC. If you have any questions about the contents of this brochure, please contact us at 585-586-8100 or [amasood@forte-capital.com](mailto:amasood@forte-capital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Forte Capital LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 109941. Registration with the Securities and Exchange Commission does not imply any level of skill or training.

## Item 2      Material Changes

This Firm Brochure provides you with a summary of Forte Capital LLC's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the type of the new and/or updated information as follow:

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE). We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

Since the filing of our last annual updating amendment, we have the following material changes to report:

- Our firm is no longer affiliated with Achieve Wealth Partners LLC ("AWP"), which has been deregistered with the SEC.

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## **Item 4      Advisory Business**

Forte Capital LLC ("Forte Capital", "our", "we" or "the Firm") is an independent investment advisor that is registered with the SEC and was founded in 1996. We are based in Rochester, NY.

The principal owners of Forte Capital are:

David W. Henion, CPA \*  
Dennis E. Lohouse, CFA  
Adil G. Masood, CPA \*  
Edmond D. Sheidlower, CMFC

\* Greater than 25% owners

### **Services**

Forte Capital provides the following services:

#### Portfolio Management Services:

The Firm provides discretionary and non-discretionary investment management services based on each client's individual needs. Through personal discussions and questionnaires, Forte Capital creates an Investment Policy Statement ("IPS") for most clients that outline the client's asset allocation. For employee benefit plans ("Plans"), we will rely on the Plan's IPS. If requested, Forte Capital will assist a Plan in developing their IPS. Forte Capital constructs and manages client's investment portfolios based on their investment policy.

Based on the client's risk tolerance, tax considerations, liquidity needs, time horizons, etc., clients may have different securities in their portfolio. In addition, clients may experience different levels of service based on their particular situation or requirements.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, certain industries or sectors and social responsibility policies.

#### Courtesy/Non-managed Accounts:

Clients may engage Forte Capital to assist in the execution of trades, facilitate in asset transfers, and/or to provide a holdings report. Forte Capital generally does not charge for this service and accordingly does not provide continual supervisory services for these assets. The client retains absolute discretion over these assets and Forte Capital will not be responsible for the selection, performance or suitability of assets that the client holds in these accounts. Additionally, these assets are not included in the calculation for assets under management.

#### Financial Planning Services:

Advice is rendered in the areas of cash flow planning, retirement planning, asset allocation and investment selection. Forte Capital gathers required information through personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. A retirement cash flow report is prepared and provided to some clients. Should a client choose to implement our recommendations, Forte Capital suggests that the client work closely with his or her attorney, accountant, and insurance agent. Implementation of financial planning recommendations is entirely at the client's discretion.

### Non-Investment Consulting/Implementation Services:

To the extent requested by the client, Forte Capital may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Forte Capital, nor any of its representatives, serves as an attorney, accountant (although certain of Forte Capital's representatives are CPAs, no such representative serves as a CPA to advisory clients), or insurance agent, and no portion of Forte Capital's services should be construed as such. To the extent requested by a client, Forte Capital may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Forte Capital. If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional (attorney, accountants, insurance agents, etc.). We receive no consideration for said referrals.

Financial planning recommendations are not limited to any specific product or service offered by a broker dealer or insurance company.

### Investment Consulting Services for "Outside" Assets:

Forte Capital may provide periodic investment consulting/asset allocation services for client's assets held "outside" (assets not under our Investment Management Agreement) such as 401(k) and 403(b) plans. Forte Capital generally does not charge for these services and accordingly does not provide continual supervisory services for these "outside" assets. The client retains absolute discretion over these "outside" assets and Forte Capital will not be responsible for the selection, performance or suitability of assets that the client holds in "outside" assets. Additionally, these assets are not included in the calculation for assets under management.

### Investment Consulting Services:

Forte Capital provides some or all of the following services to clients: periodic investment recommendations, portfolio reporting, and other agreed-upon administrative services.

### Services in General

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will primarily include advice regarding the following instruments:

- Equity Securities
- Debt securities, including corporate debt, US government, municipal debt
- Certificates of Deposit (CDs)
- No-load or load-waived mutual funds
- Exchange-traded funds (ETFs)
- Cash/short term investment vehicles

### **Miscellaneous Provisions**

#### Portfolio Activity:

Forte Capital has a fiduciary duty to provide services consistent with the client's best interest. Forte Capital will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, realized capital gain limitations

imposed by the client, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Forte Capital determines that changes to a client's portfolio are neither necessary, nor prudent. Clients remain subject to the advisory fees described in Item 5 below during periods of account inactivity.

#### Socially Responsible Investing and Limitations:

Socially Responsible Investing involves the incorporation of Environmental, Social and Governance ("ESG") considerations into the investment due diligence process. There are potential limitations associated with allocating a portion of an investment portfolio in ESG securities (i.e., securities that have a mandate to avoid, when possible, investments in such products as alcohol, tobacco, firearms, oil drilling, gambling, etc.). The number of these securities may be limited when compared to those that do not maintain such a mandate. ESG securities could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and Exchange Traded Funds ("ETFs") are few when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Forte Capital), there can be no assurance that investment in ESG securities or funds will be profitable, or prove successful.

