



FORTRESS WEALTH
MANAGEMENT, INC.

Fortress Wealth Management, Inc. Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Fortress Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at (310) 496-0850 or by email at: green@fortress-wealth.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 Fortress Wealth Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Fortress's CRD number is: 110279.

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

Material changes since the firm's last filing of Form ADV Part 2A on 03/19/2019 are provided below:

- Fortress Retirement, Inc. has changed its corporate name back to Fortress Wealth Management, Inc. Fortress Retirement is now filed as a DBA of Fortress Wealth Management, Inc.
- Fortress Wealth Management, Inc. may recommend third party separate account managers to the firm. (Items 4, 5, 10, 16 and 17)
- Fortress Wealth Management, Inc. has updated Item 7 to add high net worth individuals.
- Fortress Wealth Management, Inc. may refer clients to MJM401k, LLC. (Item 10.C)
- Fortress Wealth Management, Inc. utilizes Charles Schwab & Co., Inc. Advisor Services and Fidelity Brokerage Services LLC as their custodians. (Item 12)
- Fortress Wealth Management, Inc. has update Item 13 to add Timothy Nanson to the list of individuals who supervise client accounts.
- Fortress Wealth Management, Inc. has updated Item 15 to disclose the firm is deemed to have custody via client Limited Power of Attorney (LPOA) to disburse funds from the custodian either by first party wires or third party distributions. Fortress follows the SEC guidance for LPOA custody and will not be required to conduct annual client account audits.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Fortress Wealth Management Inc. (Fortress) was founded in 1993 by Thomas Nimmo and Kenneth Lechter. Arlie Green joined Fortress in 2001 and took over full ownership of the firm after Mr. Nimmo's passing in 2012.

Fortress provides financial planning and investment management services to institutional and individual clients. Our financial planning services are designed to help our clients achieve success in reaching their specific financial goals and involve the use of customized financial plans as well as ongoing advice, support for our clients and their family members. Financial Planning is usually a part of the asset management process, although standalone financial plans are available. Our investment management services are implemented on a discretionary or non-discretionary basis. Our investment strategies primarily utilize registered mutual funds and exchange traded funds (ETFs) but may also include to a limited extent, individual equities, bonds, and cash equivalents. We do not limit our advice to specific types of investments.

Under certain circumstances, Fortress may also recommend third party separate account managers as sub-advisors to Fortress who would be authorized to have full investment discretion, trading authority, and sole responsibility for the implementation of the investment program with respect to the portion of client's accounts delegated to them. Although Fortress will not place transactions or have any trading authority while the third party manager is in place, Fortress will subject them to a due diligence and ongoing performance monitoring process.

Fortress does not participate in any wrap fee programs. A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees.

Fortress also provides investment consulting and financial planning services on an hourly or fixed fee basis. When requested, Fortress will consult on existing investment portfolios, alternative investments, investment manager performance and other financial planning and investment related issues.

As of December 31st, 2019, Fortress managed \$157,308,834.00 in discretionary assets and \$1,037,338.00 in non-discretionary assets.

B. Client Tailored Services and Client Imposed Restrictions

Fortress will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by Fortress on behalf of the client. Fortress may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Fortress from properly servicing the client account, or prevent it Fortress from creating a properly diversified portfolio, or if the restrictions would require Fortress to deviate from its standard suite of services, Fortress reserves the right to end the relationship.

Item 5: Fees and Compensation

A. Overview

Compensation for investment management is generally annual fees based upon a percentage of assets under management. The compensation method is explained and agreed upon with the clients in advance before any services are rendered. The compensation for our services ranges from 0.25% to 1% of the market value of assets under management. Fees may be negotiated on a case by case basis with the client and are determined based upon a number of factors including the amount of work involved, the assets placed under management and the attention required to manage the account. Alternatively, Fortress may consider a fixed fee in lieu of an asset-based management fee as negotiated with the client. Fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the Agreement is effective. Clients may terminate the Agreement without penalty for a full refund of Fortress's fees within five business days of signing the Agreement. Thereafter, clients may terminate the Services Agreement immediately upon written notice.

