

FORTIGENT, LLC

Part 2A of Form ADV

Brochure

1055 LPL Way
Fort Mill, SC 29715

<https://www.lpl.com/fortigent.html>

March 31, 2021

This brochure provides information about the qualifications and business practices of Fortigent, LLC (“Fortigent”). If you have any questions about the contents of this brochure, please contact us at 980-321-1197. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Fortigent is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

Additional information about Fortigent is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2. Material Changes

The following is a summary of material changes made to this brochure from the time of the last annual update on March 30, 2020.

- Item 4 “Advisory Business” has been updated to clarify aspects of our Access Overlay Unified Managed Account Program, including in particular details regarding:
 - the level of discretion Fortigent exercises as the program sponsor;
 - Parametric Portfolio Associates, LLC’s (“Parametric”) current role as the sole Overlay Manager; and
 - the roles and responsibilities assumed by the different parties providing services under the program.
- Item 10 “Other Financial Industry Activities and Affiliations” has been updated to clarify the extent to which Fortigent receives program support from its affiliate, LPL Financial LLC.
- Item 12 “Brokerage Practices” has been updated to clarify the extent to which the Overlay Manager is responsible for trade execution and related services.
- Item 17 “Voting Client Securities” has been updated to clarify that Fortigent delegates this responsibility to Parametric as the Overlay Manager.
- Item 18 “Financial Information” has been updated to clarify support Fortigent receives from its holding company.

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Item 4. Advisory Business

Fortigent, founded in November 2006, is owned by Fortigent Holdings Company, Inc., which is indirectly owned by LPL Financial Holdings, Inc. (“LPL Financial Holdings”) (NASDAQ: LPLA), as further detailed below in Item 10 “Other Financial Industry Activities and Affiliations.”

Assets Under Management

As of December 31, 2020, Fortigent managed approximately \$2,050,400,000 on a discretionary basis on behalf of approximately 1023 Access Overlay Program accounts. Fortigent also provides wealth management solutions and consulting services to approximately 9 Financial Intermediaries. Each of these services is described in this section below.

Services to Financial Intermediaries

Fortigent provides investment research, consulting, portfolio accounting, database, data processing and support services and reporting on a wholesale fee basis to investment advisory firms and banks (“Financial Intermediaries”) to assist such firms in providing manager recommendations, monitoring, and reporting services to the Financial Intermediaries’ Clients (“Financial Intermediary Clients”). Fortigent also provides customized due diligence project-based support for Financial Intermediaries. Fortigent does not provide investment recommendations directly to Financial Intermediary Clients as part of these services. The respective roles and responsibilities between Fortigent and Financial Intermediaries, and additional terms and conditions, are detailed in an Investment Services Agreement.

Access Overlay Unified Managed Account Program

Fortigent’s Access Overlay Program is a unified managed account program that is designed to provide clients who enroll in the program (“Client”) with the ability to maintain an actively managed and diversified investment portfolio, including access to individual securities, mutual funds, exchange traded funds or ETFs, separately managed accounts or SMAs (which are managed portfolios consisting of various securities in which the investor owns the individual securities), and tax efficient investment strategies, within a single “unified” account. The Access Overlay Program is a “discretionary” investment program under which the Client grants Fortigent authority to engage in securities transactions on its behalf, including its delegation of authority to the Overlay Manager (defined below) and other investment advisers and portfolio managers to act with discretion, and without requiring the Client’s pre-approval to purchase or sell investments in their program account. The Client’s Access Overlay Program account is maintained at a third party custodian selected by the Client in consultation with their Financial Intermediary as further detailed in Item 12 below.

The specific responsibilities for management of accounts participating in the Access Overlay Program are divided as follows:

- **Fortigent** is the Access Overlay Program sponsor with responsibility for administering the program as a discretionary “Investment Manager” pursuant to the authorizations granted to it under the Access Overlay Investment Advisory Agreement entered with the Client. This includes conducting ongoing investment product due diligence, selecting the universe of available SMAs, and providing oversight of the third party Overlay Manager that Fortigent delegates to implement and rebalance the model investment portfolios. In addition, Fortigent conducts due diligence on third party investment advisers referred to as “Research Providers” that are responsible for investment allocation and buy/sell decisions for the SMAs available through the program. Fortigent also retains the right to assume other responsibilities attributable to the Overlay Manager or Research Providers in the event such becomes necessary to ensure continuous

servicing of Client accounts if those third parties become unable or unavailable to do so.

