



FORTIS CAPITAL
MANAGEMENT · LLC

Part 2A of Form ADV: Firm Brochure

Fortis Capital Management LLC

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This brochure provides information about the qualifications and business practices of Fortis Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at the phone number or email address listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Fortis Capital Management LLC is available on the SEC's website at www.adviserinfo.sec.gov

Being a "registered investment advisor" or describing ourselves as being "registered," does not imply a certain level of skill or training.

Item 2 Material Changes

Fortis Capital Management is required to advise clients and prospective clients of any material changes to our Firm Brochure (“Brochure”) from our last annual update.

The material changes made to this Brochure since our last annual update dated March 31, 2024, are the following:

- Fund name change from Glacier Peak U.S. Value Fund L.P. (“GPU”) to Fortis Flagship Fund LP (“FFF”); and strategy change.
- Update to Item 4: Advisory Business.
- Update to Item 5: Fees and Compensation.
- Update to Item 14: Client Referrals and Compensation.

We have also made some minor corrections and clarifications throughout the document and encourage you to read it carefully.

We will continue to use this section to identify material changes that may take place between annual updates. Clients will receive an annual summary of any material changes to this and subsequent Brochures no later than April 30, which is 120 days after our fiscal year-end. At that time, we will offer a copy of our most current Disclosure Brochure. We will also promptly provide ongoing disclosure information about material changes as necessary.

Item 3 Table of Contents

| | |
|--|-----------|
| Item 1 Identification | 1 |
| Item 2 Material Changes..... | 2 |
| Item 4 Advisory Business | 4 |
| Item 5 Fees and Compensation..... | 6 |
| Item 6 Performance-Based Fees | 9 |
| Item 7 Types of Clients..... | 10 |
| Item 8 Methods of Analysis, Investment Strategies and Risk of Loss..... | 10 |
| Item 9 Disciplinary Information | 14 |
| Item 10 Other Financial Industry Activities and Affiliations | 14 |
| Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | 15 |
| Item 12 Brokerage Practices | 16 |
| Item 13 Review of Accounts..... | 21 |
| Item 14 Client Referrals and Other Compensation..... | 22 |
| Item 15 Custody | 22 |
| Item 16 Investment Discretion | 23 |
| Item 17 Voting Client Securities | 23 |
| Item 18 Financial Information | 24 |

Item 4 Advisory Business

Background

Fortis Capital Management LLC (“Fortis”, the “firm,” the “company,” “we,” “our,” or “us”) is a Washington state Limited Liability Company formed in 2014. Fortis is wholly-owned by Fortis Holdings LLC, which also owns the related entities described in Item 10. Michael Boroughs, Paul Misleh and James Rudolf are the elected managers of Fortis Holdings, as well as the elected managers of Fortis. There is no natural person who owns more than 25% of Fortis, either directly or indirectly.

Services

We are a financial advisory company that provides financial planning and investment management services. We service private individuals, families, businesses, trusts, foundations, charities and private funds.

We offer financial planning services to assist individuals and families with planning for their financial future and building their wealth. Our planning services occasionally employ third-party software to provide account aggregation, scenario analysis and mobile friendly monitoring. As part of our financial planning process, if the client is in need of services we don’t offer that are elements of a healthy financial plan, then we will assist the client in engaging another professional who can provide those services. We prefer to take the lead in interacting with the other service providers (such as the estate planning attorney, insurance broker, mortgage broker, CPA, etc.) in order to ensure the client’s long-term objectives are being fulfilled and to minimize the workload on the client.

As part of the financial planning process, we can also act as insurance producers for some types of life, disability and long-term care lines of insurance.

We build clients’ portfolios primarily with the common stock of domestic and foreign companies, or with low-cost exchange traded funds (“ETFs”), or with mutual funds that meet our investment and allocation criteria. However, our investment recommendations are not limited only to common stocks and ETFs. We offer advice and make investment recommendations on a wide range of investments, including but not limited to bonds, private placements, options, other securities and real estate.

We utilize both active and passive investment management strategies. Our active strategies are typically implemented uniformly across the client base for those clients for whom it is suitable and who decide to invest in those strategies. We will, however, tailor the implementation of the strategy in light of a client’s specific needs and risk tolerance, where necessary. In certain circumstances, it may make sense for us to allocate a client’s assets across multiple strategies (from both active to passive). In this situation we typically set up separate brokerage accounts for the client representing each strategy employed. We think this provides greater transparency to the client and to the firm, especially with respect to performance reporting.

See Item 8 for more details on the various strategies offered by us to our Clients.

While we maintain a small number of non-discretionary accounts, the vast majority of the accounts within our strategies are managed on a discretionary basis.

We do not participate in wrap fee programs. We receive no commissions from selling securities nor do we receive a portion of the transaction fees charged by the broker/dealer (see Item 12 regarding Brokerage practices).

We also provide investment management services to the Fortis Flagship Fund LP (“FFF” or the “Fund”).

The objective of FFF is to realize capital appreciation by utilizing a quantitative and qualitative approach to investing and trading in securities across multiple sectors, industries and countries. The Partnership aims to primarily buy the common equity of businesses the General Partner deems to have high returns on incrementally invested capital and ample opportunities to reinvest its capital in its business. Additionally, the Partnership aims to systematically hedge the portfolio during market drawdowns. Investments typically have a one (1) to three (3) year investment horizon but may be shorter or longer based on market conditions. As the Investment Manager to the Fund, we will engage in all activities and transactions as the General Partner may deem reasonably necessary, advisable or incidental in connection with our responsibility to FFF. We primarily execute the investment objective by investing in:

- Publicly traded equities and ETFs
- Options: selling and buying calls and puts, both covered and uncovered

However, there are no restrictions on FFF’s investments. Additionally, given the nature of using stop losses and trend-following criteria, the exposure within the Fund can vary from a highly liquid status to a fully invested or highly leveraged status depending on market conditions and investment selections. Please see Item 8 below for additional detail on strategies and risks related to the Fund.

