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**March 29, 2023**

**FORM ADV - PART 2A  
BROCHURE**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Fortis Portfolio Solutions, LLC (referred to as “we,” “our,” “us,” “Advisor,” or “FPS”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (866) 787-8854.

FPS is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Fortis to assist you in determining whether to retain the Advisor.

Additional information about Fortis and its investment advisor representatives is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD No. 314886.

## **ITEM 2. MATERIAL CHANGES SINCE LAST UPDATED BROCHURE**

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This version of FPS's Disclosure Brochure, dated March 29, 2023, is our annual amendment brochure document. It contains information regarding our qualifications, business practices, nature of the advisory services we provide, as well as a description of potential conflicts of interest relating to our advisory business that could affect a client's account with us. You should rely on the information contained in this document or other information that we have referred you to. We have not authorized anyone to provide you with information that is different. Fortis encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you have with the Advisor.

### **MATERIAL CHANGES SINCE THE LAST UPDATE**

- **Item 4: Advisory Business and Item 16: Investment Discretion** have been amended to reflect a change in the nature of our relationship with our clients. FPS no longer maintains discretionary authority over client funds. Assets Under Management for 2022 are all reported as discretionary. The change from discretionary to non-discretionary occurred in January 2023 so going forward all assets under management will be classified as non-discretionary.

### **FULL BROCHURE AVAILABLE**

From time to time, we will amend this Disclosure Brochure to reflect changes in business practices, regulations, and other routine updates as required by the respective regulators. This complete Disclosure Brochure or a Summary of Material Changes will be provided to you annually and if a material change occurs.

At any time, you can view the current Disclosure Brochure online at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD No. 314886. To request a complete copy of our Disclosure Brochure, contact us by telephone at 561-400-3316 or by email to [david@fortisportfolio.com](mailto:david@fortisportfolio.com)

### ITEM 3. TABLE OF CONTENTS

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Item 1. COVER PAGE .....	1
Item 2. MATERIAL CHANGES SINCE LAST UPDATED BROCHURE.....	2
Item 3. TABLE OF CONTENTS .....	3
Item 4. ADVISORY BUSINESS.....	4
Item 5. FEES AND COMPENSATION.....	7
Item 7. TYPES OF CLIENTS .....	9
Item 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS....	9
Item 9. DISCIPLINARY INFORMATION .....	16
Item 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	16
Item 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	17
Item 12. BROKERAGE PRACTICES .....	17
Item 13. REVIEW OF ACCOUNTS .....	20
Item 14. CLIENT REFERRALS AND OTHER COMPENSATION .....	21
Item 15. CUSTODY .....	21
Item 16. INVESTMENT DISCRETION.....	21
Item 17. VOTING CLIENT SECURITIES .....	22
Item 18. FINANCIAL INFORMATION.....	22
PRIVACY POLICY .....	23

## **ITEM 4. ADVISORY BUSINESS**

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### **A. WHO WE ARE**

Fortis Portfolio Solutions, LLC referred to as “we,” “our,” “us,” “Advisor,” or “FPS”) was formed in May 2021 as a limited liability company organized under the laws of the State of Illinois. FPS is solely owned by Meridith Hutchens, and David Guzy serves as the Chief Compliance Officer (“CCO”). As used in this brochure, the words “you,” “your,” and “client” refer to you as either a client or prospective client of the Firm.

As an investment advisor, FPS serves as a fiduciary to our clients, as defined under applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each client and seeks to mitigate potential conflicts of interest. FPS’s fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding our Code of Ethics, please *see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*, below.

### **B. OUR SERVICES**

Our firm provides services to other registered investment Advisors (“RIAs”). We empower Advisors by providing high-quality investment strategies that they can offer to those of their clients who value a risk-conscious approach to investing. FPS provides portfolio management services, on a non-discretionary basis, that generally seek to exploit market efficiencies drawn from insight in fundamental analysis, enterprise business evaluations, technical momentum considerations, and dividend growth/yield evaluations.

Our investment strategies are available to fit the needs of other RIAs, whether you use a third-party investment manager, manage your portfolios in-house, or would like to create your own investment line-up. RIAs can choose one of our existing strategies, use our quant models, or customize their own.

#### *THIRD PARTY ASSET MANAGER*

RIAs can use our existing lineup of risk-conscience investment strategies through a TAMP of your choice. We provide sales and marketing materials to support your efforts, ongoing communication with timely updates and insights to support your business. We also have the capability to deliver our services through the following custodians- TD Ameritrade/Schwab, Fidelity, Goldman Sachs, Pershing, and Raymond James.

Seeking to control risk without sacrificing performance is at the foundation of our investment philosophy. The flexibility to adapt to a changing financial landscape involves a keen eye on technical and economic indicators and a comprehensive, multidimensional approach to risk management.

Unlike traditional stock portfolios, we can move into short-term cash positions when our maximum drawdown indicators for each stock position are triggered and use ETFs for broad diversification when needed. Our goal is to provide the best possible risk-adjusted returns while avoiding unnecessary or unplanned risks.

