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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Fortius Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 801-505-4180. 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 Fortius Financial Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Fortius Financial Advisors, LLC is 128060.

Fortius Financial Advisors, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Summary of Material Changes

Fortius has made the following material changes to this brochure since our last annual update.

Since the last brochure filing, Fortius has amended its section titled, “Other Financial Industry Activities and Affiliations” to reflect the affiliated business relationships of our firm’s advisors as disclosed in their Form ADV Part 2B’s.

Further, Fortius has amended its registration as an adviser to state status from SEC status.

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Advisory Business

Fortius Financial Advisors, LLC is an state registered investment adviser primarily based in Salt Lake City, Utah. We also maintain a branch office in Coral Gables, Florida. Our firm is organized as a limited liability company under the laws of the State of Utah. We have been providing investment advisory services since 2003. Jeff M. Bollinger, Jeanne M. Deitz and Michael M. Dvorkin are our principal owners.

As used in this brochure, the words “we”, “our” and “us” refer to Fortius Financial Advisors, LLC and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm’s officers, employees, and all individuals providing investment advice on behalf of our firm.

Portfolio Management Services

We offer discretionary and non-discretionary portfolio management services in accordance with your individual investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and to make investments on your behalf.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. Discretionary management services are provided whereby:

- 1) Your investment objectives are identified using a detailed risk profile assessing your risk tolerance based upon your age, income, education, need for cash flows, investment goals, and emotional tolerance for volatility. The information for the detailed risk profile will be collected during meetings, interviews, and/or via written questionnaires;
- 2) Strategies are developed and implemented with a goal towards an optimal combination of investments, primarily using mutual funds and exchange traded funds;
- 3) Capital market conditions and your financial circumstances are monitored; and
- 4) Portfolio adjustments are made as appropriate to reflect significant changes in any or all of the above variables.

In providing portfolio management services, we will identify categories of mutual funds that are compatible with your investment objectives, risk tolerance, and other criteria. We will assist you with the implementation of your portfolio, and continuously monitor your portfolio for performance, compliance with the investment guidelines, and material changes relating to the mutual fund.

If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Wealth Management Services Using Separate Account Managers

As part of our investment advisory services, we may recommend that you use the services of a separate account manager (“SAM”) to manage your entire, or a portion of your, investment portfolio. In doing so, our primary objective is to align you with the appropriate third party money manager(s) to allow you to capitalize on opportunities that will strengthen and/or enhance your personal wealth. After gathering information about your financial situation and objectives, we may recommend that you engage one or more specific SAMs for

investment management services. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the SAM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives.

In all cases, once you have approved the recommended SAM(s), we will assist you with the implementation of your portfolio, and we will continue to provide advisory services to you relative to the ongoing monitoring and review of the SAM's performance to ensure their management and investment style remains aligned with your stated investment goals and objectives.

The SAM(s) will actively manage your portfolio and will assume discretionary investment and trading authority over your account. The SAM(s) will be solely responsible for the implementation of your investment program. We will not place orders for transactions in your account or otherwise exercise trading authority over your account at any time when a SAM has trading authority over the account. However, we may assume discretionary authority to hire and fire SAM(s) and/or reallocate your assets to other SAM(s) where such action is deemed to be in your best interest.

Our recommendations to use SAMs are included in our portfolio management fee, as described more fully below. We do not charge you a separate fee for the selection of other advisers nor will we share in the advisory fee you pay directly to the SAM. Advisory fees that you pay to the SAM are established and payable in accordance with the Form ADV Part 2 or other equivalent disclosure document provided by each SAM to whom you are referred. These fees may or may not be negotiable. You should review the recommended SAM's brochure carefully for information on its fees and services.

You may be required to sign an agreement directly with the recommended SAM(s). You may terminate your advisory relationship with the SAM according to the terms of your agreement with the SAM. You should review each SAM's this brochure for specific information on how you may terminate your advisory relationship with the SAM and how you may receive a refund, if applicable.

Portfolio and Investment Advisory Services for Private Investment Companies

We provide discretionary portfolio and investment advisory services to private investment companies ("hedge funds") that are exempt from securities registration and from registration as an investment company. Private investment company clients may be affiliates of our firm insofar as the General Partner(s)/Managing Member(s)/Manager(s) of such private entities may be owned and/or operated by principals of our firm.