Please see the private offering memorandum and additional agreements (collectively, the “Offering Materials”) for specific details on the Fund. Fund interests are offered only to investors who meet certain qualifications (they must be both “accredited” as defined in Rule 501 of Regulation D and “qualified clients” as defined under Rule 205-3 of the Investment Advisers Act of 1940), and other requirements detailed in the Offering Materials. We have no discretionary authority to purchase Fund interest with client assets under our management; clients must specifically subscribe for Fund interests and those subscriptions must be accepted by the Fund.

As is generally the case with private funds, investors in the Fund are not permitted to place restrictions on Fortis as the Fund’s advisor. As the Fund’s investment advisor, we are obligated to follow the investment objectives of the Fund as a whole (as described in the Offering Materials).

As part of our advisory services, we do recommend life insurance products, where appropriate for the client. If the client chooses to accept our recommendation and purchase insurance through us, we will receive usual and customary commissions on those transactions (see Item 5, below). We currently recommend life and disability products primarily offered through MassMutual Life Insurance Company, which we believe are competitive with other products in the marketplace. We also work with Cobb and Campbell, a local insurance broker, to provide access to policies with a number of other insurance carriers. Fortis gets paid a percentage of any commission generated by referrals sent to Cobb and Campbell. Though other products are available through other carriers which may have better terms or lower premiums, we choose to keep our offerings simple and recommend only MassMutual or its insurance brokerage platform, Ash Brokerage and Cobb and Campbell.

As an investment advisor we are a fiduciary to all of our clients. We are also deemed a “fiduciary” under ERISA and/or the Internal Revenue Code with respect to our investment advisory recommendations and discretionary asset management provided to Retirement Investors. “Retirement Investor” is defined as a participant or beneficiary of a retirement plan or a beneficial owner of an Individual Retirement Account (IRA). In recommending that any client roll over retirement plan assets to our management, we have a conflict of interest, to the extent the rollover will result in our managing additional assets subject to our

management fee. Before making any such recommendation, we review the client's existing investment options, fees and expenses, and overall investment objectives. We only make the recommendation once we've determined that doing so is in the client's best interest.

Assets Under Management

As of December 31, 2023, we have approximately \$493.7 million in discretionary assets under management and approximately \$3.1 million in non-discretionary assets under management.

Item 5 Fees and Compensation

Fees for Advisory Services

Our advisory fees are typically based on a percentage of the assets under management. On the last business day of a quarter, the fair market value of all the holdings in a clients' account is added to come up with the assets under management. Fees are typically charged on a pro-rated quarterly basis in accordance with the annual fee schedule below:

| <i>Assets Under Mgmt</i> | <i>Annual Fee %</i> |
|---------------------------------|----------------------------|
| <i>>\$5,000,000</i> | <i>0.75%</i> |
| <i><\$5,000,000</i> | <i>1.00%</i> |

Both fee schedules have an annual fee minimum of \$10,000, which may be waived or reduced at our discretion. Due to the annual fee minimum, for clients with less than \$1,000,000 in assets under management, the minimum annual fee will result in a higher annual percentage rate than the charts shown above.

In connection with the acquired assets of Erickson Wealth and Tax Management (a state registered investment adviser), Erickson Wealth and Tax Management is entitled to a percentage of the gross revenue received by Fortis quarterly for clients that have transitioned for a period of time until the buyout is completed.

Liquid and easy to value assets (such as publicly traded securities, cash, etc.) and liabilities (mortgages, car loans, etc.) will utilize a third-party valuation, such as the custodian's stated value for an investment account held at Charles Schwab or Fidelity. Valuations of assets/liabilities that are more illiquid and challenging to value (real estate, private businesses, etc.) will be based on a reasonable valuation using firm valuation policies.

Fees may be negotiated and we have the discretion to charge certain clients different fees as we see fit. Clients should note that lower fees for comparable services may be available from other sources.

Fees for our advisory services are typically charged on a quarterly basis in arrears, in accordance with the terms of the individual client's advisory agreement. The fee is calculated by us and deducted from the client's account after the quarter in which services have been rendered. When the fee is deducted it is then transferred to our account. The advisory fees will be reflected on the client statements prepared and provided by the custodian. Concurrent with providing the fee to the custodian each time we make a client fee deduction request, we can provide clients an invoice itemizing the fee upon request from the client.

Performance Fees:

Occasionally, Fortis will agree with a client to be paid a percentage of the increase in the value of a client's

account, subject to a high water mark. High water mark is defined as the highest peak in value at which the account was charged a performance fee. Performance fees are calculated and charged quarterly. See additional disclosures and discussions on conflicts of interest regarding performance fees in Item 6.

Clients will incur brokerage fees and other transaction costs charged by the broker/dealer and custodian. Custodians may charge an annual fee for IRA accounts. Please see Item 12 that discusses brokerage.

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisors for similar or lower fees.

Fees Associated with Investment in the Fund

The primary fees paid when investing in the Fund are the Fund Base Fee and the Fund Performance Fee. Fortis earns the Fund Base Fee and the Fund Performance Fee is paid to the General Partner of the Fund.

- **Fund Base Fee:**
 - **FFF:** Fortis is paid an investment management fee of 1% based on assets under management (1/4th of which is charged each quarter). The fee is calculated by the third-party administrator to the Fund and charged in advance of the quarter.
- **Fund Performance Fee:**
 - **FFF:** The General Partner is paid 10% of the increase in value of the client's holdings in the Fund, subject to a high water mark. High water mark is defined as the highest peak in value at which the Fund holding has been charged a performance fee. Performance fees are accrued monthly but charged on an annual basis if they exceed the high water mark.

The Fund is subject to other fees and charges, as disclosed in the Offering Materials.