### *SUB-ADVISORY SERVICES*

RIAs engage us to help you identify, evaluate, and manage investments within your existing managed portfolios or use ours. Our objectivity, experience, track record, and state-of-the-art resources will enable you to tap into an expanded world of investment strategies or improve your existing process. We provide the following through our Sub-advisory Service model:

- Strategy brochure template
- Monthly, quarterly rebalance trade list with rationale
- Macro and strategy commentary
- Hypothetical illustration templates

### *WHITE LABEL ASSET MANAGEMENT*

We help our RIA clients launch your firm's brand of investment strategies. Ramp up quickly with pre-built or custom-built investment strategies to enhance your offerings. We can consult with you to develop a suite or single investment strategy to differentiate yourself from the competition. We provide the following services through our White Label Asset Management service:

- Monthly and quarterly rebalance trade list with rationale
- Macro and strategy commentary
- Hypothetical illustration templates

## **C. TAILORED RELATIONSHIPS**

FPS provides portfolio management services to other RIAs. These RIAs can select from our menu of available strategies to make available to their own clients. FPS does not tailor our portfolios to the individual needs of the clients of the RIAs who engage us. Rather, our clients the RIAs are responsible for ensuring our portfolios are suitable for their clients. However, FPS is able to provide the service of creating specific model strategies for the exclusive use of an RIA for an hourly consulting fee, ongoing subscription basis, for an agreed upon AUM

Each strategy that we deploy is unique with different goals and risks. Our RIA clients are responsible for ensuring that our portfolios are suitable and in the best interests of their clients. For a complete description of each our strategies, please refer to *Item 8- Methods of Analysis, Investment Strategies and Risk of Loss*.

Due to the proprietary nature of FPS's portfolio management services and the strategies outlined above, clients are not able to impose restrictions on investing in certain securities, types of securities, or industry sectors. Our investment recommendations and portfolio selections will generally include, but will not be limited to, the following securities:

- Exchange-listed securities;
- Securities traded over-the-counter;
- Foreign issuers;
- Warrants;
- Corporate debt securities (other than commercial paper);
- Commercial paper;
- Certificates of deposit;
- Municipal securities;
- Mutual fund shares;
- United States governmental securities;
- Government Agency securities; and
- Exchange-traded funds ("ETFs")
- Private placements for accredited investors

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when we believe it is consistent with the strategy of either, respectively, consistent with the client's personal investment policy.

#### **D. WRAP FEE PROGRAM**

Wrap fee programs are arrangements between broker-dealers, investment Advisors, banks and other financial institutions, and affiliated and unaffiliated investment Advisors through which the clients of such firms receive discretionary investment advisory, execution, clearing and custodial services in a "bundled" form. In exchange for these "bundled" services, the clients pay an all-inclusive (or "wrap") fee determined as a percentage of the assets held in the wrap account.

FPS offers its services through a wrap fee program sponsored and managed by other RIAs.

#### **E. ASSETS UNDER MANAGEMENT**

As of December 31, 2022, FPS managed \$141,552,756 assets on a discretionary basis and \$0 assets on a non-discretionary basis. Due to a change in our relationship with our clients as of January 2023, going forward all assets under management will be non-discretionary.

## **ITEM 5. FEES AND COMPENSATION**

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### **A. HOW WE ARE COMPENSATED**

#### *THIRD PARTY ASSET MANAGER*

Institutional accounts will be charged fifty (50) basis points or ½ of 1 %. Fees are negotiable depending of the size of the project. In some cases a fixed fee or an hourly fee may be negotiated.

#### *SUB-ADVISORY SERVICES AND WHITE LABEL ASSET MANAGEMENT*

FPS, in its capacity as an asset manager may manage assets as a third-party Advisor or as a sub Advisor for the clients of other RIAs. As such, the fees charged in that capacity may be higher or lower than those indicated above based on the relationship with the individual RIA or client. Our clients, the RIAs, will then charge their clients advisory fees on top of our asset management fee. We are paid generally within thirty (30) days of the RIA client's billing cycle.

### **B. HOW CLIENTS PAY US**

Advisory fees are dependent upon the strategy managed. Our annual portfolio management fee is charged quarterly, in advance or arrears, based on our RIA client's billing cycle. In some circumstances, annual portfolio management fees are negotiable. FPS, in its discretion, may waive or reduce all or part of any fees of a client account.

### **C. OTHER FEES AND EXPENSES**

There may be additional fees or charges that result from the maintenance of or trading within a client's account. These are fees that are imposed by third parties in connection with investments made through a client's account, such as custodial and investment fees. In addition to our advisory fees, clients are responsible for paying fees associated with investing their accounts.

These may fees include:

- **Mutual Fund Distribution Fees.** Advice offered by FPS may involve investments in mutual funds. We seek to select share classes that are the lowest cost to you. In certain instances, we retain share classes which do not have trading costs but do have higher internal expense ratios than institutional share classes. If the fund also imposes sales charges/commissions, these will generally be suppressed or, if for some reason not suppressed, credited back to your account. In no case should FPS receive any sales charges/commissions, although we may receive marketing fees (also known as 12b-1 fees) associated with fund transactions; however, any 12b-1 fees received will be credited back to the client account rather than accepting the fees as additional compensation.