The services we provide to private investment company clients will include the discretionary supervision and execution of the client's day-to-day investment activities pursuant to the private investment company's investment objectives and policies as stated in its Private Offering Memorandum and/or investment advisory agreement.

Fortius Structured Notes Fund, L.P.

We also provide discretionary portfolio management and investment advisory services to Fortius Structured Notes Fund, L.P. ("the Partnership"), a private pooled investment vehicle. Investment in the Partnership is offered to sophisticated investors who meet specific requirements under applicable state and/or federal securities laws. Investors to whom the Partnership is offered will receive a private placement memorandum and other offering documents. Executive officers and other Associated Persons of our firm may have a significant investment in the Partnership. Moreover, certain investors in the Partnership are affiliates of our firm insofar as the General Partners of the Partnership are also principals of our firm.

The fees charged by the Partnership are separate and apart from our advisory fees described below. You should refer to the *Fees and Compensation* section below and to the offering documents of the Partnership for a complete description of the fees, investment objectives, risks and other relevant information associated with investing in the Partnership.

iLux Capital Fund, L.P.

We also provide discretionary portfolio management and investment advisory services to iLux Capital Fund, L.P. ("the Partnership"), a private pooled investment vehicle. Investment in the Partnership is offered to sophisticated investors who meet specific requirements under applicable state and/or federal securities laws. Investors to whom the Partnership is offered will receive a private placement memorandum and other offering documents. Executive officers and other Associated Persons of our firm may have a significant investment in the Partnership. Moreover, certain investors in the Partnership are affiliates of our firm insofar as the General Partners of the Partnership are also principals of our firm.

The fees charged by the Partnership are separate and apart from our advisory fees described below. However, as of December 31, 2012, Fortius has elected to waive receipt of the management fee for this private investment company. You should refer to the *Fees and Compensation* section below and to the offering documents of the Partnership for a complete description of the fees, investment objectives, risks and other relevant information associated with investing in the Partnership.

iLux Secondary Market Fund, L.P.

We also provide discretionary portfolio management and investment advisory services to iLux Secondary Market Fund, L.P. ("the Partnership"), a private pooled investment vehicle. Investment in the Partnership is offered to sophisticated investors who meet specific requirements under applicable state and/or federal securities laws. Investors to whom the Partnership is offered will receive a private placement memorandum and other offering documents. Executive officers and other Associated Persons of our firm may have a significant investment in the Partnership. Moreover, certain investors in the Partnership are affiliates of our firm insofar as the General Partners of the Partnership are also principals of our firm.

The fees charged by the Partnership are separate and apart from our advisory fees described below. However, as of December 31, 2012, Fortius has elected to waive receipt of the management fee for these private investment company. You should refer to the *Fees and Compensation* section below and to the offering documents of the Partnership for a complete description of the fees, investment objectives, risks and other relevant information associated with investing in the Partnership.

Other Business Activities

In addition to providing investment advisory services, we assist small businesses with the formation of 401k plans (the "Plan"). We will prepare the necessary documentation to create and establish the Plan which will invest, primarily, in real estate. We will provide ongoing services to the Plan by assisting with the transfer of funds in and out of the Plan at the direction of Plan participants and responding to participant inquiries as to the suitability of real estate parcels selected for the Plan. We do not make investment recommendations for the Plan. Specific real estate parcels in which the Plan will invest are determined by the Plan participants without our advice or assistance.

For our Plan organization services, we are compensated on a fixed fee basis, paid in advance. The applicable fee will be negotiated on a case-by-case basis, and is based on the complexity and scope of services to be provided.

On occasion, at the request of Plan participants, we may recommend mutual funds for investment of any uncommitted cash held by the Plan. When this occurs, we will enter into our standard asset management agreement and will be compensated by a percentage of assets under management in accordance with our fee schedule published below under the *Fees and Compensation* section.

Accuracy of Client Information

In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g. attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. You must promptly notify our firm if your financial situation, goals, objectives, or needs change for the purpose of reviewing, evaluating, and/or revising our previous recommendations and/or services.