Valuation: The General Partner ("GP") to the Fund, has the authority to value the assets for the Fund and thereby determine the Fund's NAV. Both Fortis and the GP benefit financially when the Fund's NAVs are higher. Despite the GP's authority, Fund holdings are typically valued by the Fund's third-party administrator using pricing obtained from the custodian broker-dealer (for liquid assets). The Fund is also audited annually, and a copy of the audited financial statements are delivered to each LP investor in the Fund within 120 days of December 31 each year. The NAV is initially identified by our third-party administrator, based primarily on the publicly-reported values of liquid securities at the end of the period. For those illiquid or unpriced securities for which third-party data are not available, the GP's pricing committee determines values quarterly using a variety of inputs. Because valuation of illiquid securities requires subjective judgment, in addition to review of objective data, we limit pricing securities internally to help prevent any concern that the subjective elements could cause us to price securities higher than a disinterested third party would. To the extent that the GP, in its sole discretion, deems it necessary or advisable to determine the value of the Partnership's assets itself, a conflict arises. As of December 31, 2023, the FFF's illiquid investments priced internally represented <0.1% of the Fund's overall value.

The Net Asset Value of the Fund and each LP Investor's capital account is reported monthly by the fund's independent third-party administrator.

General Information on Fund Fees

- Fees due to Fortis or the GP is deducted from each Limited Partner's capital account by the third-party administrator of the Fund upon a debit request delivered to the custodian of the Fund's assets. This debit charge is reflected in the LP investor's capital account report sent by the Administrator.
- Employees and Family members:
 - Employees of Fortis or the GP and some of their family members are Limited Partner

investors in the Fund but are not charged the base and performance fees that are charged to other LP investors.

Fees payable to Fortis or the GP for services rendered to the Fund and the LP investors do not include the following. These additional fees or charges are borne by the Fund's LP investors:

- Brokerage commissions, mark-up or mark-downs (on principal transactions as executed by third party and independent broker dealers)
- Transaction fees, including exchange and SEC transaction fees
- Other related costs and expenses that may be imposed by custodians, brokers or third parties
- Charges imposed by custodians, brokers and third parties, including but not limited to:
 - Advisory fees and administrative fees charged by mutual funds or exchange traded funds held by the Fund
 - Advisory fees charged by third parties if the Fund makes an investment with or engages a sub-advisor
 - Custodial fees
 - Sub-agent transfer fees, if any
 - Deferred sales charges on mutual Fund, if any
 - Odd-Lot differentials, if any
 - Transfer taxes
 - Wire transfer and electronic fund processing fees
 - Among others that may be incurred

Please see Item 12, below, for additional information regarding other costs that may be incurred as an investor in the Fund.

Other Forms of Compensation

From time to time, we will submit a write-up of an investment thesis to websites or blogs that could include but not be limited to Seeking Alpha, GuruFocus, SumZero and Value Investors Club. Occasionally we will submit these idea write-ups to investment idea contests where we could receive a monetary award. Our write-ups will not be tailored to individual subscribers or viewers. We disclose the firm or its client accounts are long or short the stock at the time we submit the write-up. Given the rules of the various sites we may post to, we are usually not allowed to subsequently post our write-ups to our own blog where they could be viewed by clients. However, any of our write-ups are available to clients at their specific request.

When we sell an insurance product to our clients, our insurance agency affiliate, Fortis Insurance Services LLC, and our insurance-licensed principal, Michael Boroughs, are paid customary commissions from the insurance company. We are typically paid a percentage of the first-year premium and smaller trailing commissions as long as the policy is in force. We also work with Cobb and Campbell, a local insurance broker, to provide access to policies with a number of other insurance carriers. Fortis gets paid a percentage of any commission generated by referrals sent to Cobb and Campbell. This creates a conflict of interest because we have financial incentive to recommend the insurance products based on the compensation we will receive rather than strictly on the client's needs. We mitigate this conflict by disclosing it and by ensuring our advisors understand their fiduciary duty to act solely in the client's best interest. In addition, clients are free to reject our insurance recommendations and are also free to implement our recommendations through other life insurance agents not affiliated with Fortis.

Termination

A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of an account billed in arrears, any earned but not yet paid fees will be deducted from the account based on the number of days we provided services prior to termination. In the event that we cannot deduct the fees from the account, we may bill the client separately for the fees we are due.

For accounts charged in advance, we will refund any unearned fees on a pro rata basis, based on the number of days remaining in the billing period.

For clients looking to redeem their interest in the Fund, please see the Fund's Subscription Documents for a summary of termination provisions, capital contribution and withdrawal limitations or restrictions among other relevant issues. There are substantial limitations on Fund withdrawals.

Other Fees

All fees paid to Fortis for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. We typically do not recommend funds with initial or deferred sales charges, or funds that pay 12b-1 fees (trails). Clients may have these funds in their accounts when transferring assets to Fortis; we typically recommend exchanging these funds for lower-cost share classes, if possible. In the event the positions are retained, because we determine it is in the client's best interest, neither Fortis nor its representatives receives additional compensation.

A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which investments are most appropriate. Accordingly, the client should review both the fees charged by the funds and our firm's fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Item 6 Performance-Based Fees

As we disclosed in Item 5 of this Brochure, we occasionally accept performance-based fees when managing client accounts and Fortis Capital Management LLC accepts performance-based fees from the Fund in its capacity as General Partner to the Fund. For FFF, such performance-based fees are calculated based on an annual profit allocation of 10% of the net profits of the partnership (including realized and unrealized gains and losses) to the extent that the net profit for the Fund (and each Limited Partner investor) exceeds any prior un-recouped losses (also known as a "high watermark").

Clients should be aware that performance-based fee arrangements can create conflicts of interest that may impair the objectivity of our firm and our employees when making advisory recommendations.