- **Internal Management Fees for ETFs And Mutual Funds.** These are fees charged by the managers of the ETFs or mutual funds and are a portion of the expenses of the ETFs or mutual funds.
- **Brokerage Costs and Transaction Fees for Any Securities or Fixed Income Trades.** These are generally charged by your custodian and/or executing broker.

Additional information about brokerage costs and services is provided in Item 12 – Brokerage Practices. We believe our fees mentioned above are competitive; however, similar services may be available to you from other sources at a lower price.

#### **D. TERMINATION AND REFUNDS**

In the event of termination, any portfolio management fees paid in advance are prorated to the date of termination and any unearned fees are returned to the client.

#### **E. OTHER COMPENSATION**

Meridith Hutchens is also an investment Advisor representative (“IAR”) with an unaffiliated third-party RIA, CoreCap Advisors LLC. In her role as an IAR of CoreCap Advisors LLC Ms. Hutchens will receive compensation for performing investment advisory services for clients of CoreCap Advisors LLC.

### **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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#### **A. PERFORMANCE BASED COMPENSATION**

**FPS does not assess Performance Fees.**

Performance-Based Fees (“Performance Fees”) are based on a share of the capital gains or capital appreciation of the assets of a client. Our fees are calculated as described in Item 5 above.

#### **B. SIDE-BY-SIDE MANAGEMENT**

**FPS does not provide Side-By-Side Management.**

“Side-by-Side Management” refers to a situation in which the same advisor manages accounts that are billed based only on a percentage of assets under management and at the same time manages other accounts for which fees are performance-based.



## **ITEM 7. TYPES OF CLIENTS**

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FPS provides investment advisory services to corporations and as a sub-advisor to other RIAs.

FPS does not have any minimum dollar values to open or maintain client accounts, however the RIA or TAMP may impose minimum dollar amounts for each strategy

## **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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### **A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

#### *METHODS OF ANALYSIS*

FPS uses a combination of technical and fundamental research in its research and analysis within the context of investment processes, with a heavy emphasis on analyst estimates, profitability, and other valuation analysis within the context of trend and momentum indicators. The Firm draws on its extensive research sources and other experience to create a model framework with uniquely prescribed parameters to execute on the strategies of Leaders 50, Alpha 40, Active/Passive ETF, Leaders Double Play, Alpha Double Play and Catholic Values.

**Fundamental analysis** generally involves the analysis of financial statements, the general financial health of companies, and/or the underlying financial potential. FPS seeks to identify companies with accelerated sustainable growth. Our focus is directed toward underlying balance sheet characteristics to measure of a company's ability to grow earnings by quantifying and ranking the relationship of earnings to long-term sales growth, gross income, pretax income, operating growth, operating leverage, as well as the return on invested capital. Other criteria such as an assessment of the company's competitive advantages, dividend health and growth prospects, and macroeconomic conditions are also evaluated. All of the aforementioned information is aggregated using a proprietary criteria and ranking system which is later filtered through second proprietary trend and momentum analysis.

**Valuation** generally is the process of determining the worth of a stock at a given time by focusing on its intrinsic value. FPS generally prefers companies with high quality attributes and favorable payout metrics. Through a series of proprietary analytical modules, we have built to examine and rank valuation is based on characteristics surrounding the ratio of enterprise value to free cash flow and sales, among variables such as net tangible assets, debt/asset ratio's, working capital, and EPS growth stability. On fundamentally strong holdings, the Firm may relax valuation criteria in certain market conditions and in scenarios to capture technical/momentum opportunities.

**Technical analysis** generally focuses on market action, primarily price, volatility, and volume changes over time. The analysis of technical data reveals trendlines and patterns focusing on not only price momentum, but also the relative strength of a company (or assets class). Critical in this analysis is the measure of risk by monitoring the beta, mean reversion, and potential threats related to in the greater context of macroeconomic data. Additionally, technical/momentum indicators are the core factors in determining the sell discipline exit price for a company or asset class.

### *INVESTMENT STRATEGIES*

FPS generally believes that, while the stock market is mostly efficient, exploitable mis-pricings can exist at times. The Firm applies its in-house enterprise valuation (discounted cash flow) model to estimate the intrinsic value of a stock, uses an estimate of a range of probable fair value outcomes for the stock, and overlays such an assessment with an evaluation of the stock's technical/momentum indicators to identify investment opportunities that have a high probability of market price to fair-value estimate convergence. Other criteria including an assessment of the company's competitive advantages, dividend health and growth prospects, and general market conditions are also evaluated, among other considerations.

The Firm's portfolios are for investors with a long-term perspective and are generally designed to take advantage of the superior long-term returns.

