

# Form ADV Part 3 – Client Relationship Summary

Date: 09/18/2022

## Item 1: Introduction

FORTEM FINANCIAL GROUP, LLC is an investment adviser registered with the Securities and Exchange Commission offering advisory accounts and services. Brokerage and investment advisory services and fees differ, and it is important that you understand the differences. This document gives you a summary of the types of services and fees we offer. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for free, simple tools to research firms and financial professionals, as well as educational materials about broker-dealers, investment advisers, and investing.

## Item 2: Relationships and Services

*Questions to ask us: Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

What investment services and advice can you provide me? Our firm primarily offers the following investment advisory services to retail clients: a portfolio management program (we review your portfolio, investment strategy, and investments); financial planning (we assess your financial situation and provide advice to meet your goals). As part of our standard services, we typically monitor client accounts on a weekly basis. Our firm has discretionary management without any material limitations. We do *not* limit the types of investments that we recommend. Our firm does *not* have a minimum account size. Fortem also manages client accounts in a wrap fee program in some cases. Our firm also offers cash and credit management services through our affiliate “FTCS.” Please also see our Form ADV Part 2A (“[Brochure](#)”), specifically Items 4 & 10.

## Item 3: Fees, Costs, Conflicts, and Standard of Conduct

*Questions to ask us: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me? How might your conflicts of interest affect me, and how will you address them?*

What fees will I pay? Our fees vary depending on the services you receive. Additionally, the amount of assets in your account affects our advisory fee; the more assets you have in your advisory account, the more you will pay us and thus we have an incentive to increase those assets in order to increase our fee. For hourly fee arrangements, each additional hour (or portion therefore) we spend working for you would increase the advisory fee. Our fixed fee arrangements are based on the amount of work we expect to perform for you, so material changes in that amount of work will affect the advisory fee we quote you. The asset-based fee will be prorated and paid quarterly in advance. For the initial quarter, the fee is based upon the value of the assets being managed by us at the time the account is funded by such assets. In subsequent quarters, the fee is based upon the market value of the average daily account balance of the assets being managed by us for the previous quarter. For the initial quarter, the fee is calculated on a pro rata basis, while the fees for subsequent quarters are adjusted because of the use of an average daily account balance from the previous quarter. No portion of the Wealth Management Fee will be based on capital gains or appreciation of the assets. You pay our fees even if you do not have any transactions and the advisory fee paid to us generally does not vary based on the type of investments selected. Please also see Items 4, 5, 6, 7 & 8 of our [Brochure](#).

Some investments (e.g., mutual funds, variable annuities, etc.) impose additional fees (e.g., transactional fees and product-level fees) that reduce the value of your investment over time. The same goes for any additional fees you pay to a custodian. For the wrap fee program, you will not typically pay additional transaction fees and thus our advisory fee is higher than if you paid transaction fees separately. **You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.** Please also see our [Brochure](#) for additional details.

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**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?:** *When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:*

- Certain of our Firm’s advisors, in their individual capacities, are registered representatives (“RRs”) of an unaffiliated broker-dealer, where they are compensated for and service brokerage products, such as 529 plans, they recommended when they were RRs of a global brokerage firm. The receipt of brokerage compensation provides an incentive to recommend securities transactions for the purpose of being compensated for product sales rather than solely based on a client's needs. The RRs do not currently recommend initial sales of new brokerage products to the Firm’s clients, and would only do so in the future if they believed that such recommendation were in the best interest of the client. Additionally, Fortem Financial personnel do not receive both advisory fees and brokerage compensation and advisory compensation on the same client assets (e.g., they do not "double dip").
- We receive research, client referrals and other benefits from Schwab, a custodian we recommend to hold your assets. This gives us an incentive to continue to use or expand the use of Schwab’s services.
- If we manage your portfolio in a wrap fee program, we have an incentive to limit trading in your account and to favor asset types that do not have a transaction fee in order to minimize trading expenses that we would have to normally pay out of our management fee.
- Our affiliates FTCS and FRS receive fees from the network institutions and certain administrative services providers in exchange for allowing them to participate in the FTCS credit and cash management programs or FRS programs and thereby to offer their services to our clients. We therefore have a conflict of interest when we recommend that clients use the credit and cash management services of FTCS or the services of FRS.

For additional information, please refer to Item 5, Item 12 and Item 14 of our Brochure, and to Item 4 of our Wrap Brochure.

How do your financial professionals make money? The financial professionals servicing your accounts are compensated through salary and/or a percentage of the advisory fees the Firm receives. The factors primarily driving the salary and bonus for each financial professional include the amount of assets serviced by the professional and the revenue the firm and/or our affiliates generate from the professional’s services or recommendations. This presents a conflict and incentive for the financial professional to encourage you to increase the assets in your account or recommend certain products or services offered by our affiliates. We and our affiliates refer clients to third-party providers and are eligible to receive additional compensation for those referrals. Please also see Item 10 of our Brochure for additional details.

## Item 4: Disciplinary History

***Questions to ask us: As a financial professional, do you have any disciplinary history? For what type of conduct?***

Do you or your financial professionals have legal or disciplinary history? Yes, we do have legal and disciplinary events. Visit <https://www.investor.gov/> for a free, simple search tool to research us and our financial professionals.

## Item 5: Additional Information

***Questions to ask us: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?***

For additional information on our advisory services, see our Brochure available at <https://adviserinfo.sec.gov/firm/summary/291662> and any individual brochure supplement your representative provides. If you have any questions, need additional information, or want another copy of this Client Relationship Summary, then please contact us at 760-206-8500.