These conflicts include:

- The incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.
- We may benefit from appreciation, including unrealized appreciation, in the value of Partnership assets. Because performance-based fees are tied to the Net Asset Value of the Partnerships (and their investments), including gains which may not be realized, these

situations pose a potential conflict. This conflict includes situations involving uncertainties as to the valuation of Partnership assets. These could then have an adverse effect on the Net Asset Value of the Fund or a LP Investor's capital account and / or result in the General Partner receiving compensation for gains that are never realized by the Fund and its LP Investors.

As part of our fiduciary duty as a registered investment advisor, we endeavor at all times to put the interest of our Clients, including the Fund and each LP Investor in the Fund, before our own.

Similarly, performance-based fees strategies create a conflict of interest when managed side-by-side with Fortis's separately-managed accounts that are not charged a performance fee. Generally, performance-based fees present the possibility of greater profit to the investment advisor. Accordingly, the advisor has a financial incentive to devote more time to performance-based strategies and may also take greater risks to potentially obtain greater returns. There could also be conflicts related to allocation of securities as we could have an incentive to allocate securities we expect to be particularly profitable to the Fund or to other performance-fee-based accounts.

Because both FFF and the separate accounts could theoretically invest in the same securities, we could experience a conflict related to allocation between the Fund and individual accounts of Fortis clients. For the most part, both firms purchase liquid securities with market capitalization and trading volume adequate to meet anticipated needs of both firms. We will make our best efforts to rotate the priority of transactions and the various custodians. In most cases, we would expect that both Fortis clients and FFF would receive the original intended allocation; pro rata allocation in the event we are unable to purchase or sell the amount of securities expected assures that we treat all clients fairly. We will reserve the right to *not* allocate pro-rata to accounts that would receive less than a round lot or who otherwise have account restrictions in place that would preclude a lesser allocation.

Item 7 Types of Clients

Our firm provides investment advisory services to individuals, families, small businesses, charitable organizations, trusts, foundations and private funds. Some of these clients can or will be considered qualified clients, per SEC Rule 205-3, and will be eligible for the performance-based fee arrangements as described in Item 6.

Our clients usually lack the time and specialized knowledge and skills to build and manage their portfolios. Because our investment time horizon for most purchases may be up to three or more years, our clients must be willing to look beyond short-term fluctuations to achieve long-term investment targets.

The minimum annual fee to engage in our services is \$10,000 per year, though we may waive this minimum at our discretion. Some of the reasons we may choose to waive the minimum are if we believe the client has substantial lifetime earnings power, a large potential referral network, or has multiple accounts or family accounts held on our platform that combined meet the minimum threshold.

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

METHODS OF ANALYSIS:

Fundamental Analysis

We attempt to estimate the intrinsic value of a security by looking at economic and financial factors

(including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

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.

Technical Analysis

We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior to improve odds of investment success.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

Charting

In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse. A risk in using charting analysis is that assumptions based on previous trends may prove to be incorrect in predicting future activity.

Quantitative Analysis

We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis

We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation

We attempt to identify an appropriate ratio of investments consistent with the Fund's objective and prevailing markets. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements.

Mutual Fund and/or ETF Analysis

We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund we may purchase or hold in the Fund. We also monitor the fund or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

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 holding(s) less suitable for the client's portfolio.

Risks for all Forms of Analysis

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES:

Low-Cost Index Fund Strategies

We have built a number of low-cost index fund portfolio models that attempt to allocate to various asset classes across the risk continuum of the Efficient Frontier. We primarily use low-cost Schwab, Vanguard and Blackrock ETFs as the vehicles to gain exposure to the various asset classes. This strategy provides broad, diversified exposure to various asset classes based on the suitable level of risk for the client.

Mutual Fund Strategies

We have built a number of mutual fund portfolio models that attempt to allocate to various asset classes across the risk continuum of the Efficient Frontier. We attempt to use funds with some of the best long-term track records, net of fees, for each specific asset class in the model. This strategy provides broad, diversified exposure to various asset classes based on the suitable level of risk for the client.

Compounders Equity Strategy

The objective of this strategy is to own the best and strongest companies in the world that have significant ability to compound their intrinsic value. We look for companies with strong economic moats and businesses we believe will get stronger in a recession (even though the stock prices are likely to go down).

Disruptors Equity Strategy

The objective of this strategy is to own companies disrupting the status quo across various industries such

as autonomous vehicles, robotics, curing cancer, space travel, etc. The time horizon of this strategy is very long-term as it may take time for many of the prospects to play out. We utilize long-term trend lines to determine stop loss levels. It should be noted this strategy has higher levels of volatility due to the hyper growth nature of many of the companies it owns.

Fortis Flagship Fund

The objective of the Fund is to realize capital appreciation by utilizing a quantitative and qualitative approach to investing and trading in securities across multiple sectors, industries and countries. The Partnership aims to primarily buy the common equity of businesses the General Partner deems to have high returns on incrementally invested capital and ample opportunities to reinvest its capital in its business. Additionally, the Partnership aims to systematically hedge the portfolio during market drawdowns. Investments typically have a one (1) to three (3) year investment horizon but may be shorter or longer based on market conditions. While primarily focused on equities, the Partnership is not limited to only these types of investments and may also trade in certain types of public and private securities of companies that the General Partner believes show promise of capital appreciation, although no guarantee can be made that the Partnership's objectives will be met. Please see the Private Offering Memorandum for more information regarding the investment strategy of the Fund.

The specific risks below apply to all investing, as well as investing in the Fund. This disclosure is not a substitute for careful review of the Fund's offering materials, which contain risks that related directly to investing in Fund interests.

RISK OF LOSS:

Investing in securities involves risk of loss that clients should be prepared to bear.

Investments in securities are subject to various risks. Clients may lose money on the investments. Some specific sources of risk include:

Market Risk: Stock prices fluctuate in response to many factors including the activities of individual companies and general market and economic conditions. Regardless of any one company's particular prospects, a declining stock market may produce a decline in stock prices for all companies. Stock market declines may continue for an indefinite period of time, and clients should understand that from time to time during temporary or extended bear markets, the value of a client's portfolio assets may decline. During such periods of decline, the Client may experience substantial losses.