FPS's strategies primarily invest in U.S. listed companies, but opportunities may exist in international and emerging markets and across market capitalizations. The Firm may invest in individual stocks across any industry or sector, but there are no mandates to have exposure to any industry or sector at any given time. Portfolio holdings are generally limited to positions that are a best fit for each strategy's objectives.

The overarching mission of Fortis is to offer clients well-rounded portfolio solutions by encompassing world-renowned research ideas which combine both fundamental and technical analysis in the selection of stock and ETF portfolio strategies. Purely fundamentally based stock strategies tend to be more fully invested, while their quantitative-based counterparts rely on more technical indicators to adjust to changing macro and microeconomic conditions. Higher than usual cash positions can also occur in all ETF stock and fixed-income portfolio strategies on a strategic basis. ETFs that invest in common stocks, preferred stocks, ADRs, fixed income, real estate, and commodities are eligible for selection; while leveraged ETFs and ETFs which invest in the alternative category are not eligible for selection risk control and adaptability.

#### *Leaders 50 Strategy*

Fortis' Leaders 50 uses a research-intensive approach to build a concentrated portfolio of high-conviction ideas with multi-year time horizon upon the belief that low-turnover, concentrated portfolios derived from sound fundamental research can generate attractive out-performance. The strategy invests in companies that are believed to be industry leaders, with quality attributes of

high returns on capital, strong balance sheets, and attractive valuations. Companies are primarily large-cap with occasional mid-cap exposure. There is no maximum or minimum stock, bond, or cash allocation restriction. While unlikely given the current configuration, the model could allocate one hundred percent (100%) to cash, or any other single asset class.

#### *Alpha 40 Strategy*

Fortis' Alpha 40 uses a multi-factor quantitative stock selection using factor-based research with the goal of providing additional total return versus the S&P 500 Index over time. Monthly stock selection is based on the underlying balance sheet factors which are most likely to influence positive stock momentum in the near term. Securities which are no longer attractive based on the relevant evaluation criteria are sold. The strategy remains fully invested with a high turnover of positions to most dynamically adjust to changing market conditions. The strategy from time to time may take a position in an ETF and higher than usual cash positions when warranted.

#### *Active/Passive ETF Strategy*

Fortis Active/Passive ETF can allocate equity funds, fixed income funds, real asset funds, and a cash component. Portfolio holdings may include international assets which have historically proven to lower risk and increase returns. However, investors may specify to exclude international holdings. Historically, the strategy adjusts portfolio holdings to higher equity exposure when various proprietary signals anticipate bull market conditions. The strategy has historically adjusted portfolio holdings to higher fixed-income and cash positions when warranted. The strategy may allocate to one hundred percent (100%) cash, although this is unlikely given current market conditions.

#### *Leaders Double Play Strategy*

Fortis' Leaders Double Play strategy is a combination of Leaders 50 Stock and Active/Passive ETF. Fortis Leaders 50 consists of companies that are believed to be industry leaders, with quality attributes of high returns on capital, strong balance sheets, and attractive valuations. Companies are primarily large-cap with occasional mid-cap exposure. Fortis Active/Passive ETF Equity can allocate up to six (6) equity funds, six (6) fixed-income funds, and a cash component. This top-level macroeconomic model uses a proprietary ranking system to determine the appropriate equity and fixed-income allocation. The investment strategy allocates between cash, fixed income, and equities depending on market conditions and can move to one hundred percent (100%) cash if warranted.

#### *Alpha Double Play Strategy*

Fortis' Alpha Double Play strategy is a combination of Alpha 40 Stock and Active/Passive ETF. Fortis Alpha 40 uses a multi-factor stock selection approach with the goal of providing additional total return against the S&P 500 Index. Monthly stock selection is based on the underlying factors most likely to influence near-term positive stock momentum. Fortis Active/Passive ETF Equity can allocate up to six (6) equity funds, six (6) fixed-income funds, and a cash component. This-level macroeconomic model uses a proprietary ranking system to determine the appropriate equity

and fixed-income allocation. The investment strategy allocates between cash, fixed income, and equities depending on market conditions and can move to one hundred percent (100%) cash if warranted.

#### *Catholic Values Strategy*

Fortis' Catholic Values offers investors the ability to align their investment strategy with the moral and social teachings of the Catholic Church. Our offerings are derived from the Fortis Leaders 50 Stock Strategy and then amended to exclude companies that offend Catholic teachings. Investment parameters are guided by the U.S. Conference of Catholic Bishop's principles to do no harm (avoid evil) and avoid companies whose products and services counter the values of Catholic moral teachings. Our most critical prerogative is to eliminate companies that have commerce related to abortion, contraception, and embryonic stem cell/human cloning. Additional customization of portfolio holdings will be offered for those investors who want to extend further elements of Catholic responsibility to their portfolio selection.

