

Item 1 Title Page



Fortis Capital Advisors, LLC

Part 2A of Form ADV: Firm Brochure

October 31, 2024

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**This Brochure provides information about the qualifications and business practices of Fortis Capital Advisors, LLC (“Fortis” or “Firm”). If you have any questions about the contents of this Brochure, please contact us at (877) 363-1555 or via email at [compliance@fortiscapitaladvisors.com](mailto:compliance@fortiscapitaladvisors.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 Fortis Capital Advisors, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to Fortis Capital Advisors, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## Item 2 - Summary of Material Changes

This item discusses specific material changes to the Fortis Brochure. Pursuant to current SEC Rules, Fortis will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of the firm's fiscal year, which occurs at the end of the calendar year. Fortis will disclose material changes as necessary. Fortis' then-current Brochure may be requested by a client or prospective client at any time, without charge.

**Below is a summary of material changes to the following Items in this Brochure** based on information previously provided in our Brochure dated March 31 2024.

### **Item 1 - Cover Page**

The Firm's main address has changed from Reno, NV to Prairie Village, KS.

### **Item 4 Section B - What services do you offer?**

The Firm is now offering investment advisory services to other investment advisers through a sub-advisory agreement.

### **Item 4, Section C - Do you customize your services?**

Clarifying language added regarding limitations on investment restrictions for clients in model portfolios.

### **Item 4, Section E - What are your Assets Under Management?**

Amount of assets under management updated as of September 30. 2024.

### **Item 5, Section A (a) - Assets under Management Fees**

Removed language regarding additional fees that the client pays in addition to Fortis' advisory fee, as that is covered in Item 5, Section C. Also removed reference to neither Fortis nor Fortis Advisors accepting commissions for securities, as some Advisors are registered representatives of broker-dealer firms.

### **Item 5, Section A (c) - Retirement Plan Fees**

Since retirement plans are often billed and managed differently than retail clients, a section was added to clarify retirement plan fees.

### **Item 5, Section B - What if I don't want fees deducted from my account?**

Debit card and ACH payment options were added to the existing credit card and personal check options.

### **Item 5, Section C (a) - Broker-dealer commissions and Custodian Fees**

Added clarifying language to differentiate the two types of pricing available at the custodial level and how

these are recommended to a client.

**Item 5, Section C (b) - Investment Product Fees**

Added clarifying language to punctuate the effect that investment product fees can have on the return of an investment.

**Item 5, Section C (c) - Technology Fees**

Added a section regarding technology fees that are charged to the client for data aggregation services, which helps Fortis to manage client accounts.

**Item 7, Section A - What type of clients do you service?**

Added "other investment advisers" since Fortis provides asset management for other investment firms.

**Item 7, Section B - Do you have requirements for becoming a client?**

Added that the Firm can refuse a client that does not use a recommended custodian.

**Item 8, Section A (2) - Actively Managed Strategies**

Added language to better define how these strategies are deployed.

**Item 8, Section B (3) - Trading In Securities**

Added language to include wash sale rule violations as a possible outcome of frequent trading in an account.

**Item 8, Section B (5) - Counterparty Risks**

Disclosure added regarding the Firm's inability to guarantee that our technology systems will function as expected at all times.

**Item 10, Section C (f) - Accountant or accounting firm**

Further disclosure added to clarify how Fortis will address this conflict of interest.

**Item 10, Section C (h) - Insurance Companies**

Momentum I, LLC, owned by Robert Hagg, was added to the list of insurance companies owned by related persons of Fortis.

**Item 10, Section C (m) - Other names**

Updated list of Doing Business As (DBA) names of Advisors' entities providing services on behalf of the firm.

**Item 10, Section E - Registered representatives of a Broker-Dealer**

Some Fortis Advisors have become dual-registered with unaffiliated broker-dealers, so disclosure language was added and the response was changed to the affirmative.

**Item 11, Section A - Can you briefly describe your code of ethics?**

Rewrite of the answer to better describe Fortis' expectation of its Advisors and Employees.

**Item 11, Section B - Do you or a related person recommend to clients, or buy or sell for client accounts, securities in which you or a related person has a material financial interest?**

Added reference to Fortis Advisors who have financial interest in and provide advice to mutual funds through an unaffiliated RIA, Timber Point Capital Management.

**Item 12, Section A - Factors for recommending a broker-dealer**

Added language to indicate situations where we might recommend a different broker-dealer than Charles Schwab and provided general information on selection of broker-dealers.

**Item 12, Section A ( C) i - Do you routinely recommend, request or require that I execute transactions through a specified broker-dealer?**

Changed the answer to “yes” since Fortis primarily recommends Charles Schwab to clients.

**Item 12, Section B - Aggregating Purchases**

Removed references to unfilled bulk orders being allocated alphabetically and randomly, as Fortis only allocates these orders on a pro rata basis.

**Item 12, Section C - Trade Errors**

Added a new section to disclose the Firm’s trade error policies.

**Item 12, Section D - Mutual Fund Share Class Selection**

Added a new section to disclose the Firm’s policies regarding mutual fund share class selection.

**Item 14, Section A (b) - Other Compensation Fortis or its related persons receive from funds**

Added reference to Fortis Advisors who have financial interest in and provide advice to mutual funds through an unaffiliated RIA, Timber Point Capital Management.

**Item 14, Section B - Do you compensate anyone who is outside your firm’s supervision for client referrals?**

Revision of this disclosure to better reflect the phrasing and requirements for promoters per the current marketing rules.

**Item 15, Section A - Custody of Assets**

Revision of this section to disclose when Fortis is deemed to have custody of client funds.

**Item 15, Section C - Frequency of Statements**

Language added to request that clients notify Fortis if they do not receive a statement or if statement content seems inaccurate.

**Item 16, Section A - Investment Discretion**

Added language indicating that investment restrictions may be placed on an account as long as they can be

reasonably implemented.

**Item 16, Section (B) - Non-discretionary Accounts**

We changed our answer to reflect that we do not manage accounts on a non-discretionary basis, but will accommodate requests from clients to preview transactions or strategies on a best efforts basis.

**Item 19 - Requirements for State-Registered Advisers**

Removed section since it does not apply to Fortis.

## Item 3 - Table of Contents

[Item 1 Title Page](#)

[Item 2 - Summary of Material Changes](#)

[Item 3 - Table of Contents](#)

[Item 4 - Advisory Business](#)

[Item 5 - Fees and Compensation](#)

[Item 6 - Performance Based Fees and Side-by-Side Management](#)

[Item 7 - Types of Clients](#)

[Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss](#)

[Item 9 – Disciplinary Information](#)

[Item 10 - Other Financial Industry Activities and Affiliations](#)

[Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading](#)

[Item 12 - Brokerage Practices](#)

[Item 13 – Review of Accounts](#)

[Item 14 - Client Referrals and Other Compensation](#)

[Item 15 - Custody](#)

[Item 16 - Investment Discretion](#)

[Item 17 - Voting Client Securities](#)

[Item 18 - Financial Information](#)

## Item 4 - Advisory Business

### A. Who is Fortis?

Fortis Capital Advisors, LLC ("Fortis" or the "Firm", "we," "us," or "our") offers investment advice and financial planning services on individual securities and portfolios of securities. The Firm was founded in 2020 in Prairie Village, Kansas and is owned by Robert M. Hagg, Donatella Malitsky, and Roman Moldavsky as a Delaware Limited Liability Company.

### B. What services do you offer?

**Portfolio Management Services.** Fortis provides ongoing portfolio management services to individuals, families, businesses and other investment advisers. When providing portfolio management services, the Firm not only makes recommendations related to investments, but also implements these recommendations and provides ongoing monitoring and management of each account. Each portfolio is tailored to the individual needs of a particular client (whether an individual, a family or a business) through an assessment conducted prior to an engagement. Clients may impose restrictions related to the level of discretion granted, the types of investments used, etc. Clients that decide to engage Fortis on a non-discretionary investment basis must be willing to accept that Fortis cannot affect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, Fortis will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's consent. Terms of an actual engagement, including description of service, limitations and restrictions, fees, etc., are all detailed before any engagement begins in a written client agreement.