- **The Overlay Manager** is an investment adviser that is selected and delegated responsibility by Fortigent to implement the models and trading instructions received from the Financial Intermediary by exercising discretionary trading within a Client's Access Overlay Program account, subject to any independent decisions by the Overlay Manager to delay or modify trading instructions consistent with the overall investment strategy. The Overlay Manager currently designated for the Access Overlay Program is Parametric Portfolio Associates, LLC ("Parametric"), an SEC registered investment adviser. In limited circumstances, Fortigent may assume or delegate this role to a replacement investment adviser, to avoid any lapse in portfolio management services if the designated Overlay Manager is unable or unavailable to perform these services. Clients will be notified of any changes to the designated Overlay Manager and may consult their Financial Intermediary or Fortigent to confirm the Overlay Manager that is servicing their account.
- **The Financial Intermediary** is responsible for recommending the Access Overlay Program to Clients, and providing each Client with personalized investment advice based on their particular financial situation and investment objectives, including determining which model(s) are suitable for investment by each Client. The Financial Intermediary may create a series of customized model investment portfolios, using the investment products and SMAs available through the designated custodian, to reflect a range of various investment asset allocations and risk profiles. The Financial Intermediary will provide the Client with periodic performance reports for their Access Overlay Program account, and acts as a liaison to Fortigent by managing and administering the Client relationship. Clients will typically be required to enter a separate agreement and will receive a disclosure brochure from their Financial Intermediary detailing the full scope of its services, fees and other important information. Clients are encouraged to carefully review this information and discuss any questions with their Financial Intermediary.
- **LPL Financial LLC ("LPL")** is an affiliate of Fortigent that acts as a strategic partner for the Access Overlay Program by providing a range of services to Fortigent, including investment due diligence and analysis, operational and oversight support to the Access Overlay Program. LPL may also be appointed as the Overlay Manager or Research Provider by Fortigent at its discretion under limited circumstances as outlined above. Please consult Item 10 below for additional details regarding the interrelationship between Fortigent and LPL.

Item 5. Fees and Compensation

Services to Financial Intermediaries

Fees

Fortigent's compensation is outlined in the Investment Services Agreement and includes an annual fixed fee ranging up to \$500,000 as well as a charge for each account with respect to which Fortigent provides reconciliation and performance reporting services. The per account charge ranges up to \$1500 per year per account, but is generally waived with respect to accounts associated with the Access Overlay Program. Fortigent invoices the Financial Intermediary for both the annual and per account charges quarterly in arrears at the end of each quarter. The fees charged by Fortigent are not based on the capital gains or the capital appreciation of any funds of any Client. Lower fees may be negotiated on a case by case basis in the sole discretion of Fortigent and discounts may be provided to a Financial Intermediary based on, among other factors, the level of the Financial Intermediary's business relationship with Fortigent.

Whether a Financial Intermediary in turn bills its Client(s) for all or a portion of this cost is within the sole discretion of the Financial Intermediary.

Termination

Generally, the Financial Intermediary's Investment Services Agreement may be terminated by either party, at any time for any reason, upon 90 days written notice during the first term of the contract, subject to a termination penalty. Thereafter, the Investment Services Agreement may be terminated as of the end of the current term without penalty upon 90 days written notice in advance of annual renewal. Financial Intermediaries are responsible for payment of fees until the termination of the Investment Services Agreement. All prepaid but unearned fees are refunded to the Financial Intermediary upon termination of the agreement.