### **B. RISKS ASSOCIATED WITH METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

**Investing in financial securities involves certain investment risks. Securities may fluctuate in value or lose value. Investors in our strategies should be prepared to bear the potential risk of loss. FPS will assist our RIA clients in determining an appropriate strategy based on their clients' tolerance for risk and other factors noted above. However, there is no guarantee that an investor in our strategies will meet their investment goals. An investment in any FPS strategy is not intended as a complete investment program.**

The risks associated with a particular strategy are provided to each client in advance of investing client accounts. The advisor will work with each client to determine their tolerance for risk as part of the portfolio construction process. An investment in any FPS strategy is suitable only for those that can afford portfolio volatility and that have a limited need for liquidity in their investments. Unless otherwise stated, each of the risks discussed below apply to all FPS strategies.

**Market Risk.** The prices of securities are subject to market risks related to global economic conditions, growth rates, profit levels, interest rates as well as investor expectations of such considerations. Though stocks offer greater potential for capital appreciation, they are riskier and more volatile than other forms of investment.

**Valuation Risk.** The determination of the value of a security is subjective. Though FPS strategies seek to use technical/momentum indicators to increase the probability of market price to fair-value estimate convergence, a security's price may not rise to the estimate of what FPS believes is its fair value.

**Concentration Risk.** The strategies, particularly the Fortis Alpha 40 Stock Strategy, may become concentrated in certain securities at any given time, which could cause increased portfolio volatility compared to a heavily diversified portfolio or a broad market index.

**Capital Market Dependence Risk:** Holdings in the Fortis Leaders 50 Strategy are generally dependent on the healthy functioning of the capital/credit markets to continue paying their dividends/distributions. An exogenous shock, unexpected catalyst, or credit-market disruption that impairs a holding's credit quality or its future expected free cash flows may weaken the holding's ability to access new capital, resulting in a lower share price and a reduced dividend/distribution payout.

**Equity Price Risk:** Because equity capital is a source of funds that can be used not only for growth but also for dividend/distribution payments, a falling equity price due to market risk or any other catalyst may be dilutive to existing shareholders/unitholders if external funds are required at depressed prices.

**Interest Rate Risk:** In the event interest rates rise, dividend-paying equities may experience reduced demand as investors may prefer higher-yielding fixed-income instruments. This could result in selling pressure among portfolio constituents.

**Tax Considerations:** FPS's strategies may have unique and significant tax implications. 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 consult with a tax professional regarding the investment of your assets.

### **C. RISKS ASSOCIATED WITH CERTAIN TYPES OF SECURITIES**

**REIT- and MLP-Related Investment Risk:** Both real estate investment trusts (REITs) and master limited partnerships (MLPs) are what FPS considers capital-market dependent entities. Substantial changes in the perception of the MLP business model or the real estate markets may affect the prices of MLP and REIT securities, respectively.

**Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

**Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Frequent Trading Risk:** Frequent trading in securities can result in higher transaction costs in the client's account[s]. For taxable accounts, frequent trading can also result in taxable transactions each year that would not be present in a buy-and-hold strategy. There are no guarantees that a frequent trading strategy will correctly time purchases and sales of any particular security.

**Management Fee Risk:** FPS charges clients a portfolio management fee for its services, ranging from 0.50%-1% depending on the strategy. Clients should be aware of the impact that portfolio management fees can have on performance over long periods of time and be willing to accept this risk.

**Market Valuation Risk:** The strategies of FPS generally seek to be fully invested in equities at any given time. In the event the broader equity markets become substantially overvalued, an adverse shock to the downside could generate materially volatile returns across the FPS portfolios for an indeterminate length of time. We do not represent or guarantee that our methods of analysis can or will successfully identify market tops or bottoms or insulate clients from losses.

**Active Investing Risk:** An actively managed portfolio is riskier than a passively managed portfolio that replicates an index because it contains fewer stocks than its benchmark index. Indexes are unmanaged, and an investor cannot invest directly in an index. FPS portfolio strategies are all considered active strategies, even when a passive ETF index is used as a component in a tactical allocation decision.

**Equity Securities:** The value of the equity securities is subject to market risk, including changes in economic conditions, growth rates, profits, interest rates, and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and riskier than some other forms of investment.

**Exchange Traded Funds ("ETF"):** ETFs are a recently developed type of investment security, representing an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry or sector. Unlike open-end mutual funds, the shares of ETFs and closed-end investment companies are not purchased and redeemed by investors directly with the fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETF's performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including

management fees, custodial and accounting costs, and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.

**Fixed Income Securities Risk:** Prices of fixed income securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect fixed income security prices. The longer the effective maturity and duration of the client's portfolio, the more the portfolio's value is likely to react to interest rates. For example, securities with longer maturities sometimes offer higher yields, but are subject to greater price shifts because of interest rate changes than debt securities with shorter maturities. Some fixed income securities give the issuer the option to call, or redeem, the securities before their maturity dates. If an issuer calls its security during a time of declining interest rates, we might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value because of declining interest rates. During periods of market illiquidity or rising interest rates, prices of callable issues are subject to increased price fluctuation.

**Mutual Fund Shares:** Some of the risks of investing in mutual fund shares include: (i) the price to invest in mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads), (ii) investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs, and (iii) investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.

**Options and Other Derivatives:** Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a "naked" or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk, and interest rate risk.