Upon termination, any fees paid in advance for advisory services will be pro-rated and a refund for any unearned fees will be issued. The client is responsible to pay for services rendered until the termination of the Agreement and any fees earned by Fortress but not billed will be due upon termination. The advisory fee is calculated using the value of the assets in the Account on the last business day of the prior billing period.

Clients should be aware of their responsibility to verify the accuracy of the fee calculation submitted to the custodian by Fortress, as the custodian will not determine whether the fee has been properly calculated. Fortress often utilizes mutual funds to implement its recommended investment strategy. Fortress clients who are invested in mutual funds are paying two advisory fees; a management fee to Fortress and, indirectly, a separate advisory fee to the investment advisor of the mutual fund. A description of these fees and expenses are available in each fund's prospectus. Fortress's fees are for advisory services only and do not include other costs that the

client may incur, including but not limited to transaction fees, commission, or other management fees charged by non-affiliated third parties, including recommended separate account managers.

The negotiated fixed rate for creating standalone client financial plans is between \$500 and \$10,000. The negotiated hourly fees for financial planning services and investment consulting services range between \$250 and \$400.

Clients may terminate the agreement without penalty, for full refund of Fortress's fees, within five business days of signing the Services Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

When Fortress engages a sub-advisor, the sub-advisor fee will be paid by Fortress out of the Fortress management fee or the client will separately authorize the custodian to collect the sub-advisor fee separately.

B. Payment of Fees

Payment of Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fortress clients are either billed quarterly at the end of each calendar quarter (in arrears), or in advance depending upon the Client. Fees will generally be deducted directly from the client's account pursuant to a written agreement.

Financial Planning

Fixed and hourly financial planning fees are paid in arrears upon completion of work. Financial planning fees are paid via check.

C. Client Responsibility For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Fortress. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

Fortress collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate* times the number of days elapsed in the billing period up to and including the day of termination. (*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

E. Outside Compensation For the Sale of Securities to Clients

Neither Fortress nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees Fortress from the sale of mutual funds.

Item 6: Performance-Based Fees and Side-By-Side Management

Fortress does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

Fortress generally provides advisory and/or management services individuals, high net worth individuals, Pension Plans, Defined Contribution Plans and Deferred Compensation Plans.

There are no minimum asset requirements for any of Fortress's services.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

Although some Fortress portfolios may contain pre-existing positions in individual stocks and bonds, Fortress's strategies generally utilize diversified pools of securities. Therefore, our analysis focuses on the selection and monitoring of mutual funds, exchange traded funds (ETFs), and separate account managers. Fortress uses independent research, direct contact with the Fund

and separate account managers, and its own holdings and returns based analysis to select and monitor funds. We look for attributes including consistent performance, low management fees, low turnover (for equity funds), non-concentrated portfolios and low cash holdings. We also consider management tenure, strategy consistency, organizational quality, and securities overlap between the funds utilized in the entire portfolio strategy.

Investment Philosophy and Strategies

Fortress believes that all investment portfolios must be established within the context of specifically defined financial planning goals – and then managed in a way to help reach those goals with the least amount of risk. The core components of our investment philosophy are as follows:

1. Over time, investors benefit from investing in equities markets and most of that benefit is not derived from stock picking skills, or being able to predict the equity cycles, but rather from long term exposure to the markets themselves and an appropriate investment time frame. Therefore, for most of the portfolios we avoid owning individual stocks and instead emphasize the use of broadly diversified, passively managed, low cost mutual funds, separate accounts, and exchanged traded funds to deliver stock returns.
2. One of the easiest ways to increase investor returns is to maximize tax efficiency. When managing taxable portfolios, we may use tax-advantaged equity vehicles that utilize techniques to limit capital gains distributions, and tax-exempt bonds as appropriate.
3. Managed portfolios are constructed based on the appropriate level of risk tolerance and financial objectives for each client. Risk is defined in two different ways: as the deviation from a projected return (standard deviation) or as potential “shortfall risk” (the potential for the investment strategy to not meet the clients goals based on back tested performance data and Monte Carlo simulations. Equity exposure is based on the amount of risk determined to be appropriate for each client. Portfolios may range from all equity to all fixed income.
4. We utilize global portfolio strategies that include exposure to a significant portion of publicly traded stocks around the world with a slight overweight to US companies relative to non-US companies. This level of diversification ensures that our clients minimizes country-specific risk exposure and obtain global capital market returns.
5. We put in place a slight overweight to value strategies within the equity portfolio segments. Stocks that are perceived to have low market prices as compared to their enterprise book value have historically provided premiums relative to the returns of the stock market in general.
6. As a way to reduce portfolio risk and increase diversification, Fortress may use a limited allocation to alternative strategies as a compliment to traditional equity. These include real estate investment trusts, MLPs, managed futures, and multi asset alternative funds. Many alternative asset classes have historically had low correlation to traditional asset classes such as Equities and Fixed Income, often with low volatility and higher risk-adjusted returns. All strategies are reviewed for performance contribution to the total portfolio, incremental costs, and tax impact.

7. Fortress uses a combination of low cost, primarily passive equity strategies along with low-cost actively fixed income strategies.

B. Material Risks Involved

All investing involves a potential loss of principal. By using diversified mutual funds and separate accounts we typically provide exposure to thousands of securities worldwide, so the risk of any individual company failure would have little negative effect on portfolios. The fixed income portion of our clients' portfolios consists of a mixture of mostly of short to intermediate term, medium to high quality bonds which offered some protection against the risk of stock market downturns. It is also important that we attempt to balance an appropriate mix of high risk; high return investments and low risk, low return investments, so that the overall portfolio fits each client's risk tolerance.

Our client on-boarding process involves in-depth discussions about the best/worst return behavior of prospective portfolios. We use back-tested index data that includes significant market downturns to provide clients with perspective on potential portfolio behavior. We believe that investor behavior, emotions, and discipline are critical factors in meeting our Client's goals. Investors must be able to ride out market fluctuations and remove emotion from the investment process. We attempt to educate our clients by setting reasonable expectations about risk and return so that clients will stick to their investment strategy in volatile market conditions.

C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa.

This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

Fortress and its employees have not ever been involved in any legal or disciplinary events in that would be material to a client's evaluation of the company or its personnel. There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither Fortress nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Fortress nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Arlie Wilson Green III acts as Chief Investment Officer for MJM401k, LLC. MJM401k provides 401(k) consulting services to corporate qualified plans. MJM401k, LLC compensates Mr. Green as an employee of their firm. Fortress may refer clients to MJM401k, LLC.. MJM401k, LLC does not provide compensation to Fortress for the referral and there is no financial relationship between the two entities. This involves a conflict of interest, as Arlie Wilson Green III is a salaried employee of MJM401k. Fortress always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to purchase any product or service through any representative of Fortress in their outside capacities.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

Under certain circumstances, Fortress may recommend Sub-advisors for clients. Fortress will grant the sub-advisor full investment discretion, trading authority, with sole responsibility for the implementation of the client's investment program, and Fortress monitors the Sub-advisor's performance. We will not place orders for transactions in the client's third-party account or otherwise exercise trading authority over the account.

Sub-advisors are subjected to a due diligence process. Factors considered will include, but not be limited to, reputation and history of the manager, performance track record, consistency of management strategies, management tenure, diversification, tax efficiency, fees, and reporting services provided by a manager. Information with respect to separate account managers will be obtained from third party databases, business publications, investment managers, personal interviews, and other sources Fortress deems to be reliable.