Types of Investments

We primarily offer advice on mutual funds, exchange traded funds, and alternative investments including interests in partnerships and hedge funds that invest in a variety of other investment vehicles. We will also provide advice on: equity securities, warrants, corporate debt securities, collateralized debt obligations, commercial paper, municipal securities, investment company securities (mutual funds), and US Government securities. Additionally, we may recommend other types of investments since each client has different needs and different tolerances for risk. We may also advise you on any type of investment held in your portfolio at the inception of our advisory relationship, or on specific types of investments at your request. You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

We may recommend that clients that are "Qualified Clients" as defined in Rule 205-3 promulgated under the Investment Advisers Act of 1940 invest in private placement securities when consistent with the client's stated investment objectives. Knowledgeable employees or non-residents of the United States may also participate in the private investment companies. Determining the eligibility of an investor to participate in a private investment company shall fall to the General Partner/Managing Member/Manager of that private investment company alone. We assume no liability for any determination of investor eligibility for clients who are unaffiliated private investment companies managed by unaffiliated General Partners/Managing Members/Managers.

Assets Under Management

As of March 28, 2014, we manage \$66,900,000 in client assets on a discretionary basis, and \$1,000,000 in client assets on a non-discretionary basis.

Fees and Compensation

Investment Advisory Fees

Our investment advisory fees, as described below, are exclusive of, and in addition to, other fees that you may incur, including, but not limited to, the following types of fees: custody and transaction, third party managers, overlay manager, third-party administrator, legal, audit, and funds' internal investment expenses. Clients using separate account managers pay separate account manager fees directly to those managers.

Our Associated Persons may, from time to time, attend conferences offered by various vendors and/or wholesalers. These conferences may be available to our Associated Persons at a discounted price or no cost.

Individual Accounts

We charge a fee based on a percentage of assets under management for portfolio management services. This compensation method is explained and agreed to with each client before any services are provided. Our annual percentage based fee ranges from 1.00% to 1.50% depending upon the market value of your assets under our management, as follows:

<u>Assets Under Management</u>	<u>Annualized Fee</u>
\$1.00 to \$1,000,000	1.00%
\$1,000,001 and Over	Negotiable

Our fee is billed and payable quarterly in advance based on the market value of your account on the last day of the previous quarter. Our minimum annual fee for each account is \$1,000 per account. For Clients with multiple accounts, fees will be totaled and averaged to determine if minimum account fee is being satisfied. The initial payment is due upon execution of the agreement for services, and is prorated based on the number of days remaining in the quarter. Our advisory fee is negotiable, depending on individual client circumstances.

Private Investment Companies

For portfolio and investment advisory services rendered to private investment companies, we charge a fee based on a percentage of assets under management. The percentage due to our firm shall be agreed upon in an investment advisory agreement and, if applicable, through side letter agreements established throughout the investment advisory relationship. Percentage fees shall generally range from 0%-2.5% annualized and shall be charged quarterly in advance.

Although we only charge asset-based fees to our private investment company clients, in instances where the private investment company is an affiliate of our firm, resulting from common management, the General Partner of the private investment company will receive performance-based compensation for its operation of the private investment company. The performance fee is annualized and ranges from 0% to 25% of the net new profits of the private investment company subject to a high water mark. Under these arrangements, our compensation is separate and distinct from the performance based compensation received by the General Partner. Refer to the *Financial Industry Activities and Affiliations* section below for additional disclosures on our affiliation with the General Partner to the private investment company. Refer to the *Performance-Based Fees and Side-By-Side Management* section for additional disclosures on performance-based compensation.

Our portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. For the initial quarter of investment management services, the first quarter's fees will be calculated on a pro rata basis, which means the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

Payment of Fees

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

Termination of Advisory Relationship

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, asset management fees are paid quarterly in advance of services provided. Upon termination of any account for which 30 day written notice has been given by the client or the client's representative, prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, consideration of the 30 day written notice above will be enforced and we will pro rate the reimbursement according to the number of days remaining in the billing period.