**While this information provides a synopsis of the events that may affect the performance of FPS strategies, this listing is not exhaustive. Although FPS' methods of analysis and investment strategies do not present any significant or unusual risks, all investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors in our strategies should understand that there are inherent risks associated with investing and depending on the risk occurrence; investors may suffer LOSS OF ALL OR PART OF THEIR PRINCIPAL INVESTMENT.**

## **ITEM 9. DISCIPLINARY INFORMATION**

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Registered Investment Advisors are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. FPS has no legal or disciplinary events of a material nature that might impact a client's or prospective client's evaluation of the Company's business's integrity or the integrity of its management.

## **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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In the interest of promoting fair, equitable, and ethical principles as a registered investment advisor, we are required to disclose when FPS, our representatives or any of our employees may have any material conflicts of interests which may impair the rendering of unbiased and objective advice. Any known and potential material conflicts of interest that may impair the client advisory relationship are reasonably disclosed in this Brochure.

### **A. FINANCIAL INDUSTRY ACTIVITIES**

FPS is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. However, Ms. Hutchens, in her individual capacity, is a registered representative of a broker-dealer, CoreCap Investments, LLC and is also an Investment Advisor Representative of CoreCap Investments, LLC's affiliate RIA, CoreCap Advisors.

### **B. FINANCIAL INDUSTRY AFFILIATIONS**

FPS is not a registered Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor and does not have an application pending to register as such. Furthermore, FPS's management and supervised persons are not registered as and do not have an application pending to register as an associated person of the foregoing entities.

### **C. OTHER MATERIAL RELATIONSHIPS**

FPS does not have any arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading advisor or futures commission merchant, banking or thrift institution, law firm, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships other than those already disclosed herein.

FPS has designed and implemented procedures to ensure that any real or perceived conflicts of interest do not influence the allocation of investment opportunities to FPS clients.



## **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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### **A. DESCRIPTION OF CODE OF ETHICS**

All employees of FPS must act in an ethical and professional manner. In view of the foregoing and applicable provisions of relevant law, FPS has adopted a Code of Ethics in its Employee Policies and Procedures Manual to specify and prohibit certain types of transactions deemed to create conflicts of interest (or the potential for or the appearance of such conflicts), and to establish reporting requirements and enforcement procedures relating to personal trading by FPS personnel. FPS Code of Ethics in its Employee Policies and Procedures Manual, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

### **B. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

FPS does not recommend or affect transactions in securities in which any related person may have material financial interest.

### **C. PROPRIETARY/SIMULTANEOUS TRADING**

At times, FPS or its affiliated persons may buy or sell securities for its own accounts that it has also recommended to clients. However, any purchase or sale of a security by FPS or a related person will be subject to FPS's fiduciary duty to client accounts. From time to time, representatives of FPS may buy or sell securities for themselves at or around the same time as FPS's client accounts. In any instance where similar securities are bought or sold, FPS will uphold its fiduciary duty by always transacting on behalf of the client before transacting for its own benefit. FPS will always document any transactions that could be construed as conflicts of interest. To mitigate or remedy any conflicts of interest or perceived conflicts of interest, FPS will monitor its proprietary and personal trading reports for adherence to its Code of Ethics.

## **ITEM 12. BROKERAGE PRACTICES**

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### **A. SELECTION AND RECOMMENDATION**

FPS seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that, overall, are most advantageous when compared to other available providers and their services.

FPS considers a wide range of factors in selecting a custodian/broker including, among others, the following:

- Timeliness of execution
- Clearance and settlement capabilities
- Ability to place trades in difficult market environments
- Timeliness and accuracy of trade confirmations
- Quality of account statements
- Research, execution facilitation, record keeping, custody and other “value-added” services provided
- Frequency and correction of trading errors
- Financial condition and willingness to commit capital
- Business reputation and integrity
- FPS’s prior experience with the custodian/broker

To this end, FPS has established multiple brokerage and custodian relationships with Charles Schwab (“Schwab”), T.D. Ameritrade (“TDA”), Fidelity, Goldman Sachs, Pershing, and Raymond James (together, the “Custodians” and each a “Custodian”). FPS is independently owned and operated and is not affiliated with any of the above custodians. The Custodians will hold client assets in a brokerage account and buy and sell securities only when FPS or the client instructs them to.

Custodian recommendations are based on the client’s account size, investment objectives, trading frequency, and overall portfolio strategy. FPS has determined that having the selected custodians execute trades is consistent with our duty to seek “best execution” of client trades.

## **B. RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

We place orders to purchase and sell investments through each client’s broker(s) or dealer(s). In selecting among client’s broker(s) or dealer(s) for any transaction or series of transactions, we may consider a number of factors including, for example, net price, reputation, financial strength and stability, efficiency of the trade executions FPS receives, willingness to execute related or unrelated difficult transactions, and other matters ordinarily involved in the receipt of brokerage service generally. We will only utilize brokers licensed in the state where the client resides.