**Financial Planning and Consulting Services.** Fortis provides financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a fixed fee or hourly fee basis. Prior to engaging Fortis to provide planning or consulting services, clients are required to enter into a Financial Planning and Consulting Agreement with Fortis setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Fortis commencing services. The client always retains absolute discretion over all such implementation decisions and always has the right whether to accept or reject any recommendation from Fortis. Please Note: It remains the client's responsibility to promptly notify Fortis if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Fortis' previous recommendations and/or services.

As indicated above, Fortis may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Fortis

nor its representatives serve as an attorney or accountant, and no portion of its services should be construed as legal or accounting advice. Accordingly, Fortis does not prepare estate planning documents or tax returns. To the extent requested by a client, Fortis may recommend the services of legal or tax professionals. Clients are reminded that they always have the right to decide whether to engage the services of any such recommended professional.

**Implementation of Financial Planning Recommendations.** The client retains absolute discretion over all such implementation decisions and always has the right whether to accept or reject any recommendation made by Fortis or its representatives or any affiliated entities. Clients may be offered insurance products through Fortis' affiliate Fortis Brokerage Services, Inc., a New York licensed insurance agency. In the event clients purchase any offered insurance products, commissions will be paid to the above insurance agencies and the licensed representative, which is a conflict of interest. Fortis will exercise its fiduciary duty in regard to any sale of such insurance products and clients are reminded that they always have the right to decide whether to act on any such recommendations and to purchase any insurance products from anyone they so choose. Such recommendations will only be made in the clients best interest.

**Tax Planning and Preparation.** Clients may be offered tax planning and preparation services through Fortis' affiliated entity, Tutum Strategies, LLC, or through an entity associated with an Advisor. In the event that the Client engages any of these entities for their services, the advisor and/or Fortis will benefit from that engagement, which causes a conflict of interest. The Client retains absolute discretion over all such engagement and always has the right to accept or reject any recommendation made by Fortis or its representatives or any affiliated entities. In addition, these services may or may not be bundled along with the asset management pricing or financial plan pricing. Please discuss with your Advisor regarding services provided.

**Client Obligations.** In performing its services, Fortis 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. Moreover, each client is advised that it remains their responsibility to promptly notify Fortis if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Fortis' previous recommendations and/or services.

Fortis shall provide investment services specific to the needs of each client. Prior to providing investment services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Fortis shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on Fortis' services.

**Educational Workshops.** Fortis provides educational workshops for those desiring information on personal finance and investing. Topics may include issues related to general financial planning, educational funding, estate planning, retirement strategies, insurance planning and various other current economic or investment topics.

**C. Do you customize your services?**

Yes. We believe in providing customized investment advice to clients, and each Fortis' investment advisor representative ("Advisor") retains the authority to implement his or her own investment and financial planning styles. Prior to making an investment recommendation or implementing an investment strategy, we work with you to understand your financial needs and risk tolerance.

For certain clients, Fortis uses model portfolios together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. If we use these model portfolios, the client will not be able to impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs unless the model portfolios are designed to accommodate such values or beliefs. You will be responsible for notifying us of any updates regarding your financial situation, investment objectives, or risk tolerance and whether you wish to impose or modify any existing investment restrictions.

**D. Do you have a program that wraps brokerage and advisory fees into one fee?**

Yes. A wrap fee program is an investment program in which the client pays one stated fee that includes management fees, transaction costs, and other administrative fees. Clients should refer to the sponsor's Wrap Fee Program Brochure and consult with their Advisor for any additional information or questions they may have with respect to the specific wrap fee program. Wrap fee programs may cost a client more or less than purchasing such services separately through one or more non-wrap account(s), depending on the volume of trading and the size of a client's account(s). In general, a wrap fee program can be comparatively less expensive for actively traded accounts; conversely, non-wrap fee programs can be comparatively less expensive for accounts in which there is minimal trading activity.

Fortis sponsors one wrap fee program: the Portfolio Manager's Wrap Fee Program ("PMW"). To learn more about our wrap fee programs you may request a copy of the PMW Wrap Fee Program Brochure. If you receive services through a wrap fee program, you will only pay fees based on assets under management and you will not pay a separate commission, ticket charge, or custodian fee, for the execution of transactions in your account(s). Fortis and certain service providers, including (if applicable) the platform provider, the custodian, and portfolio manager, will receive a portion of the fee as compensation for services.

**E. What are your Assets Under Management?**

Total Assets Under Management advised on a discretionary basis is \$630,582,241 as of September 30, 2024. \$0 is advised on a non-discretionary basis.

**F. IRA Rollover Recommendations**

For purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 where applicable, we are providing the following acknowledgement to you.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries 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 we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

## Item 5 - Fees and Compensation

### A. How is Fortis compensated?

Fees charged are negotiable and may differ from client to client based upon services provided, investment strategies utilized, the amount of assets to be managed; portfolio composition, the scope and complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts; anticipated future additional assets, the professional(s) rendering the service(s), prior relationships with Fortis and/or your Advisor and negotiations with the client. As a result, similarly situated clients could pay different fees and the services to be provided by Fortis to any particular client could be available from other advisers at lower fees.

Fortis believes that its fees are reasonable in relation to the services it provides and the fees charged by other investment advisers offering similar services. However, Fortis' fees may be higher than that charged by other investment advisers offering similar services.

#### a. Assets Under Management Fees

Advisory fees and the timing of assessment are negotiated between you and your Advisor. Fees can be charged as a flat fee percentage, linear fee percentage, or a tiered fee percentage structure but cannot exceed 2.5% annually. Such advisory fees are based upon assets under

management ("AUM"). A new client will be charged a prorated fee for the initial quarter in which services are rendered. No AUM fee adjustment will be made during any quarter for appreciation or depreciation in the value of your assets. Fees will be assessed quarterly typically in advance based on the value of the portfolio as of the last day of the previous quarter, as reported in our data aggregation system

You should discuss with your Advisor the exact fee schedule agreed to be you in your advisory agreement. You will receive a (30) day notice in writing of any changes to your fee schedule if your fee will be increasing, but we have discretion for reducing fees without notice.

You should understand that the fee you negotiate with your Advisor can be higher than the fees charged by other investment adviser representatives for similar services. This is the case, in particular, if the fee is at or near the maximum fees rate set out above. Your Advisor is responsible for determining your fee based on many factors, such as the total amount of assets in the relationship, the complexity of the services, and the number and range of supplementary advisory and client-related services to be provided. You should consider the level and complexity of the consulting and/or advisory services to be provided when negotiating the fee with your Advisor.

Please Note: Cash Positions. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Fortis may maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating Fortis' fee.

Clients typically elect to have Fortis' fees deducted from their custodial account(s). Both Fortis' Investment Advisory Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of Fortis' investment advisory fee and to directly remit that management fee to Fortis in compliance with regulatory procedures. In the limited event that Fortis bills the client directly, payment is due upon receipt of Fortis' invoice. If Fortis is deducting fees and/or billing clients quarterly in arrears, the fee will be based upon the market value of the assets on the last business day of the preceding quarter, with the exception of the initial month of engagement for which Fortis may charge in arrears.

The Investment Agreement between Fortis and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Agreement. Upon termination, Fortis shall refund the unearned prorated portion of the advanced fee paid based upon the number of days remaining in the billing quarter.

#### **b. Financial Planning and Consulting Services**

Financial Planning and Consulting Services. Fortis' planning and consulting fees are negotiable and may be complementary at Fortis' discretion, but generally range from \$999 to \$25,000 when

charged on a fixed fee basis or up to \$500 per hour when charged on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

**c. Retirement Plan Fees**

ERISA and Non-ERISA Employer Retirement Plan Consulting and Managed Account Fees are subject to negotiation and are charged on an AUM, fixed, or hourly basis. Fortis provides plan-level consulting and managed account services to retirement plans covered under ERISA. Fees may be charged quarterly or monthly in arrears or in advance based on the assets as calculated by the custodian or record keeper of the plan's assets (without adjustments for anticipated withdrawals by plan participants or other anticipated or scheduled transfers or distribution of assets). If the services to be provided start any time other than the first day of a quarter or month, the fee will be prorated based on the number of days remaining in the quarter or month. If an agreement is terminated prior to the end of the billing cycle, your fee will be prorated based on the number of days during the fee period services were provided (if your fees are calculated in arrears) or you will receive a prorated refund of fees for days services were not provided in the billing cycle (if your fees are calculated in advance). The fee schedule is described in detail in Schedule A of your agreement. While the plan is ultimately obligated to pay the fees, the plan sponsor may elect to pay the fees on the plan's behalf. You may elect to be billed directly or have fees deducted from plan assets.