Additional Fees and Expenses

In limited circumstances, and solely at our client's request, we may trade client accounts on margin. Our fees for advice (as disclosed above) and execution on these securities do not include the value of the securities purchased on margin. Nonetheless, the use of margin may result in interest charges in addition to all other fees and expenses associated with the security involved.

In addition to our advisory fees as above-outlined, you will bear indirectly the fees and expenses charged by any third party sub-advisers we may hire to manage your funds. Those fees will vary, and will typically include management fees based on a percentage of assets under management. Additionally, our advisory fees (and in many instances the sub-advisers fees) are exclusive of all custodial and transaction costs paid to custodians, brokers or any other third parties. To fully understand the total cost you will incur, you should review all of the fees charged by our firm, custodians and brokers, third party investment advisers, and others.

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds, exchange traded funds, and/or private investment companies ("hedge funds"). The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by

mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders, and the additional charges assessed by hedge funds (described in the offering documents of the fund). These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, hedge funds, our firm, and others. Refer to the *Brokerage Practices* section below for additional disclosure on this topic.

Compensation for the Sale of Insurance Products

Persons providing investment advice on behalf of our firm may be licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Performance-Based Fees and Side-By-Side Management

Although we only charge asset-based fees to our clients, our affiliate, Fortius Capital Management, LLC, the General Partner to Fortius Structured Notes Fund, L.P., and a private investment company will receive performance-based compensation for its operation of the private investment company. The receipt of performance compensation creates a conflict of interest in that Associated Persons of our firm who are also associated with the General Partner may have an incentive to favor accounts for which the General Partner receives performance compensation. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

Although we only charge asset-based fees to our clients, our affiliate, iLux Capital Management, LLC, the General Partner to the iLux Capital Fund, LP and the iLux Secondary Market Fund, LP, is entitled to receive performance-based compensation for its operation of these private investment companies. The receipt of performance compensation creates a conflict of interest in that Associated Persons of our firm who are also associated with the General Partner may have an incentive to favor accounts for which the General Partner receives performance compensation. However, the General Partner has, to date, elected to waive receipt of the performance based compensation for these private investment companies. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

Performance-based fees may create an incentive for our firm, Associated Persons of our firm, or our affiliates to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. Performance based fees may also create an incentive to overvalue investments which lack a market quotation.

In accordance with Rule 164-2-1 of the Utah Administrative Code, any performance compensation chargeable by an affiliated General Partner of a private investment company shall be chargeable only to Qualified Clients, subject to a loss carry forward limitation, and based on a period of not less than one year.

Types of Clients

We offer investment advisory services to individuals, banks and thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, privately held investment companies, and other business entities.

In general, we require a minimum of \$250,000.00 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

Additionally, certain third party investment managers may impose more restrictive account requirements and varying billing practices than we require. In such instances, we may alter our corresponding account requirements and/or billing practices to accommodate those of the third party investment manager(s).

Methods of Analysis, Investment Strategies and Risk of Loss

Our security analysis methods include, but are not limited to, charting (using charts to track individual security or market movements over time); fundamental analysis (evaluating securities based upon its historical and projected financial performance); technical analysis (examining moves in the price of an issue based upon peer securities or comparisons to an investment sector or index); and cyclical analysis (determining the desirability of an issue based upon the status of an issue within the price cycle the security or similar securities have followed historically).

A long term investment strategy is the cornerstone of our investment advisory and wealth building recommendations. Nonetheless, our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine recommendations and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your investment portfolio.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

In limited circumstances, and solely at our client's request, we may trade client accounts on margin, use options writing, and/or short sales as an investment strategy. With regard to margin transaction, each client must sign a separate margin agreement *before* margin is extended to that client account. We may, in our sole discretion, decline to utilize any one or all of these investment strategies where we do not believe these investment strategies are suitable for your investment account and/or in your best interest.

The private investment fund(s) for which we serve as investment adviser will employ varied methods of analysis and investment strategies that are geared towards the overall investment objectives of the particular fund. Full disclosure is available in the offering documents of the particular fund. Refer to the *Other Financial Industry Activities and Affiliations* section below for additional disclosures on this topic.

Risks Associated with Methods of Analysis

The risk of charting/technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any degree of accuracy.