Forte Capital's ESG security selection is typically limited to select ETFs or third-party manager accounts that are managed by unaffiliated third parties. As such, Forte Capital has no control over the selection of investments within those ETFs or accounts and does not administer any positive or negative screens to assess the appropriateness of any individual securities bought or sold for the ETFs. Instead, Forte Capital relies on the representations and screening processes of the third-party advisers responsible for managing each ETF and/or account. While Forte Capital will review each manager's overall investment mandate and philosophy, Forte Capital cannot guarantee that each security held within the ETF or third-party account structure will align with the ESG objectives and restrictions expressed by its clients.

#### Borrowing Against Assets/Risks:

A client who has a need to borrow money could determine to do so by using:

- Margin-The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral; and,
- Pledged Assets Loan- In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral;

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e. custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, Forte Capital does not recommend such borrowing unless it is for specific short-term purposes (i.e. a bridge loan to purchase a new residence). Forte Capital does not recommend such borrowing for investment purposes (i.e. to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged assets loan, the following economic benefits would inure to Forte Capital:

- by taking the loan rather than liquidating assets in the client's account, Forte Capital continues to earn a fee on such Account assets; and,
- if the client invests any portion of the loan proceeds in an account to be managed by Forte Capital, Forte Capital will receive an advisory fee on the invested amount.

Please Note: The Client must accept the above risks and potential corresponding consequences associated with

the use of margin or a pledged asset loan.

#### Client Obligations:

In performing its services, Forte Capital shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon.

In addition, each client is advised that it remains their responsibility to promptly notify Forte Capital if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Forte Capital's previous investment management services and/or financial planning recommendations.

#### Assets Under Management:

Forte Capital's total assets under management as of December 31, 2023 are approximately \$1.28 billion. Discretionary and non-discretionary assets under management as of December 31, 2023 are approximately \$1.27 billion and \$13.8 million respectively.

## **Item 5 Fees and Compensation**

#### Portfolio Management Fees:

Forte Capital's investment management fee schedule is as follows:

Assets Under Management	Maximum Annual Fee
First \$1 million	1.00%
Next \$2 million	0.90%
Next \$2 million	0.85%
Next \$4 million	0.65%
Next \$6 million	0.50%
Next \$15 million	0.40%

We bill our discretionary and non-discretionary clients on a quarterly basis and are paid in advance using a fee schedule clearly described in each client's investment management agreement. Forte Capital, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its portfolio minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). The fee will equal the applicable percentage of the market value of the assets in client account(s) on the last business day of the preceding calendar quarter (e.g., billing for the quarterly period January through March will be based on December's ending market value). In the event that the relationship is commenced or dissolved in the middle of a billing period, the fees will be pro-rated on a daily basis for the period outstanding and paid/refunded accordingly, as detailed in the investment management agreement. There is no fee adjustment as a result of cash/investment outflows/inflows from existing account(s) in the middle of a billing period. Generally, Forte Capital has the authority to deduct fees from client accounts, however, some clients pay by check. Some ERISA plans, however, are billed under different terms, as individually agreed upon with each ERISA plan.

Either the client or Forte Capital can terminate a non-ERISA investment management agreement in writing and is considered effective two (2) business days after being sent by U.S. mail or electronically or else when actually received by the other party. For ERISA Service Agreements, a notice of termination must be in writing and is effective thirty (30) business days after being sent by U.S. mail or electronically or else when actually received by the other party. If the client terminates the custodian account linked to the separately managed account with us, or if the client links the account(s) to another advisor, or if the client transfers all of the assets in the account, Forte Capital will consider that to constitute a notice of termination effective on the date of the above actions.

Forte Capital compensates several of its employees based on a percentage of new business generated and client retention.

#### Financial Planning Fees:

Forte Capital may provide financial planning services to most discretionary investment management clients at no additional cost. Some non-discretionary investment management clients may have a fixed fee arrangement, typically ranging from \$250 to \$500 per year. Some clients may pay the Firm for the services of our professional personnel at our then-current hourly rate, typically ranging from \$150 and \$250 per hour. Our rates are subject to periodic revision. We charge for the time our professional personnel spend on client accounts, including time spent in meetings with clients and others, time spent on telephone calls and other communications, and time spent on study, planning, analysis, preparation of reports and other work done by our professional personnel. We will charge annually in advance for this service. Payments are due 30 days after receipt of our invoice.

#### Investment Consulting Services:

Fees for these services are negotiated based on a percent of assets or a fixed-fee, depending on the level of services provided, and are charged in advance. Forte Capital, in its sole discretion, may waive these fees based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

#### **Important Additional Information**

##### Fees in Advance of Service:

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

##### Use of Mutual Funds and ETFs

Forte utilizes mutual funds and exchange traded funds for its client portfolios. In addition to Forte's investment advisory fee described at Item 5 below, and transaction and/or custodial fees discussed above and below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

All fees paid to Forte Capital for investment advisory services are separate and distinct from the fees and expenses charged by Exchange Traded Funds ("ETFs") to their shareholders. These fees and expenses are described in each ETF's prospectus. These fees will generally include a Trustee fee, license marketing fee and other operating expenses. There may be additional transaction fees charged by the custodian.