**d. Education Seminars**

Educational Seminars. While certain Educational Seminars may be complementary at Fortis' discretion, generally Educational Seminars attendees may be assessed a fee ranging from \$40 to \$100. The workshop fee is announced in advance and determined by the length of the event, the number and expertise of the presenters involved, and whether or not educational materials are being provided.

**B. How do we collect fees?**

Fees are typically deducted directly from your account on a quarterly basis. Most clients will be charged in advance at the beginning of every quarter, but this is negotiable with your Advisor.

**What if I don't want fees deducted from my account?**

You may pay for your fees by personal check, credit/debit card or automated clearing house (ACH). Fees are invoiced through a third party provider and due upon receipt. Since payment is conducted through a third-party, Fortis does not have access to or maintain client payment information, including credit cards.

**C. What are other fees that I pay?**

You should be aware that there are costs beyond the advisory fees you pay to Fortis. It is important to be aware that in some instances costs beyond the advisory fees you pay may benefit Fortis and certain related persons directly or indirectly and Fortis and its related persons receive certain benefits which creates a material conflict of interest. **See Item 5C4, 11, and 14 for more information.**

**a. Broker-dealer commissions and Custodian Fees**

Unless you are receiving our services through a wrap fee program as described in Item 4D, above, you typically pay all brokerage commissions and custodian fees. Please review Item 12 for more information on our Brokerage Practices. Depending on the anticipated volume of trading in your account, you will pay a transaction-based or asset-based fee related to your accounts. With transaction-based pricing, if applicable, you will be charged a transaction fee per transaction. For asset-based pricing, the fee is based on the assets in your account(s). This fee is typically computed by the custodian on a monthly or quarterly basis and decided from your account(s).

Custodians impose additional fees including without limitation: periodic distribution fees, electronic fund and wire transfer fees, certificate delivery fees, reorganization fees, and fees for paper statements.

Clients should refer to the custodian fee schedule provided at account opening for a description of custodial fees that may apply to their account. These fees are subject to change at any time at the discretion of the corresponding Broker or Custodian. **Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV 2A for additional information.**

**b. Investment Product Fees**

Additional fees including internal fees and charges associated with exchange traded funds ("ETFs"), mutual funds or other investment vehicles utilized in your accounts have internal fees and expenses. These fees and expenses are described in each fund's prospectus, and typically include annual ongoing expenses and transaction fees paid when you buy or sell shares in a fund. The ongoing expenses of a fund are summarized by the expense ratio, which generally include a management fee, other fund expenses, and a possible distribution (12b-1) fee. These expenses are paid for out of fund assets and not billed to investors directly, however, these expenses have the effect of reducing the net investment return received by investors and are therefore indirectly paid for by investors. If the fund also imposes sales charges, a client will typically directly pay an initial or deferred sales charge when buying or selling the fund. A client could invest in an ETF or 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 ETFs, mutual funds, or other investment vehicles are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of

fees to be paid by the client and to thereby evaluate the advisory services being provided.

In addition, clients always have the option to purchase investment products that we recommend directly from the issuer or through a brokerage account not affiliated with Fortis.

Typically, the fees you pay that are associated with investment products are not paid directly or indirectly to Fortis or its related persons.

**c. Technology Fees**

A fee of \$40 is charged annually per account for technology (used to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, payable reports, models, trading platforms, and other functions related to the administrative tasks of managing client accounts), unless waived at our discretion. Technology Fees are in addition to the fees states in Section 5A above, and will be automatically debited from your designated account in arrears on a quarterly basis or invoiced to you at the same billing frequency described above (i.e. a \$40 annual fee is charged \$10 per quarter). Technology Fees are paid in arrears, so there are no refunds processed.

**D. Do I have to pay fees in advance of services?**

AUM Fees may be charged one quarter (3 months) in advance or in arrears. Hourly Fees are paid in arrears. Clients should refer to their written agreement with Fortis for specific information relating to fees arrangements.

**How do I get a refund?**

Please notify us in writing if you wish to terminate your advisory agreement with us and the date on which you would like it to terminate. A pro-rata portion of any advisory fees paid in advance will be automatically refunded.

Refunded fees are typically credited to the account that was originally debited. In certain instances, refunds are issued via check and mailed to you.

**E. Do you accept compensation for the sale of securities?**

Fortis does not accept compensation for the sale of securities.

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

**Do you charge clients performance based fees or engage in side-by-side management?**

No, Fortis does not charge you an additional fee based on the performance of your accounts (performance-based fees) or engage in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Fortis' fees are calculated as described above in Item 5 - Fees and Compensation - and are not charged on the basis of a share of the capital gains upon, or capital appreciation of, the funds in a client's account.

## **Item 7 - Types of Clients**

**A. What type of clients do you service?**

We serve the investment needs of individual investors (including high net worth individuals), trusts, business entities, retirement plans and other investment advisers.

**B. Do you have requirements for becoming a client?**

We do not have a minimum account size. We do charge a minimum Assets Under Management Fee. In some cases we may elect not to take on a client if we determine we are not best suited to meet their investment needs. Also, we may terminate a client relationship if we feel we can no longer meet their investment needs. We try to accommodate a wide range of custodians; however, we may refuse a client who does not use a suggested/recommended custodian.

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

**A. Methods of Analysis and Investment Strategies**

The investment advice you receive is based on the experience and investment style of your Advisor. Therefore, it is important to ask your Advisor about their experience, services, investment style and review the Form ADV Part 2B - Brochure Supplement which provides additional background information about your Advisor.

An analysis of your current financial situation, risk tolerance, and future needs will be used to help determine the best investment vehicles to meet your investment objectives. The replacement of an investment vehicle may be triggered by performance, a change in management, market outlook or a client's personal financial situation.

Your Advisor may create his or her own unique portfolios for clients and there are no “standard” portfolios. We customize portfolios in this way to meet a client’s individual needs. It will be difficult for you to evaluate the past performance of a portfolio being recommended because your portfolio is likely to be different from that of another client’s portfolio.

There are model portfolios available for some of our strategies and prospective and existing clients may review these to help them understand a strategy.

Portfolio strategies are typically combined and blended in an effort to meet the client’s investment objectives. Strategies will also be changed in an effort to improve them. Below is a description of some of the investment strategies we commonly use to manage client portfolios.

***Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.***

### **1. Passively Managed Strategies**

Our passively managed portfolios give investors a diversified portfolio targeted to goals, like their estimated date of retirement. Use of index funds or passively managed asset class funds reduces the risks associated with actively managed and tactically portfolios. Passively managed strategies seek to track the returns of various asset classes or indexes available within the publicly traded markets. The goal is to match the return of the targeted asset class or index instead of trying to outperform it or reduce the risk present in that given asset class or index. We attempt to meet client investment objectives and manage risks through asset allocation.

Risk may be managed by the asset allocation and security selection of the portfolio. Please see material risks for more information.

### **2. Actively Managed Strategies**

Active management seeks to exploit market inefficiencies by purchasing securities (stocks, bonds or other investments) that are undervalued or by short selling securities that are overvalued. Most of the actively managed portfolios at Fortis do not use shorting.

Active portfolio managers may use a variety of factors and strategies to construct their portfolio(s). These include quantitative measures such as price–earnings ratios and price/earnings-to-growth (PEG) ratios, sector investments that attempt to anticipate long-term macroeconomic trends (such as a focus on energy or housing stocks), technical analysis such as price movement, and purchasing stocks of companies that are temporarily out-of-favor or selling at a discount to their intrinsic value. Some actively managed funds also pursue strategies such as risk arbitrage, short positions, option writing, and asset allocation. Generally, multiple securities and/or investments are used to diversify a portfolio. The goal is to improve the probability of a positive return.