The risk of fundamental analysis is that collected data may be inaccurate and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Investment Strategy and Tax Disclosures

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. You understand that our investment recommendations for your account are subject to various markets, currency, economic, political and business risks, and that those investment decisions will not always be profitable. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

We primarily recommend mutual funds, exchange traded funds, bonds, stock, cash, and limited partnerships for our clients. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds, closed-end funds, and exchange traded funds (ETFs) are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual

funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are “no load” and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be “closed end” or “open end”. So-called “open end” mutual funds continue to allow in new investors indefinitely which can dilute other investors’ interests.

A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner does not usually invest any capital, but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However, their liability is limited to the amount of the investment. In the worst case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

Disciplinary Information

Fortius Financial Advisors, LLC has been registered and providing investment advisory services since 2003. Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

Other Financial Industry Activities and Affiliations

In addition to our role as a registered investment adviser, we have Related Persons that are defined as entities that we control, control us, or are under common control with our firm.

We are affiliated with Citius Wealth, LLC dba Secure Wealth, an entity that provides an Internet based financial management system, through common control and ownership. We may recommend that certain individuals use the services of Citius Wealth, LLC if appropriate and suitable for their needs. Citius Wealth is partially owned by Citius Ventures, LLC. Certain principals of our firm are also members of Citius Ventures, LLC. Our advisory services and related fees are separate and distinct from the fees paid to Citius Wealth for their services.

We are affiliated with Nuvo Ventures, LLC, (namely Darren Wright, Jeff Bollinger, and Robert Buchanan) an investment related, single purpose entity established to hold investments in Nuvo H₂O (“Nuvo”), a private soft water company. While advisory clients are not solicited to invest in Nuvo, advisory clients may nonetheless have an investment interest. Under such arrangements, advisory clients are required to acknowledge in writing that we are not acting as their investment adviser in these transactions.

We are affiliated with Fortius Capital Management, LLC, a Utah limited liability company which serves as General Partner (“the General Partner”) to Fortius Structured Notes Fund, L.P., a Utah limited partnership which is a private investment company (“the Partnership”). Where appropriate, investment in the Partnership will be offered to advisory clients who meet certain requirements under applicable state and/or federal securities laws. Investors to whom the Partnership is offered will receive a private placement memorandum and other offering documents specific to the Partnership. The fees charged by the Partnership are separate and apart from our advisory fees. You should refer to the offering documents for a complete description of the fees, investment objectives, risks and other relevant information associated with investing in the Partnership. You are strongly encouraged to seek independent legal counsel prior to investing in these private investment vehicles. These investments are not protected by SIPC. Refer to the *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* section below for additional disclosures on this topic.

Certain principals of our firm (namely, Mr. Jeff Bollinger and Jeanne Dietz) are also principals of the General

Partner and, as such, may recommend to their individual advisory client's participation in the Partnership. Although such recommendations and any subsequent client participation in the Partnership creates a conflict of interest, any and all solicitations will be conducted only after full disclosure is made and based on client suitability. Our policy in all of our dealings is that our client's interests take precedence over our interests, and the interest of our affiliates, employees and representatives.

We are affiliated with iLux Capital Management, LLC, a Utah limited liability company which serves as General Partner ("the General Partner") to iLux Capital Fund, L.P., a Utah limited partnership which is a private investment company ("the Partnership") and iLux Secondary Market Fund, L.P., a Utah limited partnership which is a private investment company ("the Partnership"). Where appropriate, investment in the Partnership will be offered to advisory clients who meet certain requirements under applicable state and/or federal securities laws. Investors to whom the Partnership is offered will receive a private placement memorandum and other offering documents specific to the Partnership. The fees charged by the Partnership are separate and apart from our advisory fees. You should refer to the offering documents for a complete description of the fees, investment objectives, risks and other relevant information associated with investing in the Partnership. You are strongly encouraged to seek independent legal counsel prior to investing in these private investment vehicles. These investments are not protected by SIPC. Refer to the *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* section below for additional disclosures on this topic.