##### Mutual Fund Share Classes:

Custodians such as Schwab generally offer multiple share classes of certain mutual funds. Generally, custodians offer both non-transaction fee funds ("NTF Funds") and transaction fee funds. NTF Funds are available without a transaction fee, but typically have higher internal expense charges as referenced above. Transaction fee funds generally have lower internal expense charges, but require that the client pay a transaction fee to purchase these funds. Higher expenses adversely impact account performance. In addition, certain funds require minimum investment amounts to obtain the lower expense share class. As a result of these share class differences and/or minimum investment amounts, Forte will generally purchase NTF Funds for its clients with smaller account balances on the premise that the smaller amount invested does not justify incurring a transaction fee and/or the investment amount required to obtain the lower expense share class would not be prudent. However, this is not an exact process, and there could be, in hindsight, NTF Funds purchases for which the transaction fee fund would have been more beneficial. ANY QUESTIONS: Forte's Chief Compliance Officer, Adil Masood, CPA, remains available to address any questions that a client or prospective



client may have regarding mutual funds share classes. A client can direct Forte, in writing, to purchase transaction fee funds for his/her account.

#### Trading and Other Costs

In addition to Forte Capital's investment management fee, clients must pay any custodian fees and all trading costs. Such charges, fees and commissions are in addition to Forte Capital's fee. The Firm does not receive any portion of the commissions, custodial fees or trading costs.

The Firm does not receive compensation for the sale of securities or other investment products. Forte Capital does not act as principal, buy securities for the Firm from any client or sell securities that the Firm owns to any client. The Firm does not act as broker dealer or agent to effect securities transactions for compensation.

#### Tradeaway/Prime Broker Fees.

In limited circumstances, if, in the reasonable determination of Forte Capital, it would be beneficial for the client, individual fixed income transactions may be effected through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate "tradeaway" and/or prime broker fee charged by the account custodian.

#### Negotiability of Fees

Forte Capital, in its discretion, may charge a lesser investment advisory fee, waive its minimum, charge a flat fee, waive its fee entirely, or charge a fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). We may group certain related client accounts for the purposes of determining the account size and/or annualized fee.

**Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

#### Cash Positions:

It is Forte's policy that cash and cash equivalents (i.e., money market accounts) are an asset class. Absent approved mitigating circumstances and/or deviations, it is Forte's policy to include cash balances as part of assets under management for fee billing purposes. Exceptions or modifications shall be approved by the Chief Compliance Officer. Reasons for exceptions include, but are not limited to:

- Segregation of cash needed for short-term purposes (i.e., house purchase, medical expenses, college tuition, etc.);
- Competition;
- Negotiations with the client; and,
- Hardship

The Firm, at its discretion, may suspend and/or modify its policy to bill on cash balances during any specific billing quarter, including in the event that such billing would result in the client receiving a negative yield.

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

Forte Capital LLC does not charge performance-based fees.

## **Item 7      Types of Clients**

Forte Capital LLC provides advisory services to the following types of clients: high net worth individuals, pension and profit sharing plans, corporations, corporate pension & profit sharing plans, endowments, Foundations, Trusts, estates and charitable institutions.

The minimum account size for investment management services is \$500,000. This minimum is at the Firm's sole discretion. There is no minimum account size or annual fee for financial planning services or associated consulting.

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

Forte Capital has the ability to vary the client's exposure to equities, fixed income and cash versus the client's stated IPS or otherwise stated mandates and/or objectives depending on overall market conditions. Performance of client portfolios may not track movements in the overall stock and bond markets, particularly over the short-term. While the intent of our strategies is long-term capital appreciation, total return and protection of capital, the investment return and principal value may fluctuate or deviate from overall market returns to a greater degree than expected.

### Types of Investments:

Forte Capital offers large cap equity growth investment, equity income investments, value investments, balanced (stock/bond blend), fixed income, and actively traded asset allocation strategy investment management services.

Many client accounts are considered custom accounts. Accordingly, client accounts may hold different securities and different weightings based on various factors including tax considerations, personal risk profiles, and liquidity needs.

Portfolio holdings will typically be limited to domestic and foreign equity securities, ETFs, preferred securities, Master Limited Partnerships, corporate debt securities, certificates of deposit, municipal and United States government and agency securities, mutual funds, and options purchased/sold at the sole discretion of a client.

### Investment Process and Strategy:

Forte Capital's Investment Committee (IC) establishes the asset allocation range between equities, fixed, income, and cash and asset class weightings for the Firm's clients based on their IPS. The IC also formulates the Firm's views on the macroeconomic environment. Individual portfolio managers have discretion for security selection based on the client's IPS.

Generally, Forte Capital's research employs economic, fundamental and technical analysis as well as a qualitative appraisal of each company or mutual fund's management and business. We also use third-party newsletters, research, etc. Asset allocation is an important part of the process. The Firm believes the most appropriate returns for clients are achieved by maintaining client specific asset allocations.