When used, options strategies typically include buying puts to hedge equity risk, writing covered calls for income generation, and buying calls as an equity substitute. Option strategies can significantly increase risk and this may result in substantial losses. If you select to have options be a part of your portfolio, you should consult your Advisor for clarification on whether they are being used to increase or decrease risk in your portfolio.

Actively managed strategies vary greatly from one another so it is important to discuss and understand the investment methodology being used. Risks may be managed through asset allocation, security selection and in some strategies, trading of securities. Actively managed strategies can be deployed in the form of a separately managed account or a single investment product (examples include: mutual fund, ETF, non-traded fund, and private funds). Please see material risks for more information.

### 3. **Tactically Managed Strategies**

Tactically Managed Strategies seek to take advantage of short term and/ or longer term market trends. Tactical investing involves taking long or short-term positions in a range of securities. The manager then tactically trades and allocates to these securities in an effort to manage risk and produce a positive return. Technical, quantitative and to a lesser degree fundamental analysis is often an important consideration in tactical strategies as it can be helpful in determining optimal entry and exit points.

Tactically Managed Strategies are generally more complex and involve different risks than standard buy-and-hold investment strategies. Unlike Passively Managed Strategies and many Actively Managed Strategies, the performance of the portfolio is primarily driven by the Trading of Securities in the portfolio or strategy and not the long term holding of assets or securities.

Tactically managed strategies vary greatly from one another so it is important to discuss and understand the investment methodology being used. Risks may be managed through Asset Allocation, Security Selection and Trading of Securities. Please see material risks for more information.

### 4. **Blended Strategies**

Blended Strategies involve blending of Passively Managed Strategies, Actively Managed Strategies and Tactically Managed Strategies in the construction of your portfolio. Please see the above descriptions of Passively Managed, Actively Managed and Tactically Managed Strategies to understand more about these portfolios.

Blended strategies vary greatly from one another so it is important to discuss and understand the investment methodologies being used. Risks may be managed through Asset Allocation, Security Selection and Trading of Securities. Please see material risks for more information.

## 5. ESG Strategies

ESG investing is the practice of incorporating environmental, social and/or governance (ESG) considerations into the portfolio construction and monitoring process. ESG is a term that is often used synonymously with sustainable investing, socially responsible investing, mission-related investing, or impact investing and screening. “Environment” focuses on themes including but not limited to climate impact and greenhouse gas emissions, energy efficiency, air and water pollution, water scarcity, biodiversity, sustainability practices, and site restoration issues. “Social” focuses on themes including but not limited to human rights, local community impact and employment, child labor, working conditions, health and safety, and anti-corruption issues. “Governance” focuses on themes including but not limited to the alignment of stakeholders’ interests, executive compensation, board independence and composition, and other shareholder rights issues. There are multiple approaches to ESG investing that may involve the exclusion, integration, and/or engagement of particular companies, countries, municipalities, factors, trends or other investment opportunities meeting certain criteria.

Fortis integrates ESG factors, including ESG risks and opportunities, into its investment process. Fortis believes environmental, social and governance factors inherently impact a company’s brand equity, employee satisfaction, competitive position, financial performance and ultimately long-term shareholder value. Fortis employs an ESG scoring system to compare ESG related risks and opportunities across our Qualified List. Fortis supplements its primary bottom-up research with input from a third party ESG research and ratings services to help ensure it has identified the most salient ESG factors and analyzed them.

Clients utilizing responsible investing strategies and environment, social responsibility and corporate governance (ESG) factors may underperform strategies which do not utilize responsible investing and ESG considerations. Responsible investing and ESG strategies may operate by either excluding the investments of certain issuers or by selecting investments based on their compliance with factors such as ESG. These strategies may exclude certain sectors or industries from a client’s portfolio, potentially negatively affecting the client’s investment performance. A client’s strategy may forgo some market opportunities available to portfolios that do not use an ESG criteria. Stocks of companies with ESG practices may shift into and out of favor with stock market investors depending on market and economic conditions. The client’s or strategy’s performance may at times be better or worse than performance of accounts or strategies that do not use an ESG criteria.

## B. Material Risks

The methods used in our investment strategies carry material risks:

### 1. Asset Allocation

2. Security Selection
3. Trading of Securities

There are three additional material risks to be aware of when investing.

4. Fraud
5. Counterparties
6. Extraordinary Events

There is no guarantee that the investment objectives of a client, account, investment or portfolio will be met. The material risks described in this section help to explain how and when this can occur and the risks accompany the investment advice provided by your advisor and our firm.

1. **Asset Allocation**

- a. **What is the risk of losing all or some of my investment?**

In general, safer portfolios are constructed from large allocations to strategies that hold cash, government and high-grade corporate bonds. Higher risk portfolios have larger allocations to stocks. Tactical Portfolios will use trading strategies in seeking to meet investment objectives. The asset allocation we recommend will vary depending on your personal investment goals. A general guide to asset allocation is offered below.

Asset Allocation risks are present in all our investment strategies.

- b. **How would a market crash affect my portfolio?**

Investing always involves a risk of loss, which you should be prepared to bear. See the asset allocation descriptions below for more information. When investing there is always the risk of losing all of your original investment. A very conservative portfolio has a much lower probability of loss than a very aggressive portfolio or speculative portfolio.

- c. **How does changing my investment objectives affect my portfolio?**

If your investment objectives change it can negatively affect your investment performance. If the markets decline and your financial goals, risk tolerance or financial needs change a change to a more conservative asset allocation may be required to meet your new investment objectives. Such a change while consistent with your needs, it can also negatively impact your investment performance.

When shifting to a more conservative asset allocation, typically riskier securities are sold and more conservative securities like bonds are purchased. This has the effect of reducing your allocation to securities (stocks) that are likely to produce better returns than more conservative securities (bonds) as the markets recover from a decline.

Changes in investment objectives should be carefully considered and can be directed by you or your advisor.

**i. Preservation Portfolio**

*A preservation portfolio is a portfolio that seeks to preserve capital and generate a minimal level of capital growth and/or income as its secondary objective. Preservation Portfolios tend to be invested in a mix of government and high grade corporate fixed income securities with much less volatility than the S&P 500. In addition, preservation tactical strategies may invest in riskier securities and seek to use trading strategies to reduce the risk of those riskier securities.*

**ii. Conservative Portfolio**

*A conservative portfolio is a portfolio that seeks to generate a minimal level of capital growth and/or income as its primary objective and preserve initial capital as its secondary objective. Conservative portfolios tend to be invested in a mix of income-producing securities with much less volatility than the S&P 500. In addition, conservative tactical strategies may invest in riskier securities and seek to use trading strategies to reduce the risk of those riskier securities.*

**iii. Moderate Portfolio**

*A moderate portfolio is a balanced portfolio that has both capital preservation, income and/or growth as its objectives. Moderate portfolios tend to have volatility less than the S&P 500. In addition, moderate tactical strategies may invest in leveraged securities and seek to use trading strategies to reduce the risk of those leveraged securities.*

**iv. Growth Portfolio**

*A growth portfolio is a growth portfolio managed to generate long-term capital gains as its primary objective. Growth portfolios tend to be invested in a mix of securities with potential for long-term capital appreciation with volatility similar to the S&P 500. In addition, growth tactical strategies may invest in leveraged securities and seek to use trading strategies to reduce the risk of those leveraged securities.*

**v. Aggressive Growth Portfolio**

*An aggressive growth portfolio is a high growth portfolio managed to generate above market capital gains as its primary objective. Aggressive Growth Portfolios tend to be invested in a mix of securities with potential for capital appreciation and loss with volatility in excess of the S&P 500. Aggressive trading, options, derivatives, leverage and shorting may be used in a way that increases investment risk.*

**vi. Speculative Portfolio**

*A speculative portfolio is designed to be a high growth portfolio managed to seek excessive capital gains as its primary objective. Speculative Portfolios tend to be invested in a mix of speculative and risky securities with potential for excessive capital appreciation and loss with volatility well in excess of the S&P 500. Speculative trading, options, derivatives, leverage and shorting may be used in a way that creates tremendous investment risk. A speculative portfolio presents a heightened risk for partial or total loss of invested principal, and therefore you should only invest in this type of portfolio if you are comfortable with a 100% loss of your investment.*

## **2. Security Selection**

The risk of loss in a portfolio can often be increased or decreased depending on the type of security, the construction of the security and use of the security. Understanding the types of risks that are present within the various securities and how we use those securities is important to understanding your risk of loss. Our portfolios may use multiple asset classes, and multiple security types to manage risk. This can make the portfolio harder to understand and each individual security or asset class carries its own risk of loss.