Certain principals of our firm (namely, Mr. Jeff Bollinger, as Fortius Partners) are also principals of the General Partner and, as such, may recommend to their individual advisory client's participation in the Partnership. Although such recommendations and any subsequent client participation in the Partnership creates a conflict of interest, any and all solicitations will be conducted only after full disclosure is made and based on client suitability. Our policy in all of our dealings is that our client's interests take precedence over our interests, and the interest of our affiliates, employees and representatives.

We are affiliated with the O'Shea Advisory Group, Inc., (namely, Ryan O'Shea) an S-corp. for investment advisory income, and income from life and health insurance. O'Shea Advisory Group, Inc. is a licensed producer in the state of Utah.

We are affiliated with La Sal Management, LLC, (namely Ryan O'Shea) a Delaware LLC an entity primarily in the business of lending money. La Sal Management, LLC is the manager of Garda Fund I, LLC a hard money fund.

We are affiliated with the Women's Advisory Group, LLC, (namely, Vielka Burey-Jacas), a Florida limited liability company where Ms. Burey-Jacas markets and networks to develop the business of serving the financial needs of women in transition.

Our affiliated entities (as listed above) present a conflict of interest because we may have a financial incentive to recommend our affiliates' services. While we believe that compensation charged by our affiliates are competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our affiliates' services and may obtain comparable services and/or lower fees through other firms.

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

We have adopted a Code of Ethics that sets the standard of conduct expected to comply with applicable securities laws. This Code applies to our firm, our Associated Persons, the Partnership (as defined below), the General Partner (as defined below), and any executive officer or other officer performing a similar function with any of our affiliated entities. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. We adhere strictly to these guidelines. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or

dissemination of material, non-public information about you or your account holdings by persons associated with our firm. Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Certain principals of our firm are also principals of Fortius Capital Management, LLC, which services as the General Partner to Fortius Structured Notes Fund, L.P. ("the Partnership"), and a private investment partnership in which advisory clients of our firm may invest. These individuals and other persons associated with our firm may have a significant investment in the Partnership and may have a financial incentive to recommend the Partnership over other investments. Participation in the Partnership (or, in future, companies/partnerships) will benefit those principals of our firm who are also principals of the General Partner as the General Partner is compensated for management of the Partnership (as discussed at *Fees and Compensation* above). Therefore, a conflict of interest exists between and among these parties. If you are an investor or prospective investor in the Partnership, please refer to the Partnership's offering documents for detailed information relating to investing in the Partnership. Refer to the *Other Financial Industry Activities and Affiliations* section above for additional disclosures on this topic.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor any of our Associated Persons shall have priority over your account in the purchase or sale of securities. We have also adopted a written Code of Ethics designed to prevent and detect personal trading activities that may interfere or be in conflict with client interests, as discussed above in this section.

Universally, it is our policy that our client's interest takes precedence over our interests, and the interest of our affiliates, employees and representatives. Accordingly, our personnel will disclose any material relationships that they may have with respect to any investment recommended to an advisory client. In addition, we will make recommendations based upon client suitability and investment objectives without regard to personal benefit. Our personnel will not purchase or sell securities for their own account if the transaction will disadvantage clients in any way.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market Instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Brokerage Practices

We are affiliated with the General Partner of a private investment company and, pursuant to an advisory agreement; we provide investment advisory services to the private investment company ("the Partnership"). In connection with our relationship with the Partnership, we may, directly or indirectly, enter into arrangements with securities broker-dealers and/or commodities firms where we allocate securities transactions, commissions and/or fees to these firms in exchange for the respective firm providing or paying for certain products or services on our behalf. These benefits are commonly referred to as "soft dollar" benefits. Our receipt of soft dollar benefits is based on our relationship with the Partnership and its General Partner and may not be for the private investment company's direct or exclusive benefit or obtained at the lowest available cost based on such factors as the Partnership's General Partner or its designee deems relevant. These factors may include, but are not limited to, referrals of prospective investors in the Partnership or other Partnerships or accounts advised or managed by the General Partner, our firm, or any of their respective affiliates, their respective officers, directors, employees or agents, or a family member of any of the foregoing, research services, special

execution capabilities, clearance, settlement, reputation, financial strength and stability, efficiency of execution and error resolution, quotation services and the availability of securities to borrow for short trades.

We participate in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the program. (Please see the disclosure below.)

We participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our Clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop its business enterprise. The benefits received by us or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, the firm endeavors at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

We also receive from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. Specifically, the Additional Services include the Advent Axys product which provides certain portfolio management and performance reporting capabilities.

TD Ameritrade provides the Additional Services to us in its sole discretion and at its own expense, and we do not pay any fees to TD Ameritrade for the Additional Services. We and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Our receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to us, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with us, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, we may have an incentive to recommend to our Clients that the assets under management by us be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Our receipt of Additional Services does not diminish our duty to act in the best interests of our Clients, including to seek best execution of trades for Client accounts.

Directed Brokerage

In limited circumstances, some clients may instruct our firm in writing to use a particular broker(s) to execute some or all of the transactions in their accounts. If you choose to direct our firm to use a particular broker, you will negotiate terms and arrangements for your account with the broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to aggregate trades with other client accounts (as described below at *Block Trades*). As a result, you may pay higher commissions, transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you. Subject to our duty to obtain best execution, we may decline your request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Block Trades

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees.

Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. Clients participating in block trading may include Fortius Structured Notes Fund, L.P. and/or other proprietary or related accounts. Such accounts are treated as client accounts and are neither given preferential nor inferior treatment versus other client accounts.

Review of Accounts

Investments accounts are reviewed daily in the area of additions to, withdrawals from, distributions from investments such as dividends and/or capital gains and interest credited. Portfolios are also reviewed continuously in terms of daily price changes. These reviews are conducted with the client, if requested, and include a complete review of investment portfolios and items related to the client's financial situation such as changes in cash flow, financial goals, retirement or estate planning. You are encouraged to discuss your needs, goals, and objectives with our firm, and to keep us informed of any changes in this information. Additional reviews may be conducted at your request, or based on various circumstances, including, but not limited to, contributions and withdrawals, year-end tax planning, market moving events, security specific events, and/or, changes in your risk/return objectives.

Personnel currently performing reviews are: Jeff M. Bollinger, Chief Investment Officer/Investment Adviser Representative; Michael M. Dvorkin, Managing Partner/Investment Officer/Investment Adviser Representative; Ryan C. O'Shea, Investment Officer/Investment Adviser Representative; Jeanne M. Deitz, Chief Compliance Officer; Daren S. Wright, Investment Adviser Representative; Roberto G. Buchanan, Investment Adviser Representative; Jared M. Clayton, Investment Adviser Representative. The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

You are kept informed about your portfolio activity by receiving copies of all transaction confirmations and monthly/quarterly statements from your account custodian. We will also provide you with written status reports with your quarterly billing statements. These status reports will generally include relevant account and/or

market-related information such as an inventory and appraisal of account holdings, and investment performance.

We encourage you to reconcile the status reports you receive from us with those received from your qualified custodian. If you find your holdings differ between these two statements, please call our main office number located on the cover page of this brochure.

Client Referrals and Other Compensation

We do not directly or indirectly use, employ, or compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from TD Ameritrade Institutional in connection with utilizing their brokerage services.

Beyond the disclosures provided in this brochure, we do not receive any compensation from any third party in connection with providing investment advice to you.

Custody

Direct Debit of Advisory Fees

As paying agent for our firm, your independent custodian may directly debit your account(s) for the payment of our advisory fees, but only if you previously consented to such deduction in writing. This authority to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

Private Funds

We are affiliated with Fortius Capital Management, LLC, a Utah limited liability company which services as the General Partner to Fortius Structured Notes Fund, L.P., and a Utah limited partnership that is a private investment company ("the Partnership"). As disclosed above, the General Partner is a Related Person to our firm through common control and ownership. This affiliation causes our firm to have custody of any advisory client funds and/or securities that are invested in the Partnership. In accordance with the offering documents of the Partnership, all investors in the Partnership (including advisory clients of our firm) will receive audited annual financial statements following the Partnerships' fiscal year end. If you are a Partnership investor and have questions regarding the financial statements or if you did not receive a copy of the financial statements, please contact Jeff Bollinger, Managing Member immediately at 801-505-4180. Refer to the *Other Financial Industry Activities and Affiliations* section above for additional disclosures on this topic.