Access Overlay Unified Managed Account Program

Fees

Access Overlay Program Client fees are paid quarterly in arrears at the end of each quarter to Fortigent, the Overlay Manager, and the Research Providers. Fees are based on the net asset value of the account on the last business day of each calendar quarter. The annual investor fees typically range from 0.05% to 1.15% of assets under management ("AUM"), depending on size and the investment strategy selected for the investor's account. Clients should consult the Access Overlay Investment Advisory Agreement for additional details and to confirm specific fees that will apply to their account. The portion of that total retained by Fortigent as sponsor of the program represents 0.05% to 0.25% of AUM (depending on account size and investment strategy selected), and the remainder is paid to the Overlay Manager and applicable Research Providers, which may be Fortigent or LPL in limited circumstances to provide continuity of service. The annual investor fee can be higher in cases where a Research Provider is providing services exclusively to certain investors and those services are not available to the entire Access Overlay Program platform. Accounts are subject to an annual minimum that is the greater of 0.05% or \$350. Fortigent deducts fees from Client accounts.

Fees and minimums stated above are standard fees for Access Overlay Program accounts. In some circumstances, Research Providers or Financial Intermediaries negotiate different fee structures and minimums than those stated above. Additionally, certain Financial Intermediaries have negotiated a lower fixed fee for Fortigent's services based on the total level of assets serviced by the Financial Intermediary under the Access Overlay Program. Access Overlay Program Clients should be aware that this occurs and

should consult their Financial Intermediary for details on their particular fee arrangement.

Termination

The Access Overlay Investment Advisory Agreement may be terminated at any time either by the Client or by Fortigent by written notice to the other of such termination. Upon notification, Fortigent will terminate the Access Overlay Investment Advisory Agreement subject to the settlement of any outstanding trades and, if requested by Client, the liquidation of portfolio securities. Fees payable hereunder will be prorated to the date of termination as specified in the notice of termination.

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

Not Applicable.

Item 7. Types of Clients

Services to Financial Intermediaries

The Financial Intermediaries utilizing this service generally include registered investment advisers, banks and trust companies, and independent broker-dealers.

Access Overlay Program

Clients utilizing this service generally include individuals, pension and profit sharing plans, trusts, corporations, and estates.

The minimum account assets for the Access Overlay Program are \$250,000 for accounts utilizing the tax overlay feature of the program and \$100,000 for accounts not utilizing the tax overlay feature of the program. The minimum annual fee for Access Overlay Program accounts is \$350. These minimums are negotiable and have been waived for some Clients.

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

Services to Financial Intermediaries

Method of Analysis

Fortigent performs investment manager searches, recommends investment managers and monitors manager performance. As such, Fortigent will provide recommendations about investment managers to Financial Intermediaries.

Risks

Fortigent uses published databases of investment manager, mutual fund, ETF, and private fund performance. Fortigent does not independently audit or verify the performance figures reported by the managers and investment vehicles that appear in these databases.

Access Overlay Unified Managed Account Program

Investment Strategy and Method of Analysis

A Financial Intermediary is responsible for the creation of a series of models for its Clients with varying asset allocations and risk profiles. Fortigent conducts initial and ongoing due diligence on Research Providers that provide their own model portfolios that a Financial Intermediary may use for its Clients. Fortigent has designated an Overlay Manager responsible for performing the buy/sell transactions. Fortigent or LPL may act as the Overlay Manager in limited circumstances if the designated Overlay Manager is unable or unavailable to perform its services.

Risk Relating to Oversight

Fortigent, in conjunction with the LPL Research Department, is responsible for selecting and providing ongoing oversight of the Overlay Manager, the Research Providers, and the available investments for the Access Overlay Program. Because the management of a Client's Access Overlay Program account depends on the services provided by the Overlay Managers and Research Providers, the performance of such account may be negatively affected if Fortigent fails to detect an issue with respect to the Overlay Manager or a Research Provider during its initial due diligence or ongoing oversight. Likewise, the investments available in the Access Overlay Program may perform worse than similar investments if Fortigent does not perform adequate due diligence or monitoring.

Fortigent also must provide oversight with respect to the services provided by the LPL Research Department (in assisting Fortigent with carrying out due diligence), LPL (in the event that LPL is designated as the Overlay Manager or a Research Provider), and joint-employees of Fortigent and LPL. The relationships of these parties to one another creates a conflict of interest for Fortigent in providing effective supervision. To mitigate the associated risks, the relationships among these affiliates are determined by agreement, and they are subject to similar compliance programs.