We may cause client accounts to pay higher commissions to a broker or dealer that provides brokerage or research services to us if we determine in good faith that the amount of such commission is reasonable in relation to the value of the brokerage or research services provided by such executing broker or dealer viewed in terms of particular transaction(s) or our overall responsibilities to client accounts.

### **C. BROKERAGE FOR CLIENT REFERRALS**

FPS does not receive client referrals from third parties for recommending the use of specific broker-dealer brokerage services.

### **D. DIRECTED BROKERAGE**

FPS has established several custodial relationships in order to provide clients with choices based on their needs.

FPS therefore does not permit clients to direct the use of a particular brokerage firm beyond those custodial relationships FPS already has in place. Not all advisors restrict clients' ability to direct brokerage. Clients may be able to direct brokerage with other advisors. If clients are able to direct brokerage, advisors may be unable to achieve the most favorable executions of transactions which in turn may cost clients more money.

### **E. ORDER AGGREGATION**

Clients should be aware that we may aggregate sale and purchase orders of securities held in their account with similar orders being made simultaneously for other accounts managed by FPS, including affiliates of FPS, if, in our judgment, such aggregation results in an overall economic benefit to the client account(s) based on an evaluation that the client account(s) is benefited by relatively better purchase or sale prices, lower commission expenses, and beneficial timing of transactions, or a combination of such factors.

When aggregating a sale or purchase of various accounts the guidelines for Priority Process are as follows:

1. When possible, configure a profile that will allow for a bunched order with trades being executed and distributed randomly electronically by the executing broker, where all orders occur at the same price and whose time for first in to fill for execution is set by the executing broker's execution software. In the case of partial fills, FPS will have discretion to change the limit order price and/or cancel the remaining portion of the order, which may result in some clients or affiliated members having different executions.
2. Clients' orders which are not placed in a bunched order will be placed prior to affiliated members' when trades are not bunched and executed in the same security.
3. Involving execution where only client accounts are involved or sent prior to affiliated accounts and orders are not arranged in a bunched order, clients' orders will be randomly chosen to be entered first. FPS will attempt to organize time of execution such that no client is executed twice in the same order before all other clients have been executed in that slot. For Example, client A is sent and executed before client B. Client A will not have a security executed and sent first until client B has had a second separate order sent and executed first on subsequent transactions.

4. FPS can choose to use discretion based on what is viewed best for its clients involved should circumstances arise that are best suited for all clients.
5. Clients of FPS will not cross orders (opposite sides of the market at the same time).

#### **F. TRADE ERROR POLICY**

FPS maintains a record of any trading errors that occur in connection with investment activities of its clients. In accordance with SEC recommendations, FPS will bear any losses due to trading errors and the client account will benefit from any gains due to trading errors.

### **ITEM 13. REVIEW OF ACCOUNTS**

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#### **A. PERIODIC REVIEWS**

FPS will conduct a review of client accounts and financial plans to monitor various things, such as third party portfolio managers investment performances and asset allocations. The reviews also consist of determining whether a client's investment goals and objectives are aligned with FPS's investment strategies. FPS will conduct the reviews annually unless a shorter period of time is requested by the client or as circumstances necessitate. The reviews are overseen by Meridith Hutchens, Managing Member, and David Guzy, Chief Compliance and Operating Officer.

#### **B. INTERMITTENT REVIEW FACTORS**

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or changes in the client's financial status (such as retirement, termination of employment, relocation, inheritance, etc.). Clients are advised to notify FPS promptly if there are any material changes in their financial situation, investment objectives, or in the event they wish to place restrictions on their account.

#### **C. REPORTS**

Clients may receive confirmations of purchases and sales in their accounts and will receive, at least quarterly, statements containing account information such as account value, transactions, and other relevant information. Confirmations and statements are prepared and delivered by the client's custodian.

## **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

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### **A. ECONOMIC BENEFITS FROM OTHERS**

FPS does not receive an economic benefit (such as sales awards or other prizes) from any third party for providing investment advice or other advisory services to its clients.

### **B. COMPENSATION TO UNAFFILIATED THIRD PARTIES**

FPS does not compensate, directly or indirectly, any person who is not a supervised person for client referrals.

## **ITEM 15. CUSTODY**

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### **A. CUSTODIAN OF ASSETS**

Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them.

While FPS does not have physical custody of client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds client funds pursuant to the client's account application. Prior to permitting direct debit of fees, each client provides written authorization permitting fees to be paid directly from the custodian. FPS will provide the RIA client a written invoice itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. Clients will receive independent statements from the Client's custodian, at least quarterly, showing all disbursements for the account(s), including the amount of the advisory fee, which will include our fee.

### **B. ACCOUNT STATEMENTS**

In our arrangements with the custodians, we do not have access to the individual accounts or statements of the investors who are in our strategies. Investors will receive statements directly from the custodian. When the investor receives these statements, they should be reviewed carefully. Our RIA clients and their investors should compare asset values, holdings, and fees on the statement to that in the account statement issued the previous period.