Security Selection risks are present in all our investment strategies.

### **a. Equity Risks**

Equity investments in public equities (stocks), Exchange Traded Products (“ETPs”), Real Estate Investment Trusts (“REITs”), Closed Ended Mutual Funds, Master Limited Partnerships (“MLPs”), Business Development Corporations (BDCs), Partnerships, investment companies and other equity securities are not guaranteed. This includes the possibility of losses due to fluctuations in value, fraud, and withdrawals by other fund shareholders. The prices of equity securities rise and fall daily. These price movements may result from factors affecting individual companies, industries or the securities market as a whole. In addition, the equity market tends to move in cycles which may cause stock prices to fall for short or extended periods of time. Companies with a larger market capitalization are typically less risky than companies with a smaller market capitalization. Domestic stocks are considered less risky than international stocks. When making equity investments you assume greater risks than when you invest in bonds or cash.

### **b. Derivative Risks**

In financial markets a derivative instrument is a contract between two parties that specifies conditions (dates, resulting values of the underlying variables, and notional amounts) under which payments, or payoffs, are to be made between the parties.

The use of derivatives can result in large losses, total loss or money owed because of

leverage, or borrowing. Therefore, investors could lose large amounts if the price of the underlying asset moves against their contract.

The loss due to a derivative investment can be unlimited. The most common derivatives used by our firm are Options.

**i. Option Risks**

Investments in option contracts are not guaranteed. Options should be considered riskier than stocks, bonds or cash. You should familiarize yourself with the type of option (i.e., put or call) and strategy your Advisor is contemplating. Transactions in options carry a high degree of risk.

Buying an option is subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time. If the purchased options expire worthless, you will suffer a total loss of your investment, which will consist of the option premium plus transaction costs.

Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

**c. Debt Risks**

Investments in debt are not guaranteed. We commonly use debt instruments to provide fixed income for a portfolio. The value of fixed income securities will fluctuate, which means that a portfolio could lose money and an individual security can default causing you to lose all of your original investment. Fixed income should be considered less risky than investments in option contracts or equity, but more risky than cash. Preferred stock and/or high yield fixed income can become as risky as an equity investment.

High credit quality fixed income securities (like US Treasuries) are less risky than low credit quality fixed income securities (like junk bonds). Fixed income securities with a longer maturity (bonds that mature in 30 years) are riskier than fixed income securities with a shorter maturity (bonds that mature in 6 months). International bonds are

considered more risky than domestic bonds (because of currency risks). Higher yielding investments are typically riskier than low yielding investments. A change in any of these factors can cause your fixed income investment to fall in value and in some circumstances become worthless.

Other risks affecting fixed income include elements consistent with other investments such as: a change in economic conditions, fraud by the issuer, currency fluctuations, inflation and a change in the US tax treatment.

#### **d. Structured Note Risks**

Structured Notes are a debt obligation that is issued by a financial institution that also contains an embedded derivative component that adjusts the security's risk-return profile. The return performance of a structured note will track both the underlying debt obligation and the derivative embedded within it. Its return is based on equity indexes, a single equity, a basket of equities, interest rates, commodities, or foreign currencies. The performance of a structured note is linked to the return on an underlying asset, group of assets, or index.

As structured notes are both a debt instrument and a derivative instrument they are complex and carry risks that are different from other securities. Some structured notes have principal protection and others do not. For the ones that don't, it is possible to lose some or all of the principal. That can happen with equity prices, interest rates, commodity prices, and foreign exchange rates. Lack of liquidity is a risk for holders of structured notes. Investors who are looking at a structured note should expect to hold the instrument to its maturity date. Structured notes also suffer from higher default risk than their underlying debt obligations and derivatives. If the issuer of the note defaults, the entire value of the investment could be lost.

Important risks that can affect structured notes include: a change in economic conditions, fraud by the issuer, currency fluctuations, market fluctuations, default, lack of liquidity, call risk and risks associated with underlying derivatives.

#### **e. Unregistered Investment Risks**

Investments in unregistered investments (also known as limited partnerships, hedge funds, private equity, direct investments or co-investments) carry a significant risk of loss, including total loss of investment. To invest in investments that are unregistered with a financial regulator, a client must be an accredited investor. Unregistered investments tend to have less liquidity than traditional investments. Some require holding periods of 5 to 10 years. They may use significant leverage, which can increase potential gains as well as potential losses. Unregistered investments can be difficult to accurately price (mark to market) and value. They may offer less transparency into the underlying

investments and do not offer investors the same protection as registered investments. For this reason they carry significant risks, including the risk of fraud. Only sophisticated investors who can bear a loss of investment should invest in unregistered investments.

**f. Commodity and Precious Metal Risks**

Investments in Commodities and Precious Metals are not guaranteed. The value of a commodity or precious metal investment will fluctuate greater than an equity investment. You should consider an investment in these asset classes to be more risky than an equity investment. You should expect to see changes in the value of these investments in a range that is greater than an equity investment. If you cannot tolerate drastic changes in value you should not invest in commodities or precious metals.

**3. Trading of Securities**

When we buy or sell a security, the trade affects whether you experience a gain or a loss. If your personal situation changes which requires the sale of a security at an inopportune time, this can significantly affect the performance of your investments. Market volatility may impair your judgment and result in poor investment timing. Also, frequent trading or attempting to time the market can increase your risk of loss. Additionally, frequent trading can have increased brokerage and other transaction costs as well as unfavorable tax consequences, including wash sale rule violations.

Trading risks are greatest in our Tactically Managed Strategies and Actively Managed Strategies. Trading risks are less of a factor in Passively Managed Strategies.

**a. Hedging Risks**

Hedging an investment position is done to offset or reduce a potential loss. A hedge can be constructed from many types of financial instruments, including: stocks, exchange-traded funds, insurance, forward contracts, swaps, options, many types of over-the-counter and derivative products, and futures contracts.

Because hedging often involves the use of derivatives, the risks associated with those instruments should be considered. Also hedging is not guaranteed to work. There are times when a hedge can multiply losses and it should be understood that hedging may reduce one risk while simultaneously increasing another.

**b. Leverage Risks**

The most obvious risk of leverage is that it multiplies losses. Leverage risk can occur in many ways. Some examples include: margin on your account, investment products, and companies that use leverage to conduct business. An investor who buys a stock on 50%

margin will lose 40% of his money if the stock declines 20%. If leverage is attained through the use of derivatives it may involve a counterparty, either a creditor or a derivative counterparty. If a derivative counterparty fails, unrealized gains on the contract may be jeopardized. (See counterparty risks below) Leverage can increase both positive and negative returns. In a declining market or sudden market crash leverage can result in partial or complete loss of value in your account.

**c. Liquidity Risks**

Investments can suddenly become illiquid and difficult to trade. Illiquid assets can be particularly challenging to value and trade if no buyer or seller of an asset can be found. Our AUM Fees, which are based on values provided to us by your custodian, may be higher or lower than they would normally be for an asset with regular pricing information. Markets that provide liquidity may change at any time, eliminating our ability to buy or sell a specific security. Liquidity cannot be guaranteed and you risk not having the ability to buy or sell an investment when investing. If we are forced to sell a security during a period of time when there is little liquidity this may result in loss of value in that security and your account. Liquidity cannot be guaranteed.

**d. Market Timing Risks**

We may attempt to time when buying, selling or shorting of public equities. Because it is impossible for us to predict the best time to buy or sell a security, there is a risk that our timing may not result in the best price. There is also the risk that the cost of trading outweighs the benefit of the trading activity. The greater the frequency of trading the greater the market timing risks and therefore day trading is especially risky/speculative. Frequent trading in an effort to anticipate market movements may severely hurt the value of a portfolio as this type of activity is highly speculative.