Risk of Loss - General

All investing involves a risk of loss and the investment strategy offered by Fortigent could lose money over short or even long periods. Performance could be negatively impacted by a number of different market risks including, but not limited to, management techniques used by Fortigent may not produce the desired results. This could cause accounts to decline in value. In addition, Fortigent may inadvertently rely on information that is inaccurate. Fortigent selects investments based, in part, on information provided by Research

Providers to regulators or made directly available to Fortigent by the Research Providers or other sources. Fortigent is not always able to confirm the completeness or accuracy of such information, and in some cases, complete and accurate information is not available. Incorrect or incomplete information increases risk and a result in losses.

Potential Risks of Investing With Mutual Funds, ETFs and Bonds:

Redemption Fee Risk - A mutual fund redemption fee, also referred to as a “redemption fee,” “market timing fee,” or “short-term trading fee,” is a charge by a mutual fund company to discourage investors from making a short-term purchases and sales of mutual fund shares. Clients may incur redemption fees in the event that a model update is implemented, as Fortigent and the Overlay Manager do not consider individual Client holding periods when implementing model changes to Client portfolios. Redemption fees vary by mutual fund and are described in each mutual fund’s prospectus. Imposition of redemption fees can have a material impact on the performance of Access Overlay Program accounts.

Stock Market Risk – Equities, as well as mutual funds and ETFs that invest in equity securities, are subject to stock market risk. Stock market risk is the possibility that stock prices overall will decline over short or extended periods. Markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Investing in small and medium-sized companies involves greater risk than is customarily associated with more established companies. Stocks of such companies may be subject to more volatility in price than larger company securities.

Foreign Securities Risk - Foreign securities are subject to the same market risks as U.S. securities, such as general economic conditions and company and industry prospects. However, foreign securities involve the additional risk of loss due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards; limited availability of information; currency conversion; and pricing factors affecting investment in the securities of foreign businesses or governments.

Interest Rate Risk - Bonds also experience market risk as a result of changes in interest rates. The general rule is that if interest rates rise, bond prices will fall and so will the mutual fund’s share price. The reverse is also true: if interest rates fall, bond prices will generally rise.

A bond with a longer maturity (or a bond fund with a longer average maturity) will typically fluctuate more in price than a shorter term bond. Because of their very short-term nature, money market instruments carry less interest rate risk.

Credit Risk - Bonds and bond mutual funds are exposed to credit risk, which is the possibility that the issuer of a bond will default on its obligation to pay interest and/or principal. U.S. Treasury securities, which are backed by the full faith and credit of the U.S. Government, have limited credit risk, while securities issued or guaranteed by U.S. Government agencies or government-sponsored enterprises that are not backed by the full faith and credit of the U.S. Government may be subject to varying degrees of credit risk. Corporate bonds rated BBB or above by Standard & Poor’s are generally considered to carry moderate credit risk. Corporate bonds rated lower than BBB are considered to have significant credit risk. Of course, bonds with lower credit ratings generally pay a higher level of income to investors.

Liquidity Risk - Liquidity risk exists when a particular security is difficult to trade. A mutual fund’s investment in illiquid securities may reduce the returns of the mutual fund because the mutual fund may not be able to sell the assets at the time desired for an acceptable price, or might not be able to sell the assets at all.

Call Risk - Many fixed income securities have a provision allowing the issuer to repay the debt early, otherwise known as a “call feature.” Issuers often exercise this right when interest rates are low. Accordingly,

holders of such callable securities may not benefit fully from the increase in value that other fixed income securities experience when rates decline. Furthermore, after a callable security is repaid early, a mutual fund would reinvest the proceeds of the payoff at current interest rates, which would likely be lower than those paid on the security that was called.

Objective/Style Risk - All of the mutual funds are subject, in varying degrees, to objective/style risk, which is the possibility that returns from a specific type of security in which a mutual fund invests will trail the returns of the overall market.