## **ITEM 16. INVESTMENT DISCRETION**

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Our firm provides services to other Registered Investment Advisors ("RIAs"). We empower advisors by providing high-quality investment strategies that they can offer to those of their clients

who value a risk-conscious approach to investing. FPS does not maintain discretionary authority over any client assets.

### *INVESTMENT LIMITATIONS AND GUIDELINES*

FPS manages investments in accordance with its portfolio strategies and the client's investment objective, policies and restrictions. A client may, from time to time, revise, supplement, or otherwise modify the guidelines by specifying such revision, supplement, or amendment in writing to the firm; provided, however, that no such revision, supplement, or modification shall be effective until written notice thereof is received by the Firm.

Due to the proprietary nature of FPS's portfolio management services and the strategies outlined, clients may not be able to participate the Firm's strategies upon imposing restrictions on the investment in certain securities, types of securities, or industry sectors.

## **ITEM 17. VOTING CLIENT SECURITIES**

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FPS will not vote proxies which are solicited for securities held in client accounts. FPS will not be required to render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the client's account may be invested in occasionally. Furthermore, FPS will not take any action or render any advice with respect to any securities held in any client's accounts that are named in or subject to class action lawsuits. FPS will however, forward to the client any information received by FPS regarding class action legal matters involving any security held in the client's account.

## **ITEM 18. FINANCIAL INFORMATION**

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### **A. BALANCE SHEET REQUIREMENT**

FPS is not the qualified custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, six (6) months or more in advance.

### **B. FINANCIAL CONDITION**

FPS does not have any financial impairment that would preclude the Firm from meeting contractual commitments to clients.

### **C. BANKRUPTCY PETITION**

FPS has not been the subject of a bankruptcy petition at any time during the last 10 years.

## **PRIVACY POLICY**

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An important part of the relationship we have with our clients is the information they share with us. We want each client to know how we treat their private information. We keep personal information such as Social Security Numbers and account balances confidential. We take steps to safeguard this data from anyone who should not have access to it. We do not sell this information to anyone.

In dealing with Fortis Portfolio Solutions, LLC (“FPS”), clients can expect that we will take the steps outlined below to keep all their information confidential and secure.

### **OUR PRIVACY POLICY**

In providing financial services and products (“Service”) to our clients, we collect certain non-public information about them. Our policy is to keep this information confidential and strictly safeguarded, and to use or disclose it only as needed to provide services to our clients, or as permitted by law. Protecting your privacy is important to us.

### **INFORMATION WE COLLECT**

The non-public personal information we have about clients includes the information they give us when opening an account or communicating with us. This could include:

- Name and address
- Social Security Number
- Investment objectives and experience
- Financial circumstances
- Employment history
- Account balances and transactions

### **HOW WE SHARE YOUR PERSONAL INFORMATION**

We do not sell personal client information to anyone.

**Affiliates.** We may share personal information about you with our affiliated companies for everyday business purposes, however, our affiliated companies are not permitted to use this information to market their products or services to you.

We do not disclose personal information about our clients to non-affiliated third parties, without expressed written consent. We may disclose anonymous information that cannot be linked to an individual client on occasion, but only to companies that we hire to help us provide products and services to our clients, or as required by law, or as authorized by the client personally, or as otherwise described in this Privacy Policy.

**Service Providers.** Companies and individuals that provide services on our behalf or help us operate our services and business (such as IT, hosting, investment trading, customer relationship management and support, print and mail fulfillment, data management, email delivery, etc.).

**Service-Related Third Parties.** Brokers, custodians, administrators, transfer agents, investment funds, and their respective managed and other non-affiliated third parties as necessary to provide our services to you.

## **HOW INFORMATION IS USED**

We use your personal information for the following purposes:

**Service Delivery.** We use your personal information to provide, operate, and improve the Service; execute your transactions; provide support for the service; and respond to your inquiries, questions and feedback.

**Compliance and Operations.** We may use your personal information to: comply with applicable laws, lawful requests, and legal process, such as to respond to subpoenas or requests from government authorities; protect our, your or others' rights, privacy, safety or property (including by making and defending legal claims); audit our internal processes for compliance with legal and contractual requirements and internal policies; and prevent, identify, investigate and deter fraudulent, harmful, unauthorized, unethical or illegal activity, including cyberattacks and identity theft.

## **HOW INFORMATION IS SAFEGUARDED**

We have procedures in place that we believe are reasonably designed to protect the security and confidentiality of client information. These include confidentiality agreements with companies we hire to help us provide services to clients, password-protected user access to our computer files, and strict confidentiality policies that apply to all FPS personnel, vendors, and contractors.

## **YOUR DATA CHOICES**

You have the following choices with respect to your personal information:

**Decline to provide information.** We need to collect personal information to provide certain services. If you do not provide the information requested, we may not be able to provide those services.



**How to contact us.** You can reach us in the following ways:

- Mail: 1901 North Roselle Road  
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Schaumburg, Illinois 60195
- Email: [mer@fortisportfolio.com](mailto:mer@fortisportfolio.com)
- Phone: 713-854-6442