Management Risk: There is no guarantee that investment decisions will produce the desired result, and they may cause the portfolio to underperform in comparison to the broad equity market or specific relevant equity benchmarks.

Concentration Risk: Certain strategies may be structured with less diversified portfolios than the broad U.S. equity market, this can generate above average volatility and risk.

Leverage Risk: Buying and selling call and put options as derivatives can increase one's total exposure and risk of loss.

Tax Implications: There may be unfavorable tax consequences for certain transactions which could result in the client owing taxes to the IRS.

Illiquidity of Partnership Interests: Partners may not be able to withdraw partnership interests as quickly as needed due to withdrawal windows, illiquidity of underlying holdings, decisions by the General

Partner, or as a result of substantial withdrawals from the Fund. See the Fund offering documents for additional information. No one should invest in Fund interests who does not have sufficient liquidity from other investments or sources of cash.

Valuation of Securities: Different methods of valuing securities may provide materially different results. Actual realized returns on investments will depend on, among other things, the value of the securities at the time of disposition, any related transaction costs, and the manner of sale. Accordingly, the actual realized return on investments may differ materially from the values presented to the limited partners. In addition, the general partner of the Fund may not be able to find an audit firm to present an unqualified audit of a Fund's assets, in which case limited partners may need to rely on unaudited financials.

Changing Economic Conditions: The success of the adviser's investment strategy could be significantly impacted by changing external economic conditions in the U.S. and global economies. Such changes being, for example, interest rates, credit availability, inflation rates, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws and innumerable other factors. These can affect a Fund's investments and prospects materially and adversely. Furthermore, the stability and sustainability of growth in global economies may be impacted by terrorism, acts of war, or pandemics. None of these events are within the control of the adviser, and the adviser will not always be able to effectively anticipate these developments. These factors will affect the volatility and the liquidity of the Fund's investments. Unexpected volatility or illiquidity could impair profitability or result in losses.

Force Majeure: Clients' investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design or construction, accidents, demographic changes, government macroeconomic policies, social instability). Some force majeure events may adversely affect the ability of any such parties to perform their obligations until they are able to remedy the force majeure event. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on client investments. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally. The adviser is not able to predict the extent, severity or duration of the effect of force majeure events or quantify the impact that these events may have on its clients or their investments.

THE FOREGOING RISKS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL THE RISKS INVOLVED IN INVESTING IN THE FUND. POTENTIAL INVESTORS ARE URGED TO READ THIS ENTIRE DOCUMENT AND THE APPLICABLE GOVERNING DOCUMENTS BEFORE MAKING A DETERMINATION WHETHER TO INVEST IN THE FUND.

Item 9 Disciplinary Information

Investment advisors are required to disclose legal and regulatory events if they apply to the firm or its management; we have nothing to disclose in response to this item.

Item 10 Other Financial Industry Activities and Affiliations

No management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

As disclosed above, Fortis is a wholly-owned subsidiary of Fortis Holdings LLC. Fortis Capital Management's services are limited to serving as the General Partner to an affiliated private fund, the Fortis Flagship Fund LP. Paul Misleh, Michael Boroughs, and James Rudolf, who provide advice to Fortis clients, are also control persons of Fortis Capital Management and Fortis Holdings.

Fortis Holdings owns an accounting firm, Fortis Accounting Solutions LLC ("FAS") that provides financial analysis, bookkeeping, and consulting services for business owners. This is not a CPA firm and does not provide audit or attestation services. If Fortis clients engage FAS, they will enter into a separate agreement and pay related fees directly to FAS. Fortis clients are not under any obligation to use FAS' services.

Fortis Holdings own an insurance agency, Fortis Insurance Services LLC ("Fortis Insurance"). When clients purchase insurance policies recommended by Michael Boroughs, Fortis Insurance receives additional compensation. See Item 5 for additional information.

As it relates to Fortis' relationship with Erickson Wealth and Tax Management (a state registered investment adviser), Fortis acquired substantially all of the assets of the business. Erickson Wealth and Tax Management sold such assets to Fortis on the terms and subject to the conditions set forth in its asset purchase agreement. Fortis and Erickson Wealth and Tax Management agreed to ensure a compliant transition of clients as outlined in the agreement. As a result of the foregoing relationship, conflicts of interests may arise. Fortis receives compensation directly from Erickson Wealth and Tax Management and may be incentivized to invest clients that have transitioned into its managed Fund. Fortis addresses this conflict by upholding its fiduciary duty and always acting in the best interest of its clients.

As disclosed in Item 4 and Item 5, Michael Boroughs and Fortis Insurance receive compensation for selling life, disability and long-term care insurance products primarily through MassMutual. We typically receive commissions based on the first-year premium and then subsequent trailing annual commission payments. Additionally, Item 5 describes the revenue sharing arrangement between Fortis and Erickson Wealth and Tax Management.

The Managers of Fortis Holdings are also the members and managers of Fortis Mortgage Advisors LLC ("FMA"). FMA is a licensed mortgage broker and brokers mortgages through third-party lenders. We may recommend the use of FMA to our advisory clients, where we believe that is in the client's interest. Recommendation of our affiliate for this purpose creates a conflict of interest in that we have a financial incentive to generate additional revenue through FMA in suggesting FMA for our clients' mortgage needs. Further, to the extent clients obtain mortgages, rather than withdrawing their assets under our management, we have an incentive to recommend that course of action because it keeps our assets under management and our related advisory fees more stable. When advising clients on use of mortgages, we focus on the client's needs and advise them consistent with our fiduciary duty, despite the conflict of interest. Clients are not obligated to use FMA and we will provide other recommendations for mortgage brokers, if requested.

Given the multiple entities the Managers run, this could create a conflict of interest due to the time burden it takes to manage them. We believe we can effectively address the needs of each firm by efficiently leveraging existing staff and systems.