### Individual Equity/Fundamental Analysis:

Individual equity research is company specific. The Firm engages in stock evaluation that focuses on individual companies that meet the Firm's quantitative criteria. Stock screens are run periodically to produce a list of companies for consideration. As market, economic and financial conditions change there may be stocks held in client accounts that do not meet the criteria or maintained for tax considerations. Forte Capital relies on third-party historical and projected data in the process. We believe that the information obtained is complete and accurate; however, no independent verification of the data, or company specific comments, have been

performed

Forte Capital's main sources of information are from third party research and rating services. We may also evaluate, SEC filings, inspections of corporate activities, annual reports, prospectuses, research materials prepared by others, as well as corporate rating services, financial newspapers and magazines and company press releases.

Forte Capital uses:

- long term purchases (securities held at least one year)
- short term purchases (securities sold within a year)
- trading (securities sold within 30 days)

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

#### Mutual Fund/ETF Analysis:

The Firm reviews and analyzes third-party research on mutual funds and ETFs that are under consideration for inclusion in client portfolios. This process typically includes quantitative and qualitative analysis of each fund. The due diligence is done with the fund manager or analyst and may be written and/or oral.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable of the client's portfolio.

#### Fixed Income Security:

Individual fixed income research is issuer specific. Portfolio duration is based on the risk profile of the client. Forte Capital relies on internal and external fixed income and economic analysis as well as Moody's and S&P's credit analysis in determining appropriate securities for client portfolios.

There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices rise. Generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which is the risk that the issuer will redeem the debt at its option, fully or partially, before the scheduled maturity date. The market value of debt instruments may fluctuate, and proceeds from sales prior to maturity may be more or less than the amount originally invested or the maturity value due to changes in market conditions or changes in the credit quality of the issuer. Bonds are subject to the credit risk of the issuer. This is the risk that the issuer might be unable to make interest and/or principal payments on a timely basis. Bonds are also subject to reinvestment risk, which is the risk that principal and/or interest payments from a given investment may be reinvested at a lower interest rate.

#### Options:

At the instruction from a client, we use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

## **Risk of Loss:**

Investing in securities involves risk of loss that clients should be prepared to bear. While Forte Capital attempts to moderate these risks, there can be no assurance that its investment and trading activities will be successful or that clients will not suffer losses.

Clients should be aware of the following potential risks:

- No Guarantee of Investment Performance. Forte Capital cannot guarantee it will achieve positive or competitive investment returns. Unanticipated market conditions, political developments, regulatory and other factors, many of which cannot be anticipated or controlled, could result in Forte Capital not generating positive or competitive after-tax returns or in a client losing a portion of their investment.
- General Investment Strategy Risk. The majority of Forte Capital's investment activities will be based upon a strategy that requires, among other activities, anticipating economic trends or changes, evaluating the industry and prospects of companies and correctly anticipating the timing, direction and magnitude of subsequent changes in the values of such securities. There can be no assurance that Forte Capital will be successful at implementing and managing the foregoing activities and no assurance that general market conditions and other market forces, which may be beyond control, will not prevent Forte Capital from successfully implementing and managing its investment strategy.
- Interest-rate Risk. Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, coupon rates on existing bonds become less attractive, causing their market values to decline
- Inflation Risk. When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Reinvestment Risk. This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Liquidity Risk. Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk. Excessive borrowing to finance a business' operations increases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- Foreign Companies. In general, investment in foreign issuer securities entails additional risks such as limited transparency and accounting overview, varying frequency, availability and quality of financial information, limited enforcement opportunities by US regulators, and limited shareholder rights and/or remedies. Investors should understand that an index fund tracking a specific emerging market or international index generally does not consider or weigh investor protection considerations when investing in a particular security. In addition to a number of considerations when investing in any fund, investors in index funds and other passively-managed funds should understand the potential impact of the fund's passive investing strategy on the investor's exposure to risks in emerging or international markets. For example, an emerging market index fund may seek to track a specific emerging market index, and therefore may invest in all of the securities included in that index or only a sample of those securities. However, the composition of the emerging market index itself generally would not weigh individual securities by investor protection considerations. That is, in index construction, decisions are made on a jurisdiction-wide basis. For example, once jurisdiction is included, individual securities from that jurisdiction are included in the index based on the index provider's specific weighting methodology (e.g., based on market capitalization). The index may or may not weigh the jurisdiction as a whole on the basis of investor risk or other factors in addition to market capitalization. Investors should consider these index construction decisions and the related risks when investing such funds.
- Insolvency of Brokers and Others. Forte Capital may be subject to the risk of failure of the brokerage firms that execute the Firm's trades, the clearing firms that such brokers use, or the clearing houses of

which such clearing firms are members.

- Effect of Substantial Withdrawals. Clients making substantial withdrawals within a short period of time could require liquidation of securities positions more rapidly than would otherwise be desirable, possibly reducing the value of the client's assets and/or disrupting Forte Capital's investment strategy. Reduction in assets could make it more difficult to generate a positive return or to recoup losses due to reductions in Forte Capital's ability to take advantage of particular investment opportunities.
- Tax Risks. Clients are urged to consult with a tax advisor with respect to the federal, state, and local tax consequences arising from investing with Forte Capital.