U.S. Government Agency Securities Risk - Securities issued by U.S. Government agencies or government-sponsored entities may not be guaranteed by the U.S. Treasury. If a government-sponsored entity is unable to meet its obligations, the securities of the entity will be adversely impacted.

Item 9. Disciplinary Information

Fortigent and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a Client's evaluation of the company or its personnel.

Item 10. Other Financial Industry Activities and Affiliations

Fortigent has affiliated entities that provide a variety of investment related services as further described below.

Fortigent's indirect owner, LPL Financial Holdings, is a publicly traded company. Fortigent and LPL are related persons and indirect subsidiaries of LPL Financial Holdings. LPL is an investment adviser registered with the SEC. LPL also is a broker-dealer registered with FINRA and the SEC.

As a broker-dealer, LPL transacts business in various types of securities, including mutual funds, stocks, bonds, commodities, options, private and public partnerships, variable annuities, real estate investment trusts and other investment products. LPL is registered to operate in all 50 states and has primarily an independent-contractor sales force of registered representatives and investment adviser representatives dispersed throughout the United States. In addition, LPL is qualified to sell insurance products in all 50 states.

All employees of Fortigent are joint-employees of LPL and generally dedicated to providing services to both firms under a shared-services arrangement. Employees of LPL who are not also joint-employees of Fortigent may also be designated to provide various levels of support to Fortigent. This includes due diligence and investment analysis support provided by the LPL Research Department, a division of LPL, upon which Fortigent relies for assistance in fulfilling its ongoing monitoring and oversight responsibilities relative to the investment advisers and products offered through the Access Overlay Program. LPL may also be designated by Fortigent to assume the Overlay Manager or Research Provider role as necessary in limited circumstances.

LPL registered representatives may be associated with third party investment advisers, as an outside business activity. From time to time, such investment advisers may enter into agreements with Fortigent for research and reporting services.

Certain associated persons of Fortigent serve on advisory boards of Financial Intermediaries of Fortigent. In this capacity, these individuals may be asked to consult with the Financial Intermediaries' management on business planning and strategy, among other issues. Fortigent believes that no conflicts of interests arise in having its associated persons serve on the advisory boards of its Financial Intermediaries as these Financial Intermediaries do not receive any financial benefit from Fortigent as a result of its associated persons serving on these advisory boards.

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

Fortigent has adopted the LPL Code of Ethics. The Code of Ethics includes guidelines regarding personal securities transactions of its employees. The code of ethics permits employees of Fortigent and its affiliates to invest for their own personal accounts in the same securities that Fortigent and its affiliate's purchases for clients in Access Overlay Program accounts. This presents a conflict of interest because trading by an employee in a personal securities account in the same security on or about the same time as trading by a client can disadvantage the client. Fortigent and its affiliates address this conflict of interest by requiring in its Code of Ethics that employees report certain personal securities transactions and holdings to LPL, under an arrangement with Fortigent. LPL has procedures to review personal trading accounts for front-running. In addition, employees in various Fortigent and affiliated LPL departments are required to obtain pre-clearance prior to purchasing certain securities for a personal account. Employees are also required to obtain pre-approval for investments in private placements and initial public offerings. A copy of the Code of Ethics is available to clients or prospective clients upon request and is available on LPL's website at www.lpl.com.

Item 12. Brokerage Practices

Services to Financial Intermediaries

Financial Intermediaries may choose any custodial and trading partner made available through the Access Overlay Program. From time to time, Fortigent may provide a list to Financial Intermediaries of third party custodians and trading partners supported by the program through the Overlay Manager, as generally outlined in the sub-section immediately below. These custodians may provide Financial Intermediary Clients with access to institutional pricing and operations services typically not available to retail investors.

These custodians may also make available to Fortigent other products and services that benefit Fortigent. These other products and services are typically designed to assist firms like Fortigent in administering the Financial Intermediary Clients' accounts. These include software and other technology that provide access to Client account data (such as trade confirmations and account statements), provide research, pricing information and other market data, and assist with back-office support, recordkeeping and Client reporting. Many of these services generally may be used to service all or a substantial number of Financial Intermediary Clients' accounts, including accounts not maintained at said custodian. This creates a conflict of interest since Fortigent has an incentive to recommend these custodial and trading partners based on the above described benefits it receives, rather than on the most favorable execution that may be available for clients.