**e. Selling Short Risks**

In finance, short selling (also known as shorting or going short) is the practice of selling assets that have not been purchased beforehand, but which the seller may have borrowed from a third party with the intention of buying identical assets back at a later date to return to that third party. The short seller hopes to profit from a decline in the price of the assets. The short seller will incur a loss if the price of the assets rises, and there is no theoretical limit to the loss that can be incurred by a short seller.

**f. Tax Risks**

A Client should understand that all or a portion of their securities may be sold either at the initiation of or during the course of the management of their assets. Clients are responsible for all tax liabilities arising from such transactions and Clients are

encouraged to seek the advice of a qualified tax professional. It is important to notify us if your account requires special handling because of your tax situation.

Clients are responsible for all tax liabilities and are encouraged to see the advice of a qualified tax professional.

#### **4. Fraud Risks**

Risk of fraud is present when investing. This risk is present within the security, investment or counterparties used while managing your account. An example of fraud risk is the risk that the accounting within a publicly traded company is fraudulent. While we attempt to manage the risk of fraud, the elimination of fraud risk cannot be guaranteed. The occurrence of fraud in a security or investment will result in a partial or complete loss of value of your account.

Fraud risks are present in all our investment strategies.

#### **5. Counterparty Risks**

Investments we recommend or purchase on your behalf will contain various degrees of counterparty risk. Counterparty risk can be described as is the risk associated with the other party to a financial contract not meeting its obligations. Examples include when a counterparty to a transaction is unable to pay out on a bond, credit derivative, trade credit insurance or payment protection insurance contract, or other trade or transaction when it is supposed to. While we attempt to manage counterparty risk, the elimination of counterparty risk cannot be guaranteed. The failure of a counterparty in an investment, transaction or your account will result in a partial or complete loss of value. In addition, we rely on counterparts to cooperate with our technological programs and that also cannot be guaranteed. Although we seek best execution during trading for each transaction, there is some risk involved that the counterparty or technology platform may not perform as expected and could result in less-than-ideal execution of transactions.

Counterparty risks are present in all our investment strategies.

#### **6. Extraordinary Events**

Extraordinary events are a part of the risks taken when investing. The risk of war, natural disaster, pandemic, riots, strikes, cyber attack, economic crisis, infrastructure failure, government failure and other unpredictable events are all present when investing. We cannot eliminate Extraordinary Risks and the occurrence of such an event may make historically safe assets or trading strategies suddenly riskier. The occurrence of an extraordinary event could result in a partial or complete loss of value of your account.

Extraordinary event risks are present in all our investment strategies.

## Item 9 – Disciplinary Information

**Has your firm or any management personnel of the firm been subject to any legal or disciplinary actions?**

No. Fortis and its management persons have no reportable legal or disciplinary history.

## Item 10 - Other Financial Industry Activities and Affiliations

**A. Are any of your management persons a registered representative of a broker-dealer?**

No.

**B. Are any of your management persons registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor?**

No.

**C. Does your firm or management persons have any relationship or arrangement that is material to your advisory business?**

**Yes. Please see Item 10C 1-13 below.** In addition, you should be aware that certain Advisors are engaged in other business activities which are disclosed in your Advisor's Form ADV Part 2B: Brochure Supplement. Some activities present a conflict of interest. Your Advisor is prohibited from engaging in any practice that could jeopardize or disadvantage a client or a client account(s). Accordingly, each representative is further required to acknowledge and adhere to the policies and procedures mandated within the firm's Code of Ethics **(please see Item 11 for further information regarding the Code of Ethics)**.

**a. Broker-Dealer**

No.

**b. Investment Company**

No.

**c. Another Investment Adviser**

Yes. Fortis has retained Belpointe Asset Management, LLC and their affiliates to support our compliance, investment management, trading, and back office support. Chief Compliance Officer, Belena Vincetti, is the Chief Compliance Officer of Fortis and Belpointe Asset Management, LLC, another SEC-registered RIA firm. This creates a conflict of interest in that Fortis has an incentive to maintain its relationship with Belpointe Asset Management, LLC.

Robert Hagg, CEO of Fortis is an owner of CreativeOne Wealth, LLC. CreativeOne Wealth, LLC is a registered investment advisor.

**d. Futures commission merchant, commodity pool operator, or commodity trading advisor**

No.

**e. Bank or Thrift**

No.

**f. Accountant or accounting firm**

Yes. Tutum Strategies, LLC ("Tutum"). Roman Moldavsky is one of the owners of Tutum. Since Mr. Moldavsky has a financial interest in both Fortis and Tutum, there is a financial incentive for Fortis to recommend you select Tutum for your accounting and tax services. This creates a conflict of interest. Fortis addresses this conflict of interest by fully disclosing it in this Brochure, by advising clients that they are free to elect a firm other than Tutum for accounting and/or tax services, and by only recommending Tutum when believed to be appropriate for a particular client. Fortis does not receive compensation from Tutum for referring clients.

**g. Lawyer or law firm**

No.

**h. Insurance company or agency**

Yes. Fortis Brokerage Services, Inc. is partially owned by Donatella Malitsky and Roman Moldavsky. Certain clients of Fortis will be offered fixed insurance products through Fortis Brokerage Services. Fortis and its owners receive profits and agents are compensated through payment of commissions and have a financial incentive to recommend Fortis Brokerage

Services, Inc. While Fortis and our Advisors must endeavor at all times to act as fiduciaries and put the interests of the clients first, clients should be aware that this practice presents a conflict of interest because individuals providing investment advice on behalf of the firm who are also insurance agents have an incentive to recommend products to clients for the purpose of generating commissions, rather than solely based on client needs. Clients are under no obligation, contractually or otherwise, to purchase insurance products through any individual affiliated with Fortis Brokerage Services.

Fortis Lux Insurance Agency, LLC is owned in part by Roman Moldavsky. Clients of Fortis will not be offered insurance products through Fortis Lux Insurance.

Momentum I, LLC is owned by Robert Hagg and provides both insurance products and insurance consulting services. Clients of Fortis will not be offered insurance products or consulting services through Momentum I, LLC.

i. **Pension Consultant**

No.

j. **Real Estate Broker**

No.

k. **Sponsor or syndicator of limited partnerships**

No.

l. **Mortgage Broker**

No.

m. **Other names**

Our firm offers services through our network of investment adviser representatives, which are referred to in this Brochure as Advisors. Advisors will typically have their own legal business entities whose trade names and logos are used for marketing purposes and appear on certain marketing materials or client statements. The Client should understand that the businesses are legal entities of the Advisor and not of our firm. The Advisors are under the supervision of our firm, and the advisory services of the Advisor are provided through our firm. Fortis has the arrangement described above with the following business entities or trade names that are owned and operated by Advisors:

Archer Wealth Planning

AWS Wealth Management  
ClearPath Financial  
Generations Wealth Partners  
Gratus Wealth Management  
Isaac Financial  
Joshpe Financial  
Network 1 Financial Private Wealth  
Next Horizon Advisors, LLC  
PFS Advisors, LLC  
Rapps & Associates  
Serenity Wealth Management  
SJ Boyle Wealth Planning, LLC  
Timber Point Capital Management  
Truvium Capital Partners, LLC  
Turman Financial Group, LLC

**D. Do you recommend or select other investment advisers for your clients and do you receive compensation directly or indirectly from those advisers?**

Yes. From time to time Fortis will recommend other investment advisers. In certain cases, Fortis will act as a solicitor for other unaffiliated investment advisers. In those instances Fortis and its representatives receive a portion of the fees you are charged directly from the unaffiliated adviser. This does not change the fee that you, the client, pays.

**E. Registered representatives of a Broker-Dealer**

Certain Advisors are also registered representatives of an unaffiliated securities broker-dealer. If your Advisor is registered with a securities broker-dealer, you can choose to work with that individual in his or her separate capacity as a registered representative of a securities broker-dealer.