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

A copy of our Code of Ethics is available to any client or prospective client upon request.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts at or about the same time securities identical to or different from those recommended to our clients. In addition, any related person may have an interest or position in certain securities and buy or sell those securities at or about the same time in which they may also be recommended to a client. This presents a conflict of interest as it incentivizes us to favor our personal accounts (or those of our related persons) in securities transactions. We address this conflict by, whenever possible, buying or selling blocks of each security for all accounts for which we want to make the transaction (both client and personal / related accounts) so as to achieve the same average price for all accounts involved or waiting until clients are done trading to place trades for our personal accounts.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security immediately prior to a transaction being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

Fortis has adopted the following principles governing personal investment activities by Fortis' supervised persons:

- The interests of client accounts will at all times be placed first, although personal account orders can be aggregated with clients;
- All personal securities transactions will be conducted in such manner as to avoid any actual, potential or perceived conflict of interest or any abuse of an individual's position of trust and responsibility; and
- Supervised persons must not take inappropriate advantage of their positions.

Pre-Approval of Certain Investments

Any member who wishes to participate in an initial public offering or limited offering needs to obtain pre-approval from Fortis management prior to entering into such a transaction, unless it is part of a block trade with client accounts. Fortis intends to ensure that client interests are prioritized and protected and that any investment in this manner has been first considered for client accounts.

Timing of Member/Affiliated Trades

No member shall purchase or sell, directly or indirectly, any illiquid security on the same day and prior to any pending client order in that same security unless the affiliate purchase or sell is executed within the block trade on the same day at the same price as a client account. If the affiliate did not participate in the block trade, the affiliate must wait until the client order was completed before placing an order. Due to the unpredictability of markets, there is a possibility the affiliate may receive a better price than a client.

Please realize that as a professional investment advisor we follow our own advice, and as a result, we purchase or sell many of the same securities recommended to clients and purchased or sold for client accounts. In addition, we may take more or less risk through the purchase or sale of a security that may or may not be purchased, sold or recommended to a client.

Item 12 Brokerage Practices

As described above in Item 5, we have discretionary authority over client accounts and therefore also

have discretion to direct brokerage (the ability to select brokers and negotiate commissions on a transaction-by-transaction basis).

Separate Account Brokerage Practices

As it relates to our separate accounts, our firm currently recommends Charles Schwab & Co., Inc., (“Schwab”) and Fidelity. We are not affiliated with Schwab or Fidelity and they do not supervise us, our agents, employees or affiliates.

We consider several factors in recommending Schwab and Fidelity for client account setup. We do not have formal “soft dollar arrangements” in place, in which we agree to direct a certain level of trading to a broker in exchange for specified benefits. We do, however, receive benefits from Schwab and Fidelity, which creates a conflict of interest. These benefits are generally available to all advisors who use Schwab and Fidelity’s programs for investment advisors.

We seek to recommend a custodian/broker that will hold client assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for the account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, ETFs, etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate prices
- Reputation, financial strength, security and stability
- Dedicated service team and local personnel
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below

We have determined that having Schwab and Fidelity execute most trades is consistent with our duty to seek “best execution” of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

Services that Benefit Clients

Schwab and Fidelity offer services that include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab and Fidelity include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. These services generally benefit you and your account.

Services that May Not Directly Benefit Clients

Schwab and Fidelity also make available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. The services Schwab and Fidelity provide include investment research, both the custodian’s own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts maintained at other custodians. In addition to investment research, Schwab and Fidelity also make available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution
- Allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services that Generally Benefit Only Fortis

Schwab and Fidelity also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support
- Occasional business entertainment of our personnel

Schwab and Fidelity may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab and Fidelity may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. We make limited use of the services in this section. We are most likely to use compliance and technology consulting and to attend conferences and other educational events, some of which include business entertainment.

Fortis' Interest in Custodial Services

The availability of these services from Schwab and Fidelity benefits us because we do not have to produce or purchase them, and we don't have to pay the custodians for them. This creates an incentive for us to recommend that clients maintain their accounts with these custodians, based on our interest in receiving the custodian's services that benefit our business rather than based on clients' interest in receiving the best value in custody services and the most favorable execution of their transactions. While this incentive creates a conflict of interest, we believe that our selection of Schwab or Fidelity as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of their services and not their services that benefit only us.

Your Brokerage and Custody Costs

Custodians that are also broker-dealers generally do not charge clients separately for custody services but are compensated by charging you commissions on some transaction, as well as other fees. They are also compensated by earning interest on uninvested cash and on any margin balances, as well as from other ancillary services.

Most trades no longer incur commissions or transaction fees, though there are exceptions. Custodians disclose their fees and costs to clients and we take those costs into account when executing transactions on your behalf. Custodians typically charge you a flat dollar amount as "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your custodial account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have the custodian execute most trades for your account in their capacity as broker.

Certain mutual funds and ETFs are made available for no transaction fee; as a result the confirmation may show “no commission” for a particular transaction. Typically, the custodian (but not Fortis) earns additional remuneration from such services as recordkeeping, administration, and platform fees, for the funds and ETFs on their no-transaction fee lists. This additional revenue to the custodian will tend to increase the internal expenses of the fund or ETF. Fortis selects investments based on our assessment of a number of factors, including liquidity, asset exposure, reasonable fees, effective management, and low execution cost. Where we choose a no-transaction fee fund or ETF, it is because it has met our criteria in all applicable categories.

Commissions you pay to Schwab or Fidelity, if any, are disclosed on the confirmation of each security transaction we place on your behalf. These confirmations are sent directly to you by the custodian and we receive a copy of them.