## Other Risks

- Cybersecurity Breaches: Clients and their service providers (including Forte Capital, administrators, prime brokers, and custodians) are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs, and data from cyberattacks and hacking by other computer users, and to avoid the resulting in damage and disruption of hardware and software systems, loss, or corruption of data, and/or misappropriation of confidential information. In general, cyberattacks are deliberate, but unintentional events may have similar effects.

Cyberattacks may cause losses to a Client by interfering with the processing of investor transactions, or impeding or sabotaging Client investment and/or asset management activity and trading. Any such breach could expose Forte Capital to civil liability as well as regulatory inquiry and/or action. Clients could be exposed to additional losses as a result of unauthorized use of their personal information. While Forte Capital has established business continuity plans and systems designed to prevent cyberattacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified.

- Privacy and Data Protection Laws: Forte Capital may be subject to data protection laws passed by many states and by localities that require enhanced levels of cybersecurity and notification to users and/or regulators when there is a security breach for personal data. Compliance with these regulations, including the obligation to timely notify stakeholders in the event of a cybersecurity incident, may divert Forte Capital's time and effort and entail substantial expenses. Any failure by Forte Capital to comply with these laws and regulations could result in negative publicity and may subject Clients to significant costs associated with litigation, settlements, regulatory action, judgments, liabilities, and other penalties, for which Forte Capital may not have insurance coverage.
- Lack of Diversification: Certain Clients' portfolios may consist of only a limited number of investments. Those Clients would be far less diversified. Unfavorable performance of such concentrated investments may have a substantial adverse impact on the returns of such Clients. The concentrated focus of such Clients on a limited number of investments may cause its performance to be more volatile and result in its incurring greater losses during unprofitable periods as compared to a more diversified approach.

## Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our Firm and our management personnel have no reportable disciplinary events to disclose.

## Item 10 Other Financial Industry Activities and Affiliations

Forte Capital is not registered and does not have an application pending as a securities broker dealer, a futures merchant, commodity pool operator or a commodity trading adviser. None of Forte Capital's personnel are associated with a broker dealer or futures or commodity firm. The Firm does not have any arrangements material to its advisory business and its clients. See Item 4 - *Advisory Business* and Item 5 - *Fees & Compensation* above. For example, the Firm's methods of allocating portfolio transaction business among brokers and dealers could involve conflicts. See Item 12 – *Brokerage Practices*.

Under no circumstances does Forte Capital consider the marketing efforts of broker dealers on its behalf or investment opportunities offered by broker dealers in selecting broker dealers to execute client trades.

Forte Capital also has policies and procedures in place to limit and monitor gifts and entertainment received from third parties, including broker dealers that do business with the Firm or wish to do business with the Firm. See Item 11 – *Code of Ethics*.

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

### Code of Ethics:

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code provides for oversight, enforcement and recordkeeping provisions. We provide annual training to our employees and perform on-going monitoring of investment advisory activity. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to our Chief Compliance Officer at the firm's principal office address.

Our firm or individuals associated with our firm may buy or sell securities identical to those recommended to or purchased for customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. This practice results in a potential conflict of interest, as we may have an incentive to manipulate the timing of such purchases to obtain a better price or more favorable allocation in rare cases of limited availability.

We may aggregate our employee trades with client trades. In case there is a partial fill of a particular batch order, we will allocate all the purchases pro-rata, with each account paying average price. To mitigate these potential conflicts of interest and ensure the fulfillment of our fiduciary responsibilities, we have established the following restrictions:

1. Prohibition against use of non-public information - no persons associated with our firm may buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry.
2. No persons associated with our firm may prefer his or her own interest to that of the advisory client.
3. All persons associated with our firm must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Any individual not in observance of the above may be subject to disciplinary action or termination.

Pursuant to recent Department of Labor regulations, Forte Capital is required to acknowledge in writing its

fiduciary status under Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), as applicable. When Forte Capital provides investment advice to you regarding your retirement plan account or individual retirement account, it is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way Forte Capital makes money creates some conflicts with your interests, so Forte Capital operates under a special rule that requires it to act in your best interest and not put its interests ahead of yours.

#### **Retirement Roll-Over-Potential for Conflict of Interest Disclosure:**

Consistent with this fiduciary duty, Forte Capital is required to disclose applicable conflicts of interest associated with its rollover recommendations. Forte Capital’s rollover recommendations creates a conflict of interest if Forte Capital will earn a new (or increase its current) advisory fee on the rolled over assets. Please see Item 5 of Form ADV Part 2A for further information regarding Forte Capital’s services, fees, and other conflicts of interest.