We are affiliated with iLux Capital Management, LLC, a Utah limited liability company which services as the General Partner to iLux Capital Fund, L.P., a Utah limited partnership that is a private investment company ("the Partnership") and iLux Secondary Market Fund, L.P., a Utah limited partnership that is a private investment company ("the Partnership"). As disclosed above, the General Partner is a Related Person to our firm through common control and ownership. This affiliation causes our firm to have custody of any advisory client funds and/or securities that are invested in the Partnership. In accordance with the offering documents of the Partnership, all investors in the Partnership (including advisory clients of our firm) will receive audited annual financial statements following the Partnerships' fiscal year end. If you are a Partnership investor and have questions regarding the financial statements or if you did not receive a copy of the financial statements, please

contact Jeff Bollinger, Managing Member, immediately at 801-505-4180. Refer to the *Other Financial Industry Activities and Affiliations* section above for additional disclosures on this topic

We are affiliated with Nuvo Ventures, LLC a Utah limited liability company, which is an investment related single purpose entity that was to hold investment in Nuvo H2O a private soft water company. The managing members of this entity are Darren Wright, Jeff Bollinger and Robert Buchanan, each considered to be Related Persons to our firm through common control and ownership. This affiliation causes our firm to have custody of any advisory client funds and/or securities that are invested in the Partnership. In accordance with the Custody Rule, the Partnerships' will be subject to a surprise annual examination by an independent public accountant (PCAOB). If you are a Partnership investor and have questions regarding Nuvo Ventures, LLC, please contact Darren Wright, Managing Member, immediately at 801-505-4180. Refer to the *Other Financial Industry Activities and Affiliations* section above for additional disclosures on this topic.

Investment Discretion

Before we can buy or sell securities on your behalf you must first sign our discretionary management agreement. If you engage us to provide investment advisory services on a discretionary basis, we have the authority to determine the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. We also have discretion over the broker or dealer to be used and the commission rates to be paid. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section above for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advise provided by our firm on a non-discretionary basis.

In the course of providing our services, we (and the sub-advisers we select to manage a portion of the assets) will execute trades for our clients (directly or through the funds) through broker-dealers. Our general guiding principle is to trade through broker-dealers who custody your assets. However, where you grant us broker discretion, there is no restriction on the brokers we may select to execute transactions in your account. We may consider other broker dealers who offer the best overall execution under the particular circumstances. The sub-advisers we choose may have different principles or policies with respect to execution of trades and selection of brokers. A sub-adviser's policies and procedures in this area are among the factors that we will consider in choosing a sub-adviser. Refer the *Brokerage Practices* section below for additional disclosures on this topic.

Voting Client Securities

Without exception, we will not vote proxies on behalf of your advisory accounts.

Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Requirements for State-Registered Advisers

Principals, Officers and Management

Jeff Bollinger and Michael Dvorkin are principals. Bollinger Investments, Inc. is an owner. Additional details may be found in the Part 2B.

Other Business

Please see the Part 2B of each principal.

Performance Fees

This applies to the FSNF fund. Please see the earlier section in regards to this matter.

Management/Officer/Principal Disclosures

No member of management, an officer or a principal of the Adviser has been involved in an award or otherwise found liable in an arbitration claim alleging damages in excess of \$2500 in an activity involving investment or investment related activity; fraud, false statements or omissions; theft, embezzlement or other wrongful taking of property; bribery, forgery, counterfeiting or extortion; dishonest, unfair or unethical practices.

Further, no member of management, an officer or a principal of the Adviser has been found liable in a civil, self-regulatory organization or administrative proceeding involving investment or investment related activity; fraud, false statements or omissions; theft, embezzlement or other wrongful taking of property; bribery, forgery, counterfeiting or extortion; dishonest, unfair or unethical practices.

Relationship with Issuer of Securities Disclosure

Please see the section on Activities and Affiliations.

Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our

firm. Thereafter, we will deliver a copy of our privacy policy notice to you on an annual basis. Please contact us at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Trade Errors

In limited circumstances, we may make an error in submitting a trade on your behalf. In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a loss, we will reimburse you or otherwise ensure that your account is made whole.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.