When acting in a separate capacity as a registered representative of a securities broker-dealer, your Advisor will sell, for commissions, general securities products such as stocks, bonds, mutual funds, ETFs, variable annuities and variable life products to you. As such, your Advisor will suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your Advisor will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of their advice rendered is biased and creates a conflict of interest due to the receipt of commissions and other standard brokerage compensation. You are under no obligation to use the services of your Advisor in this separate capacity and can select any broker-dealer you wish to implement securities transactions.

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

### **A. Can you briefly describe your code of ethics?**

The Code of Ethics ("Code") adopted by Fortis is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act").

This Code establishes rules of conduct for all employees of Fortis and is based upon the principle that Fortis and its employees, including Advisors owe a fiduciary duty to Fortis clients to conduct their affairs, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the Firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

Pursuant to Section 206 of the Advisers Act, both Fortis and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone. It means that Fortis and its employees have an affirmative duty of utmost good faith to act solely in the best interest of its clients.

### **Can I get a copy of your Code of Ethics?**

Yes, a copy of Fortis' Code of Ethics is available upon request. You may make the request through your Advisor or by emailing [compliance@fortiscapitaladvisors.com](mailto:compliance@fortiscapitaladvisors.com).

### **B. Do you or a related person recommend to clients, or buy or sell for client accounts, securities in which you or a related person has a material financial interest?**

A portion of the investment product fees paid to Timber Point Global Allocation Fund (ticker: CGHIX) and Timber Point Alternative Income Fund (ticker: AIIFX), (collectively referred to as "Timber Point Funds") is paid to related portfolio managers, David Cleary and Patrick Mullin, and their firm, Timber Point Capital Management ("TPCM") for the investment advisory services provided to the fund. The Timber Point Funds have a net expense ratio of 2.56% (CGHIX) and 2.60% (AIIFX). David Cleary, Patrick Mullin, and TPCM receive 0.90% (CGHIX) and 0.80% (AIIFX) for management of the Timber Point Funds.

### **C. Do you or a related person invest in the same securities that you or a related person recommends to clients?**

Yes. Your Advisor, the people we supervise, or our affiliates may take positions in the same securities as you. As a result, there will be times when a conflict of interest arises, and it is possible for an investment decision to benefit them more than you. To manage these conflicts we have adopted the

following principles governing the personal investment activities of the people we supervise:

- The client's interests will be placed first at all times.
- All personal securities transactions will be conducted in such a manner as to avoid any actual or potential conflict of interest.
- No access person may take inappropriate advantage of his or her positions.

**D. Do people at your firm recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that he or she buys or sells the same securities for his or her own account?**

Yes, your Advisor is allowed to take positions in the same securities as you and as a regular course of business your positions may be bought and sold alongside your Advisor. We have imposed policy restrictions on all our personnel with respect to transactions in their own accounts and accounts over which they have control or a beneficial interest. Trading restrictions prohibit unacceptable trading practices such as front running, crossing trades with customers, and insider trading. Our Code of Ethics requires that we comply with applicable Federal securities laws and that we report violations of the Code of Ethics. People we supervise must report their personal transactions and holdings periodically and get preclearance before buying a security in an initial public offering or private offering.

When possible, people we supervise must trade alongside you and receive identical pricing. When this is not possible (example: trading at various custodians) the people we supervise must first buy for your accounts and then him/herself. When selling, a supervised person must sell his/her shares after a Client's shares are sold. Even though Fortis believes that this places the Client in a favorable trading position, this practice may result in Clients receiving worse pricing than access persons due to changes in the market.

## Item 12 - Brokerage Practices

**A. What factors do you consider in selecting or recommending broker-dealers for my transactions and determining the reasonableness of their compensation?**

Fortis generally recommends that investment management accounts be maintained at CHARLES SCHWAB & CO., INC ("Schwab"). Other custodians and/or broker-dealers may be used depending upon the client's needs. Examples of instances in which other custodians may be utilized include retirement plans and variable products. We are independently owned and operated and are not affiliated with any Custodian. While we may recommend certain Custodians, you will decide whether to do so and will open your account by entering into an account agreement with them directly.

In all cases, the recommended Custodian is a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that each recommended Custodian provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by the Custodian, including the value of the Custodian's reputation, execution capabilities, commission rates, responsiveness to our clients and our firm and the value of services the Custodian provides to Fortis and our clients. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

**a. Do you receive “Research” and other “soft dollar” benefits from custodians/brokers?**

No, we do not receive soft dollar benefits from any Custodians, although they provide some research services and other benefits that are generally available to all investment advisers that manage client accounts through their respective platforms.

**b. Do you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer?**

No.

**c. Do you direct brokerage commissions or allow clients to direct brokerage commissions?**

No. Fortis does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer).

Please Note: In the event that the client directs Fortis to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through another custodian.

**i. Do you routinely recommend, request or require that I execute transactions through a specified broker-dealer?**

Yes, as mentioned above, Fortis typically will recommend clients use Schwab for their custodial services unless Schwab is unable to fulfill the client's needs.

**ii. Am I permitted to direct brokerage to a specific broker-dealer?**

In certain situations in which Schwab does not offer the custodial services needed, a client can direct brokerage to a specific broker-dealer. However, if a client directs Fortis

to use a particular broker, you should be aware of the following:

1. Our ability to seek the best sale or purchase price (best execution) may be limited;
2. We may not be able to negotiate or renegotiate the commission rates with a client's directed broker-dealer;
3. You will not be able to participate in volume discount commission rates that may be negotiated with our existing broker-dealers;
4. You may forgo other benefits from savings on execution costs that may otherwise be obtained by aggregating client orders.

**B. Under what conditions do you aggregate the purchase or sale of securities for my accounts with other client's accounts?**

We may aggregate transactions for your account(s) with the transactions of other clients. We do this to avoid giving favorable pricing to one client over another.

This practice will not reduce the costs charged to your account for those transactions. Our trading policies require us to assign to your account the average price resulting from these aggregated trades. If a trade order for a large group of clients is not completed, the shares will be allocated pro rata based on the size of the account.

Our trade allocation policies may result in certain clients paying higher or lower prices for securities than may otherwise have been obtained if the transactions had been executed separately.

**C. Trade Errors**

Fortis strives to avoid trading errors within client accounts and uses best efforts in doing so. For any trade error that is determined to be the Adviser's responsibility, accounts will be restored to the position prior to the error. Fortis will reimburse accounts for losses resulting from trade errors, but shall not credit accounts for such errors resulting in market gains.

**D. Mutual Fund Share Class Selection**

Mutual funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to retail share classes (typically referred to as class A, class B and class C shares), funds may also offer institutional share classes or other share classes that are specifically designed for purchase by investors who meet certain specified eligibility criteria, including, for example, whether an account meets certain minimum dollar amount. Institutional share classes usually have a lower expense ratio than other share classes. When recommending investments in mutual funds, it is our policy to review and consider available share classes. Our policy is to select the most appropriate share classes based on various factors including but not limited to: minimum investment requirements, trading restrictions, internal expense structure, transaction charges, availability and other factors. When considering all the appropriate factors, we can

select a share class other than the 'lowest cost' share class. In order to select the most appropriate share class, we consider retail, institutional or other share classes of the same mutual fund. Regardless of such considerations, you should not assume that your account will be invested in the share class with the lowest possible expense ratio. Ask your Advisor whether a lower cost share class is available instead of those selected by the Firm. Fortis periodically reviews the mutual funds held in client accounts to select the most appropriate share classes in light of its duty to seek best execution.

## Item 13 – Review of Accounts

### A. Do you periodically review my accounts?

Yes. For those clients to whom Fortis provides investment supervisory services, account reviews are conducted on an ongoing basis by Fortis' principals and/or Advisors. All investment supervisory clients are advised that it remains their responsibility to advise Fortis of any changes in their investment objectives and/or financial situation. All clients are requested to review financial planning issues (to the extent applicable), investment objectives and account performance with Fortis on an annual basis.

### B. Do you review my accounts other than on a periodic basis?

Review into asset allocation and security selection can be triggered by a number of factors. This may include (but is not limited to) factors such as economic conditions, market conditions, security related factors and a change in a client's financial/investment needs or goals. You may call at any time during normal business hours to speak directly with your Advisor about your account(s), financial situation, or investment needs. You may trigger a review at any time by requesting a review of your account. No formal instruction is provided on how to review client accounts. Your Advisor is permitted to use their discretion on how and when to review your account. You should consult your Advisor on the frequency and method of their reviews.