Clients and prospective clients considering a rollover from a qualified employer sponsored workplace retirement plan (“Employer Retirement Plan”) to an Individual Retirement Account (“IRA”), or from an IRA to another IRA, are encouraged to consider and to investigate the advantages and disadvantages of an IRA rollover from their existing plan or IRA, including, but not limited to, factors such as management expenses, transaction expenses, custodial expenses and available investment options. Potential alternatives to a rollover may include:

- Leaving the money in your former Employer Retirement Plan, if permitted;
- Rolling over the assets to your employer’s plan, if one is available and if rollovers are permitted;
- Rolling over Employer Retirement Plan assets into an IRA; or
- Cashing out (or distribute) the Employer Retirement Plan assets and paying the taxes due.

**No client is under any obligation to roll over retirement plan assets to an account managed by Forte Capital whether it is from an employer’s plan or an existing IRA.**

## **Item 12 Brokerage Practices**

Typically, with respect to all equity transactions and fixed income transactions for accounts without prime brokerage, Forte Capital does not request or accept the discretionary authority to determine the broker dealer used for client transactions. This means that Forte Capital will not survey the brokerage marketplace for best execution on a transaction-by-transaction basis. As such, clients must direct Forte Capital as to the broker dealer to be used. *Not all advisers require their clients to direct brokerage.*

For clients in need of brokerage and/or custodial services and depending on client circumstances and needs, Forte Capital LLC will recommend the use of one of several broker dealers, provided that such recommendation is consistent with our fiduciary duty to the client. Generally, for equity transactions, we will recommend the brokerage services offered by the client’s custodian. The factors considered by our firm when making these recommendations are the broker dealer's ability to provide professional services, the firm's experience with the broker dealer, the broker dealer's reputation, the broker dealer's quality of execution services and costs of such services and the custodial platform provided to clients, among other factors.

If a client, when undertaking an advisory relationship with our firm, already has a pre-established relationship with a broker and instructs us to execute all transactions through that broker, it should be understood that under those circumstances, we will not have the authority to negotiate commissions, obtain volume discounts and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients since our firm may not be able to aggregate orders to reduce transaction costs or the client may receive less favorable prices.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker if we believe that this choice would hinder its fiduciary duty to the client and/or its ability to service the account.

Typically, with respect to fixed income transactions for accounts with prime brokerage, the firm accepts brokerage discretion and seeks to obtain best execution for client transactions in these accounts, i.e., seeking to obtain not necessarily the lowest commissions but the best overall qualitative execution in the particular circumstances. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission/mark-up rates, research and other services which will help us in providing investment management services to clients. We may, therefore recommend (or use) the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected.

Generally, for clients that have entered into a Prime Brokerage agreement, Forte purchases individual bonds via TradeWeb, an electronic marketplace that allows for request-for quotes and bilateral streaming of executable prices. Forte also, at times, may purchase individual bonds through various broker-dealers through Prime Brokerage agreements.

#### Research and Other Benefits:

Although we currently have no formal soft-dollar arrangements, we may also take into account our receipt of brokerage, unsolicited research services and other platform or program benefits when selecting or recommending a broker.

Research services are designed to supplement the Firm's internal research and investment strategy capabilities.

All clients receive the benefit of the services Forte Capital receives under such arrangements. Because this information is only supplementary to Forte Capital's own research efforts and still must be analyzed and reviewed by personnel, Forte Capital's receipt of such information is not expected to materially reduce the expenses of servicing clients.

To the extent commissions are directed to broker dealers who provide the Firm with research services, Forte Capital will receive a benefit that may not be quantified in terms of dollar amounts.

The relationships with brokerage firms providing research to Forte Capital may influence the Firm's judgment in allocating brokerage business and may create conflicts of interest in using the services of those brokers to execute clients' brokerage transactions. Forte Capital believes that these relationships are beneficial to the Firm and its clients, but clients' transactions executed through these broker dealers may or may not be at the best prices otherwise available. Clients may be charged markups or other applicable transaction costs, if any, higher than those charged by other broker-dealers in return for receipt of these benefits.

When selecting the broker dealer through which securities transactions are executed and brokerage business allocated, Forte Capital considers the full range and quality of a broker dealer's services including:

- amount, quality and nature of the research provided
- best execution, clearance and settlement capabilities, taking into account the:
  - difficulty of trade
  - liquidity of the security
  - commission rates
- financial strength and stability
- efficiency of execution and error resolution



- responsiveness to the Firm
- usefulness of research to the Firm's process

#### Brokerage for Client Referral:

Forte Capital participates in the Schwab Advisor Network<sup>tm</sup> Program. Forte Capital may recommend Schwab to clients for custody and brokerage services. Forte Capital's participation in this program does not influence the investment advice it gives to clients, although Forte Capital receives non-cash economic benefits through its participation in the programs.

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Forte Capital may receive from such broker-dealer/custodian, without cost (and/or at a discount) support services and/or products, certain of which assist Forte Capital to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Forte Capital may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Forte Capital in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist Forte Capital in managing and administering client accounts. Other support services may not directly provide such assistance, but rather assist Forte Capital to manage and further develop its business enterprise.