Directed Brokerage

Because we execute your investment transactions through the custodian holding your assets (i.e., if your account is held at Schwab, we will execute trades only through Schwab), we are effectively requiring that you “direct” your brokerage to your custodian, absent other specific instructions as discussed below. Because we are not choosing brokers on a trade-by-trade basis, we may not be able to achieve the most favorable executions for clients and this may ultimately cost clients more money. Not all investment advisors require directed brokerage. We do not use, recommend, or direct activity to brokers in exchange for client referrals.

Although not a normal business practice for Fortis, we may permit clients to direct us to use brokers other than the custodian. If we agree to accommodate your request to do this, we will likely have little or no ability to negotiate commissions or influence execution price, and you will also not benefit from any trade aggregation we may implement for other clients. This may result in greater costs to you.

If we use brokers other than the custodian in the future, we will endeavor to select those brokers or dealers that will provide the best overall execution. The reasonableness of commissions is based on the broker’s stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help Fortis in providing investment management services to clients. We may, therefore recommend (or use) 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 of our clients, and not all of such research may be useful for the account for which the particular transaction was affected.

Aggregated or Block Transactions

For our active strategies, we routinely trade in the same securities for all clients at the same time. Where applicable, we enter the trades on a custodian-by-custodian. Most of our client assets are held at Schwab or Fidelity and we enter client trades using Tamarac’s trading interface, typically submitting all trades in the same security at the same time. Schwab and Fidelity do not, however, execute those trades all at

once. Rather, Schwab and Fidelity treat each order received as an individual order from each client account. This results in client trades sometimes being executed at different prices. We occasionally enter limit orders (we specify a price we don’t want to exceed for buys or a price we don’t want to go below for sells) when entering orders. Especially for less liquid securities, we may get only a partial execution because the custodian is treating each order individually and the market price moves away from our limit price. We monitor the prices we receive and sometimes cancel and rebill trades to ensure that all clients

receive fair and equitable executions.

As described above, all transactions for the accounts we manage are generally required to be executed through the firm that custodies the account. As described above, however, at times we will not be able to execute all trades at the same price. In most cases, these pricing differences are not material.

Where we have to allocate a partial allocation, no client or account will be favored over another in allocating pro-rata, though we reserve the right not to allocate less than the original amount intended where pro-rata allocation would result in less than a whole unit of trading (an odd-lot) or would otherwise be inconsistent with the account's objectives.

Brokerage Practices Related to the Fund:

As the investment manager to the Fund, we have brokerage discretionary authority (to select the broker, to execute a transaction, and to negotiate price and commissions on a transaction-by-transaction basis).

In selecting brokers or dealers to execute transactions (or series of transactions), we consider a number of factors to determine the appropriateness of using that broker. Our assessment includes a number of components and is conditional upon a number of variables, not just price or commission costs. These include the following (this is not an extensive list):

- Price negotiation
- Ability to affect the transactions
- The brokers' or dealers' facilities
- Reliability and financial responsibility
- Specialty execution capabilities
- Block trading capabilities
- Willingness to execute related or unrelated difficult transactions in the future
- Custody
- Recordkeeping and similar services

We occasionally look for and use "specialty brokers." These are broker-dealers that make a market in the equity securities we are most interested in acquiring. In effect, this causes the broker dealers to compete for our business. This interest in specialty brokers and their interest in us provide us with the specific brokerage expertise, including trading opportunities, when we are purchasing or liquidating positions for FFF.

Our investment team monitors all broker-dealer transactions. Broker-dealers are evaluated on a number of factors, including their ability to provide special insights related to our investment objectives and portfolio interests. The overall assessment is viewed in the context of the contribution of the specialty broker-dealer, the specific transactions during the review time period and our fiduciary obligation to FFF and Limited Partner investors.

Soft Dollars

Selected employees of Fortis meet periodically to evaluate the broker dealers we use for the Fund using the foregoing factors.

Subject to meeting our fiduciary responsibility to seek best execution for Fund investments, we obtain research products or services that fall within the 'safe harbor' established by Section 28(e) of the Securities Exchange Act of 1934. We may purchase brokerage or research services consistent with the requirement of Section 28(e) with soft-dollar commissions generated by trades for FFF. When using

such commissions to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services.

Because the research and services received benefit Fortis, it creates a conflict of interest when choosing how to allocate our brokerage business. In other words, we could have an incentive to execute transactions through a broker-dealer that provides us with valuable services or products and pay transaction commissions charged by that broker-dealer, rather than based on whether we receive the most favorable execution for a given transaction. It also creates incentive for us to engage in more securities transactions than would otherwise be optimal in order to generate soft dollars with which to acquire research products and services.

We do not exclude a broker-dealer from consideration when making a trading decision simply because the broker-dealer has not provided research services or products to us, although we may not be willing to pay the same commission to that broker-dealer. We have various controls in place designed to manage these conflicts, including:

- On a periodic basis, we review soft dollar practices to determine that commissions paid were reasonable in relation to the value of research or services received;
- We review commission rates periodically relative to peers;
- We periodically review products and services acquired with soft dollar commissions to assess their benefit to the Fund.

In certain situations, we may pay a brokerage commission higher than another broker-dealer might have charged for effecting the same transaction. We would do this if we determine in good faith that the commission is reasonable in relation to the value of the brokerage and/or research services provided by the broker-dealer, viewed in terms of either the particular transaction or our overall responsibilities.

We might also receive brokerage-specific services, including communication services related to execution, clearing and settlement of transactions and other functions incidental to effecting securities transactions, post-trade matching, electronic communication of allocations routing and settlement instructions, trading software to route orders to market centers or brokers and direct market access.

Item 13 Review of Accounts

Separate Accounts:

While the underlying securities in our separately managed accounts are continually monitored, these accounts are reviewed at least monthly for actively managed accounts and quarterly for passively managed accounts. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. As part of the review, the portfolio holdings are reviewed to see if any of the positions should be reduced or sold in full and replaced with new investments. Tax considerations are also taken into account. Accounts are reviewed by Paul Misleh, Michael Boroughs, or John Heffel or another member of the wealth management team.