Fortress does not receive any compensation from the sub-advisors it utilizes or recommends for its clients and Fortress pays the sub-advisors out of the Fortress management fee or the client separately authorizes the custodian to collect the sub-advisor's fee.

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

A. Code of Ethics

Fortress has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and

Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Fortress's Code of Ethics is available upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

Fortress does not recommend that clients buy or sell any security in which a related person to Fortress or Fortress has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of Fortress may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Fortress to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Fortress will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of Fortress may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Fortress to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Fortress will never engage in trading that operates to the client's disadvantage if representatives of Fortress buy or sell securities at or around the same time as clients. When similar securities are being bought or sold, FR employees will either transact clients' transactions before their own or will transact alongside clients' transactions in block or bunch trades.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on Fortress's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and Fortress may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research

conferences and other resources provided by the brokers that may aid in Fortress's research efforts. Fortress will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

Fortress recommends Fidelity Brokerage Services LLC and Schwab Institutional, a division of Charles Schwab & Co., Inc.

1. Research and Other Soft-Dollar Benefits

While FR has no formal soft dollar program in which soft dollars are used to pay for third party services, FR may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). FR may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and FR does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. FR benefits by not having to produce or pay for the research, products or services, and FR will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that FR's acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. Brokerage for Client Referrals

Fortress receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

Fortress utilizes Schwab and Fidelity and does not permit clients to direct it to execute transactions through a specified broker-dealer. Not all investment advisers require their clients to use specific broker-dealers.

B. Aggregating (Block) Trading for Multiple Client Accounts

If Fortress buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, Fortress would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Fortress would determine the appropriate number of shares and select the

appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts will be continuously and regularly supervised by Arlie Green, and Timothy Nanson. These reviews are designed to monitor and analyze client transactions, positions, and investment levels. Particular attention is given to changes in industry outlook, market outlook, relative market valuation levels and fixed income yields, allocation drift, and manager style drift.

For allocation drift, Fortress uses individual account rebalancing functions contained within the Schwab and Fidelity trading platforms as well as an overall portfolio rebalancing software provided by Black Diamond. Fortress will run a series of specific searches that will identify portfolios that may need action to be taken. These searches will look for portfolios that are out of tolerance, specific cash management requirements that need to be met, and tax loss harvesting opportunities. Financial plans are reviewed by the assigned IAR.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Fortress will provide clients with quarterly reports that will address asset allocation, securities holdings and account performance. Clients will also receive monthly account statements from their custodian detailing the client's account, including assets held, asset value, and any advisory fees which have been deducted from the accounts.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

Fortress does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Fortress's clients.

With respect to Schwab and Fidelity, Fortress receives access to Fidelity and Schwab's institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Fidelity or Schwab Services. Fidelity and Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For Fortress client accounts maintained in its custody, Fidelity and Schwab generally do not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through their custodial accounts.

Schwab and Fidelity also make available to Fortress other products and services that benefit Fortress but may not benefit its clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of Fortress's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting.

B. Compensation to Non – Advisory Personnel for Client Referrals

Fortress does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, Fortress must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Fortress is deemed to have custody via client Limited Power of Attorney (LPOA) to disburse

funds from the custodian either by first party wires or third party distributions. Fortress follows the SEC guidance for LPOA custody and will not be required to conduct annual client account audits.

Item 16: Investment Discretion

Fortress provides discretionary and non-discretionary investment advisory services to clients. The Fortress agreement established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, Fortress generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, the price per share, or the engagement of a sub-advisor. In some instances, Fortress's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to Fortress).

Item 17: Voting Client Securities (Proxy Voting)

Fortress will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security. When a sub-advisor is engaged the sub-advisor may vote the proxy on the securities assigned to their management.

Item 18: Financial Information

A. Balance Sheet

Fortress neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither Fortress nor its management has any financial condition that is likely to reasonably impair Fortress's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

Fortress has not been the subject of a bankruptcy petition in the last ten years.