Schwab or other custodians may also provide Forte Capital with other services intended to help Forte Capital manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. Forte Capital, through its participation in these programs, may receive discounts on compliance, marketing, technology, and practice management products or services provided to Forte Capital by third party vendors. In addition, from time to time, these entities may make available, arrange and/or pay for these types of services and any travel, meals and entertainment associated with events related to these services for the benefit of Forte Capital by independent third parties and/or the custodian. Schwab or other custodians may discount or waive fees they would otherwise charge for some of these services or pay all or part of the fees of a third-party providing these services to Forte Capital. The availability to Forte Capital of the foregoing products and services is not contingent upon Forte Capital committing to any of the above referenced custodians any specific amount of business or assets in custody or trading.

Forte Capital, at times, may provide entertainment (gift baskets, meals, golf, etc.) to qualified solicitors. Thus, qualified solicitors may have an incentive to recommend Forte Capital to potential clients.

Forte Capital receives client referrals from Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC through Forte Capital's participation in Schwab Advisor Network<sup>TM</sup> ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Forte Capital. Schwab does not supervise Forte Capital and has no responsibility for Forte's management of clients' portfolios or Forte Capital's other advice or services. Forte pays Schwab fees to receive client referrals through the Service. Forte Capital's participation in the Service may raise potential conflicts of interest described below.

Forte Capital pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a separate one-time Transfer Fee on all accounts that are transferred to another custodian. The Transfer Fee creates a conflict of interest that encourages Forte Capital to recommend that client accounts be

held in custody at Schwab. The Participation fee paid by Forte Capital is a percentage of the value of the assets in the client's account. Forte Capital pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee and any Transfer Fee is paid by Forte Capital and not by the client. Forte Capital has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Forte Capital charges clients with similar portfolios who were not referred through the Service.

The Participation and Transfer Fees are based on assets in accounts of Forte Capital's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Forte Capital will have incentives to recommend that client accounts and household members of clients referred through the Service maintain custody of their accounts at Schwab.

For accounts of Forte Capital's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Forte Capital's clients in the form of commissions and other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Forte Capital may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Forte Capital, nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Forte Capital's other clients. Because of this ongoing business relationship with Schwab, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

Forte Capital is required to maintain certain minimum custodian assets at Schwab in order to participate in its referral program.

Forte's Chief Compliance Officer, Adil Masood, is available to address any questions that a client or prospective client may have regarding the above arrangements and any perceived conflict of interest such arrangement may create.

#### Aggregation of Trades

Equity and ETF purchases and sales for each client will generally be effected independently. However, Forte Capital may (but is not obligated to) aggregate equity transactions. For individual fixed income purchases, Forte Capital will generally aggregate purchases and often sell fixed income securities independently. When Forte aggregates trades, clients participating in any aggregate transaction will receive an average share price and transaction costs will be shared equally on a pro-rata basis. The aggregation of client purchase or sale orders into blocks for execution allows Forte Capital to achieve more equitable, timely and efficient executions, lower per share brokerage cost and better and fairer prices. Forte Capital shall not receive any additional compensation or remuneration as the result of such aggregation.

#### Allocation:

Forte Capital's allocation procedures will be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients.

Aggregated individual fixed income orders will typically be pre-allocated among clients based on various factors, including: asset allocation factors (e.g., underweight target fixed income allocation), appropriate duration, issuer, credit of security, cash availability, and tax consideration.

Aggregate equity and ETF orders will generally be allocated among clients based on various factors including: asset allocation factors, cash availability, and tax considerations.

For almost all equity orders, there is no circumstance where there is not enough shares to allocate to clients. Whereas, for individual fixed income purchases, there often exists situations where there are not securities available to allocate to all clients for whom the security is suitable. In this instance, the security will be allocated based on the relative need of a client. Factors considered include cash availability and deviation from target asset allocation from a value and percentage basis.

Directed brokerage arrangements may impact trade allocations.

#### IPOs:

Initial public offerings (“IPOs”) or new issues are offerings of securities that frequently are of limited size and limited availability. These offerings may trade at a premium above the initial offering price. In the event that Forte Capital participates in any new issues, the Firm’s policy and practice is to allocate new issues shares fairly and equitably among advisory clients. If possible, allocations are done pro-rata among all accounts; if not possible, then allocations are alternated between smaller and larger accounts so as not to advantage any client or group of clients over any other.

#### Trading Errors:

As a fiduciary, Forte Capital has the responsibility to effect orders correctly, promptly and in the best interests of our clients. In the event any error occurs in the handling of any client transactions due to Forte Capital’s actions, or inaction, or actions of others, Forte Capital’s policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting Forte Capital in any way.

If the error is the responsibility of Forte Capital, the error will be corrected and Forte Capital will be responsible for any client loss resulting from an inaccurate or erroneous trade. Where a third party’s negligence causes a trading error resulting in a loss to a client, Forte Capital will attempt to recover the amount of the loss from the third party for the client, although Forte Capital is not responsible for making the third parties compensate the clients in such cases.

#### Cross Trades:

Forte Capital does not participate in cross trades.

## **Item 13    Review of Accounts**

Account reviews are performed regularly by at least one of the assigned portfolio managers. These reviews cover asset allocation, cash position, security weightings, and client objectives. Account reviews are performed more frequently when market conditions dictate.