Fortigent may receive referrals of Financial Intermediaries from certain custodians available to Financial Intermediaries under the Access Overlay Program. This creates a conflict of interest since Fortigent has an incentive to include or recommend these custodians based on the referrals they provide.

Fortigent mitigates these conflicts by maintaining policies and procedures that are designed to protect the integrity and impartiality of its research and due diligence process, which never contemplates these benefits or referrals when considering which custodians to include under the Access Overlay Program, or to recommend to Financial Intermediaries on behalf of their Access Overlay Program Clients.

Access Overlay Program

Fortigent generally delegates all trading responsibilities to the designated Overlay Manager, but may retain this responsibility in certain situations if the Overlay Manager is unable or unavailable to provide its services. Financial Intermediaries may choose any custodian or broker-dealer trading partner supported and made available through the Overlay Manager, which currently include Charles Schwab & Co., Inc., Fidelity Institutional Wealth Services, TD Ameritrade, Pershing Advisor Solutions, LLC, SEI Investment Company, Inc., BNY Mellon and such other firms that may be available from time to time. Clients should consult with their Financial Intermediary to determine which custodian(s) are available and selected to service their Access Overlay Program account.

Under the Access Overlay Program, the Overlay Manager will cause the trading in these accounts to occur at the custodian or broker-dealer trading partner selected by the Client. Accordingly, the Overlay Managers will not be able to negotiate the terms and conditions (including, but not limited to, asset-based or transaction-based commission rates) relating to the services provided by such custodian or broker-dealer, and is not responsible for obtaining the best prices or particular commission rates with or through any such custodian. Fortigent will make best efforts to honor and coordinate Client directed custodian and brokerage requests with the Overlay Manager, but the Overlay Manager may execute trades with other firms at its discretion.

The Overlay Manager may execute securities transactions according to its tax efficient management strategy, which may cause it to delay or defer causing the account to mirror its applicable model. Accordingly, the Overlay Manager may take actions for certain accounts that it does not for other accounts, even when accounts are all intended to be managed to the same model. The Overlay Manager is responsible

for providing periodic rebalancing services so the allocation of these accounts remains consistent with the selected model(s).

The Overlay Manager generally aggregates securities sale and purchase orders for a Client with similar orders being made contemporaneously for other Clients. When orders are aggregated, the average price of all securities purchased or sold in such transactions may be determined and a Client may be charged or credited, as the case may be, the average transaction price. As a result, however, the price may be less favorable to the Client than it would be if similar transactions were not being executed concurrently for other Clients.

Clients should understand that certain custodians and trading partners often make available other products and services that benefit Fortigent and/or the Overlay Manager that do not benefit Financial Intermediaries or the Client. These products and services include software and other technology that provide access to Client account data (such as trade confirmations and account statements), provide research, pricing information and other market data, and assist with back-office support, record-keeping and Client reporting. Many of these products and services may generally be used to service all or a substantial number of Financial Intermediary Clients' accounts, including accounts not maintained at the selected custodian or trading partner. This creates an incentive to designate these custodial and trading partners as options for the Access Overlay Program based on the above described benefits Fortigent and/or the Overlay Manager receive, rather than on the most favorable execution that may be available for Clients. However, Fortigent mitigates this conflict by maintaining policies and procedures that are designed to protect the integrity and impartiality of its research and due diligence process.

Item 13. Review of Accounts

Services to Financial Intermediaries

The performance of managers, private funds, mutual funds and ETFs is monitored on an ongoing basis and typically reviewed by Fortigent in consultation with its affiliated LPL Research Department. Together, Fortigent and the LPL Research Department are also responsible for the day-to-day review of model portfolios consisting of manager sleeves and mutual funds. Factors which may trigger a review include changes in performance or advisory fees as well as political and economic events. The recommended list on the Fortigent portal, which is available to all Financial Intermediaries, is updated as necessary.