### C. What is the content and frequency of regular reports you provide me?

Your Advisor may provide you access to a web portal that is generally updated and reconciled on a daily basis. This site reports the holdings, balances, activity, fees and performance of your Account. At times these updates will be delayed because of technical difficulties that are common with portfolio accounting and data reconciliation.

The web portal is available at [www.fortiscapitaladvisors.com](http://www.fortiscapitaladvisors.com). Fortis' reporting is only available electronically through this portal. Please contact your Advisor if you wish to have access to the web portal. We urge you to compare the electronic reports you receive from us with the reports you receive from your custodian to ensure accuracy.

For retirement plan clients the type of reports and frequency is customized for each plan.

Statements from custodians report at least quarterly describing all activity in the client's account during the preceding month/quarter, including all transactions made on behalf of the account, all contributions and withdrawals made by the client, and all fees and expenses charged to the account. It also includes the value of the account at both the beginning and end of the period.

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

### **A. Are you compensated by anyone other than clients for the advice that you provide to clients?**

Yes.

#### **a. Recommendations to unaffiliated Advisors**

Fortis may recommend clients to certain unaffiliated investment advisers. In such instances, Fortis acts as a solicitor/promoter and receives a portion of the fee paid to the unaffiliated investment adviser. This does not raise the fee paid by the client and the client receives all required disclosure forms disclosing the terms of the solicitor/promoter relationship at the time the solicitation is made.

#### **b. Other compensation Fortis or its Related Persons receive from funds**

A portion of the investment product fees paid to Timber Point Global Allocation Fund (ticker: CGHIX) and Timber Point Alternative Income Fund (ticker: AIIFX), (collectively referred to as "Timber Point Funds") is paid to related portfolio managers, David Cleary and Patrick Mullin, and their firm, Timber Point Capital Management ("TPCM") for the investment advisory services provided to the fund. The Timber Point Funds have a net expense ratio of 2.56% (CGHIX) and 2.60% (AIIFX). David Cleary, Patrick Mullin, and TPCM receive 0.90% (CGHIX) and 0.80% (AIIFX) for management of the Timber Point Funds.

### **B. Do you compensate anyone who is outside your firm's supervision for client referrals?**

Yes. In order to receive a cash referral fee from our firm, Promoters must comply with the requirements of the jurisdictions in which they operate. If you become a client, the Promoter that referred you to Fortis will receive a percentage of the advisory fee you pay our firm for as long as you are a Fortis client, or until such time as our agreement with the Promoter expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Promoter are contingent upon you entering into an advisory agreement with our firm. Any such referral fee is paid solely from Fortis' advisory fee,

and shall not result in any additional charge to the client. Therefore, a Promoter has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

## **Item 15 - Custody**

### **A. Do you have custody of my assets?**

Fortis does not maintain physical possession of client cash and/or securities. However, pursuant to Rule 206(4)-2 of the Advisers Act, Fortis is deemed to have custody of client funds when it has the authority and ability to debit its fees directly from client accounts or to direct assets into or out of your custodial account in accordance with a standing letter of authorization from the client. To mitigate any potential conflicts of interests due to this arrangement, all client account assets are maintained with an independent, non-affiliated qualified custodian. Clients should receive at least quarterly statements from the qualified custodian that holds and maintains investment assets. Because the custodian does not calculate the amount of the fees to be deducted, it is important for you to carefully review your statements to verify the accuracy of the calculation, among other things.

### **B. Who can I use to custody my assets when working with you?**

We typically recommend that you custody your assets at Schwab. We may work with clients who custody assets at other locations in some circumstances.

### **C. How frequently will they send me a statement of my assets?**

Statements from custodians report at least quarterly. Clients are asked to promptly notify Fortis if the custodian fails to provide statements on each account held.

If a client receives account statements from both the Custodial and us or a third-party report provider, client is urged to compare such account statements and advise us of any discrepancies between them.

### **D. How do you safeguard my assets?**

Our recommended custodians are all members of the Securities Investor Protection Corporation ("SIPC"), and brokerage accounts maintained with them are protected by SIPC, which protects brokerage accounts of each customer when a brokerage firm is closed due to bankruptcy or other financial difficulties and customer assets are missing from accounts. SIPC protects brokerage accounts of each customer up to \$500,000 in securities, including a limit of \$250,000 on claims for cash. Money market funds held in a brokerage account are considered securities. For more information on SIPC coverage, please review the brochure "How SIPC Protects You" available for free download at

[www.sipc.org](http://www.sipc.org).

Certain assets are not eligible for SIPC protection. Among the assets typically not eligible for SIPC protection are commodity futures contracts, precious metals, as well as investment contracts (such as limited partnerships) and fixed annuity contracts that are not registered with the U.S. Securities and Exchange Commission under the Securities Act of 1933.

In accordance with the SEC rule 15c3-3, often known as the "Customer Protection Rule", a custodian must protect client securities that are fully paid for by segregating them and ensuring that they are not used for any other purpose, such as for loans to investors or institutions, corporate investment purposes, and spending. This practice helps ensure that customers have access to these securities at all times. Customer assets may still be subject to market risk and volatility.

You have the option of using multiple custodians to provide yourself with greater SIPC coverage.

## Item 16 - Investment Discretion

### A. Do you have investment discretion?

Yes. When you provide us with limited-powers and authority to manage your accounts using our own discretion, we will do so. These powers are authorized by you in your agreement with Fortis. In such cases, we act as your agent, with respect to your account(s):

1. To make all investment decisions; and
2. To buy, sell and otherwise trade in securities or other related investments.
3. Discretion and authority includes the following: Asset Allocation Discretion; Security Selection Discretion; Brokerage Discretion; and the amount and timing of associated transactions.
4. If you elect to give us the ability to vote proxy on your behalf, which you can retain if you'd prefer, we use our discretion as to all aspects of proxy voting on your securities.

You may place reasonable restrictions on your account(s) through the use of written instructions to us ("Client Instructions"). This includes which individual securities to buy or sell. You may place these restrictions in the form of limitations on a specific security or broad categories of securities, so long as they can be reasonably implemented by us.

Even if you have given Fortis investment discretion, Fortis is not authorized to take the following actions and therefore we must receive your written approval before: investing in privately offered securities, purchasing insurance contracts, investing in non-registered investments, and opening or closing Custodian accounts.

**B. May I have my account managed on a non-discretionary basis?**

No, we do not manage accounts on a purely non-discretionary basis.

We understand that clients sometimes want to take a more active role in the management of their account(s), so clients should discuss their expectations for pre-approval of trades with their Advisor.

Therefore, it is important to understand the following:

On a best-efforts basis and when requested by clients, we attempt to not buy or sell a security without first communicating our investment advice to you and receiving verbal authority to implement our recommendations. Once we have received authority to implement a strategy, we will exercise the following discretion:

1. Power to exercise discretion in the selection of the security to be purchased or sold;
2. Power to exercise discretion on time and price;
3. Power to exercise discretion on the quantity of shares/amount of a security to be bought or sold;
4. Power to refuse an order from you to buy or sell a security because it violates our commitment to act in your best interest at all times;
5. Power to exercise discretion on the broker to be used and brokerage commission rates to be paid.

Some disadvantages to having your account managed in this fashion are:

1. The price you receive for securities purchased or sold will be different from the price you would have received as a traditional client.
2. The advice you receive can be delayed because we cannot reach you, are communicating with other clients requesting pre-approval, and/or taking action first with our traditional clients.

## **Item 17 - Voting Client Securities**

**How do you handle the voting of proxies?**

Fortis does not vote on client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Fortis to discuss any questions they may have with a particular solicitation.

## **Item 18 - Financial Information**

- A. Will you require or solicit prepayment of more than \$1,200 in fees from me, six months or more in advance?**

No. Fortis does not solicit fees of more than \$1,200 per client, six months or more in advance.

- B. Are you facing any financial condition that is reasonably likely to impair your ability to meet contractual commitments to me?**

No.

- C. Have you been the subject of a bankruptcy petition at any time during the past ten years?**

No.