Other conditions that may trigger a review include changes in the tax laws, new investment information, and changes in a client’s situation.

Based upon these factors, there may be extended periods of time when Forte Capital determines that changes to a client’s portfolio are neither necessary nor prudent. Clients remain subject to the advisory fees described in Item 5 above during periods of account inactivity.

Clients receive periodic communications (emails, newsletters, letters, portfolio reviews, and phone calls) on at least an annual basis. Our typical written reporting to clients occurs on a quarterly basis which includes a position

statement. Monthly reporting is available on an exception basis if requested by the client.

The assets of each client are held by an independent custodian. In all cases, the client also receives the normal reporting package provided by the respective custodian, either monthly or quarterly. Such custodians provide the client with year-end summaries of security proceeds, dividends and interest received (IRS 1099-B, 1099-Int and 1099-R).

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

We currently provide compensation to employees and third parties for referring advisory clients to our firm or engaging in other promotional activities. If a client is introduced to us by either an employee or an unaffiliated solicitor/promoter, we may pay that solicitor/promoter ongoing or limited term compensation.

Compensation for prospective client referrals or other promotional activities creates a potential conflict of interest to the extent that such a referral or promotion is not unbiased and the solicitor or promoter is, at least partially, motivated by financial gain. As these situations represent a potential conflict of interest, we have established the following restrictions in order to ensure our fiduciary responsibilities:

1. All such referral fees or other compensation for promotional activities are paid in accordance with the requirements of Rule 206(4)-1 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements;
2. Any such referral fee or other compensation will be paid solely from our investment management fee, and will not result in any additional charge to the client;
3. Any solicitor or promoter, at the time of the solicitation or other promotional activity, will disclose the nature of his/her/its solicitor or promoter relationship and provide each prospective client with a written or oral disclosure statement from the solicitor or promoter to the client disclosing the terms of the solicitation or promotional arrangement between our firm and the solicitor or promoter, including the compensation to be received by the solicitor or promoter from us; and
4. All referred clients will be carefully screened to ensure that our fees, services, and investment strategies are suitable to their investment needs and objectives.

Please see Item 12 - *Brokerage Practices* for a discussion of our referral relationship with broker dealers and/or account custodians.

## **Item 15 Custody**

Forte Capital shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian at least quarterly. Please Note: To the extent that Forte Capital provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Forte Capital with the account statements received from the account custodian. Please also note: The account custodian does not verify the accuracy of Forte's advisory fee calculation.

In addition, certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from Forte Capital to transfer client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination.

## **Item 16 Investment Discretion**

Clients may engage us to provide discretionary asset management services per the client's IPS, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by providing us with written instructions.

## **Item 17 Voting Client Securities**

### Proxy Voting:

Clients can delegate the right to vote proxies to Forte in their investment management agreement or by instructing us in writing. However, our clients always have the right to vote proxies themselves.

Forte Capital utilizes an external vendor to organize and execute proxy decisions. We have instructed this vendor to vote proxies in accordance with the recommendations of management which we believe is in the best interests of our clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies.

Since all proxies are voted in bulk across client accounts, the firm is unable to accept instructions from clients on how to vote for a particular proxy. Clients can contact the Chief Compliance Officer (CCO) to obtain information on how Forte voted for their proxies. Clients who have elected to delegate their proxy voting authority to Forte may withdraw this grant of authority at any time with a written request. Any change in proxy voting delegation will take place immediately upon client notification and in adherence to internal policies of the custodian but may not result in the client having the ability to vote an existing proxy via the new delegation during the current specific proxy period.

With respect to ERISA accounts, except as may be provided in the Plan Document, the Trustee will vote proxies and vote on all capital actions (for example, mergers, acquisitions, tender offers, and bankruptcy proceedings) related to investments held in the ERISA account unless there is explicit direction that Forte Capital or the Third Party Administrator will vote the proxies. To direct Forte Capital to vote a proxy in a particular manner, clients should contact Adil Masood by email or in writing.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

Forte will conduct annual reviews to identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationship of Forte with the issuer of each security to determine if Forte or any of its employees has any financial, business or personal relationship with the issuer. Additionally, Forte will request the third-party proxy voting service provider to disclose whether and when it has relevant conflicts of interest with respect to securities to be voted for Forte's client accounts. If a material conflict of interest exists, the CCO will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third-party voting recommendation.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Adil Masood by telephone at (585) 586-8100.

## **Item 18 Financial Information**

### Financial Condition:

Forte Capital, as a registered investment adviser, is required to provide you with certain financial information or disclosures about Forte Capital's financial condition. Forte Capital has no financial commitment that impairs the Firm's ability to meet contractual and fiduciary commitments to clients.

### Bankruptcy:

Forte Capital has not been the subject of a bankruptcy proceeding.

### Prepayment of Fees:

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

**ANY QUESTIONS:** Forte Capital's Chief Compliance Officer, Adil Masood, remains available to address any questions regarding this Part 2A.