Client accounts are frequently reviewed in the context of risk vs. reward opportunities of new positions in relation to positions held by the client accounts. If we determine that the overall risk/reward characteristics are more favorable for client portfolios with a new stock or new allocation of stocks (some may be new while others may be increased or decreased in size or disposed of), we will review the accounts and transact in the necessary securities to reallocate the portfolio to our optimal conviction weightings.

Clients receive quarterly account statements directly from the qualified custodian holding the account assets. These reports provide various details such as current holdings, net account value, trades, unrealized and realized gains/losses, dividends/interest received and investment management fees. Separately, we typically provide a quarterly letter to our clients discussing key positions and market conditions.

The Fund:

While the underlying securities in the Fund are continually monitored, the Fund is reviewed regularly by James Rudolf, Michael Boroughs, or Paul Misleh.

Reports

Limited Partners in the Fund receive monthly statements on their capital accounts. The reports summarize the LP investor's capital account balances and the performance of the Fund, among other information. These statements are independently prepared and delivered by our third-party administrator, with copies provided to us. The Fund is also audited annually and the audited financial statements are distributed to LPs within 120 days of our December 31 year-end.

Item 14 Client Referrals and Other Compensation

Fortis maintains compensation arrangements with several individuals for referring potential clients to the firm. These individuals receive a fixed percentage of the client's annual fees for an agreed upon number of years. Additionally, Fortis has a relationship with SmartAsset, a lead generation service, where the firm pays a monthly fee to receive leads that SmartAsset has deemed through their own metrics as qualified. Both individual referral sources and SmartAsset are referred to as "Solicitors" for Fortis.

To ensure compliance and transparency, all solicitors are subject to a background check as well as a conflict of interest assessment. Solicitors are required to disclose to clients there is a compensation arrangement with Fortis. Moreover, we adhere to the requirements of the SEC's Marketing Rule 206(4)-1, ensuring that all solicitors meet the criteria outlined in the rule before engaging in referral activities on behalf of Fortis. Fortis will periodically require attestations to be signed by solicitors to ensure compliance with the firm's compliance program and the SEC's Marketing Rule 206(4)-1.

We do receive compensation for selling life, disability and long-term care insurance products through MassMutual (see Item 4 and Item 5, above) based on the first-year premium and then subsequent trailing annual commission payments.

We also receive a percentage of commissions generated for referrals clients to Cobb and Campbell for life insurance, disability insurance or corporate benefits (see Item 4 and Item 5, above).

We do not receive compensation from our custodians other than as described above in Item 12.

Item 15 Custody

Separate Accounts:

All client funds and securities are maintained with a qualified custodian (Schwab or Fidelity); we don't take physical possession of client assets. Our clients will receive account statements and transaction confirmation notices directly from the custodian at least quarterly, which they should carefully review.

We urge clients to carefully compare the custodian's account statements with the periodic statements and reports they receive from us and to notify us promptly of any discrepancies.

We have the ability to deduct our advisory fees directly from client accounts based on the client's written authorization to do so, and this ability is technically considered "custody" but doesn't require separate reporting or surprise audits. In addition, in some cases we obtain standing letters of authorization ("SLOAs") from clients. These are written directives from the client authorizing us to initiate payments from their custodial accounts to specified third parties. This authority is considered "custody" under SEC guidance and requires us to report that we have custody over these account assets on our ADV 1A. To the extent the SLOAs comply with certain conditions, however, including that clients have the right to terminate the SLOA, and that the qualified custodian will confirm the status of the SLOA annually directly with the client, we are not subject to a surprise custody audit.

Fortis Flagship Fund LP ("FFF"):

Because Fortis Capital Management LLC, is also the General Partner of FFF, Fortis is deemed to have constructive custody of Fund assets. To comply with the Custody Rule, the GP contracts for and requires an annual financial audit of the Fund. These financial audits are conducted by an independent accountant that is:

- i. Registered with, and
- ii. Subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB).

The financial audits are prepared in accordance with generally accepted accounting principles (GAAP). The audits are then distributed to beneficial owners (LP investors) within 120 days of the Fund's fiscal year end. Our Fund undergoes an annual audit each calendar year by our independent auditor.

Item 16 Investment Discretion

Our firm manages investment advisory accounts on a discretionary authority basis, which means that clients provide us with the authority to determine which securities are bought or sold, how much of any security is bought or sold, and all other investment and portfolio management decisions to be made regarding the client's account. Clients give us discretionary authority when signing our investment advisory agreement. If a client wishes to limit this authority, the client must specify the limitations in writing. Clients may amend these restrictions at any time.

We also have investment discretionary authority over the Fund we manage (see Item 4, above) to select the securities and amount of securities to purchase or sell for the Fund.

Limited Partner investors in the Fund are not permitted to restrict or otherwise place limitations on our investment or brokerage discretionary authority applicable to the Fund as a whole or specific Limited Partner capital account(s).

Please see the Private Placement Memorandum and other offering materials for more details about the Fund.

Item 17 Voting Client Securities

We vote proxies for all clients (including the Fund), as long as clients have provided the necessary authorizations to allow us to receive proxies when executing their custodial paperwork. That said, clients always have the right to vote proxies themselves. Clients can exercise this right by instructing us in

writing to not vote proxies in their account. Clients may obtain information about how we voted their securities, as well as receive a copy of our proxy voting policies, by calling or emailing our office.

We will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote. To assist in this process, we typically use Broadridge Financial Solutions, a proxy voting and aggregation software service that ensures we are voting in the best interest of our clients.

With respect to ERISA accounts, we will vote proxies in the same manner as described above unless the plan documents specifically reserve the plan sponsor's right to vote proxies.

We may advise or 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 reasonable efforts to forward such notices in a timely manner.

Item 18 Financial Information

Our firm does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. We have not been subject of a bankruptcy petition at any time during the past ten years.