Typically, Financial Intermediaries receive Financial Intermediary Clients' performance reports on a quarterly basis. The performance reports provide a summary of account-based investment performance for the applicable quarter may then be forwarded by the Financial Intermediaries to their respective Financial Intermediary Clients.

Access Overlay Program

Fortigent, in consultation with its affiliated LPL Research Department, performs initial and ongoing due diligence on the Overlay Manager, Research Providers and mutual funds participating on the platform.

Access Overlay Program Clients receive quarterly performance reports prepared by Fortigent. Such reports are provided to the Clients directly by their Financial Intermediaries. These reports detail the Client's positions, gains and losses, income and expenses, and the performance the account. Access Overlay Program Clients receive statements directly from the custodian on a monthly or quarterly basis.

Item 14. Client Referrals and Other Compensation

General

Fortigent provides discounts to the fees a Financial Intermediary pays Fortigent under the Investment Services Agreement based on, among other factors, the level of the Financial Intermediary's business relationship with Fortigent.

Trade Errors

Fortigent will seek to correct trade errors in Access Overlay Program accounts to make the Client whole as if the error did not occur. It is Fortigent's standing policy to donate any gains resulting from trade errors and retained by Fortigent to charities selected by Fortigent on an annual basis. It is important to note, however, that Trade Error corrections may depend on the Trade Error Policy of the selected custodian.

Item 15. Custody

Access Overlay Program

All Access Overlay Program Client assets are held in custody by unaffiliated custodians or broker-dealers. Access Overlay Program Clients should receive account statements no less than quarterly from the custodian or broker-dealer that holds and maintains the Client's Access Overlay Program assets. Fortigent urges you to carefully review such statements as your official custodial records and to compare these with any account statements provided to you by your Financial Intermediary. The Financial Intermediary performance reports vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16. Investment Discretion

Services to Financial Intermediaries

Fortigent does not provide individualized investment recommendations directly to Financial Intermediary Clients at an account-level. Therefore, Fortigent assumes no responsibility or liability for any advice and/or recommendation rendered by Financial Intermediaries to their Financial Intermediary Clients.

Access Overlay Program

As the program sponsor, Fortigent is granted discretion by clients under the Access Overlay Investment Advisory Agreement to supervise and manage the Access Overlay Program. Specifically, Fortigent has discretionary authority to recommend and engage the Overlay Manager as the discretionary sub-adviser for Client accounts, and the Research Providers that have discretionary allocation and buy/sell trading discretion. Fortigent retains discretion to select, terminate and replace the Overlay Manager and Research Providers in the Access Overlay Program. However, Fortigent does not assume responsibility to provide individualized investment advice or recommendations on behalf of Clients at an account-level (which occurs via the Overlay Manager), or to determine portfolio allocations (which occurs via the Financial Intermediary), except in limited circumstances where Fortigent may be required to assume the role of Overlay Manager to ensure uninterrupted management and servicing of Client accounts.

Item 17. Voting Client Securities

Access Overlay Program

Fortigent ordinarily delegates responsibility to the Overlay Manager for voting proxies on behalf of Clients under the Access Overlay Program. For information on the designated Overlay Manager's proxy voting policy or how prior proxies were voted, please contact Fortigent.

Upon written request, Clients can also take responsibility for voting their own proxies, or can provide the Overlay Manager instructions about how to vote their respective shares. Additionally, some Financial Intermediaries may vote proxies for their Clients. Please consult your Financial Intermediary to confirm your options and with any related questions.

In the case of all other matters (excluding proxies) for which shareholder action is required or solicited with respect to securities beneficially held in Clients' Access Overlay Program account, such as (i) matters relating to class actions, including without limitation, opportunities for opting in or opting out of a class and approval of class settlements and (ii) bankruptcies or reorganization, Clients shall remain responsible for taking action on their own behalf, and neither Fortigent nor the Overlay Manager will take any action on Clients' behalf with regard to such matters.

Item 18. Financial Information

There are no financial conditions that are reasonably likely to impair Fortigent's ability to meet contractual commitments to clients and it has never been the subject of a bankruptcy petition. Although Fortigent has historically incurred annual net operational losses, its parent company, LPL Financial Holdings, provides financial support to Fortigent as needed.