Client Relationship Summary

(October 2021)

INTRODUCTION

Broker Dealers and Investment Advisors offer different services and fees structures. It is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisors, and investing.

Fortune Financial Services, Inc. (FFSI) is a limited purpose broker dealer, registered with the Financial Industry Regulatory Authority (FINRA) which only allows our independent contractor Registered Representatives (RR) to sell mutual funds, variable annuities and life as well as indexed annuities. FFSI does not use a clearing firm or central platform. All business is transacted at and held directly by the issuing company. Before any sale is made it must be securely sent to our Compliance Department for review and approval.

Fortune Financial Services, Inc. is affiliated with registered investment advisor, Prosperity Wealth Management through common control. Please review Prosperity Wealth Management's Form CRS.

Fortune Financial Services' Registered Representatives are all independent contractors and maintain and pay for their own office space that Fortune designates as a branch. Our firm is structured so that all RRs and all business is supervised from the home office by a team of licensed compliance professionals.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

Your RR may recommend that you purchase investment company products to help you reach your financial goals. The brokerage services they can offer are limited to:

> **Mutual Funds** that pool money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. Investors buy shares in mutual funds. Each share represents an investor's part ownership in the fund and the income it generates.
> **Variable Annuities/Life** is a contract between you and an insurance company. It serves as an investment account that may grow on a tax-deferred basis and includes certain investment subaccounts and insurance features, such as the ability to turn your account into a stream of periodic payments.
> **Indexed Annuities** is a contract between you and an insurance company. It generally promises to provide returns linked to the performance of a market index that consist of a hypothetical portfolio of securities representing a particular market or part of a market.

Your RR will gather information on you, your goals, your assets, and other pertinent information so that they can recommend an investment that works in your best interest. Please read all offering, disclosure, or other documents as they contain important information.

Neither Fortune Financial Services, Inc., nor our Registered Representatives provide monitoring services as part of your contract/account. As independent contractors, RRs may, on a periodic or irregular basis, review your account and may offer additional recommendations. Any review provided by your RR is not contractual and there is no separate fee for any monitoring.

FFSI does not allow your RR to have any discretionary authority over the investments that you purchase through Fortune.

All account minimums and other requirements to open an account are set by the issuing company for that product.

> ***Conversation Starters***
> "Given my financial situation, should I choose a brokerage 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 FEES WILL I PAY?

FFSI and your RR do not charge fees when selling investments. Any product that you purchase through FFSI will have fees, charges, costs and/or expenses, set by the issuing company. Mutual fund fees include but are not limited to sales charges (upfront, backend or ongoing), internal expenses, and marketing fees. Depending on the amount invested, you may qualify for a lower fee. Variable products have a base annual expense as well as additional charges for any contract enhancements you may choose to purchase. Indexed annuities may have no upfront charges or ongoing expense, but the insurance company recaptures its costs in the

Securities offered through Fortune Financial Services, Inc.
3582 Brodhead Road, Suite 202, Monaca, Pennsylvania 15061
Telephone: 724-846-2488 • Fax: 724-846-0170

difference between the return of the chosen index and the calculated amount credited to your account. Sometimes you will earn nothing on your indexed investment and, based on the options you chose, could lose principal.

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.

Each product has a price for shares purchased calculated by the company. There may be additional fees for expedited services, mailing, wiring, or other transaction fees. All these fees are described in the product's prospectus.

> ***Conversation Starters***
> "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?"

WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN PROVIDING RECOMMENDATIONS? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?

When we provide you with a recommendation, we must 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 recommendation we provide you. Here are some examples to help you understand what this means.

Compensation: FFSI is paid a commission from the insurance or investment company for each contract sold and/or when you make an additional investment. Some investment types and/or companies may pay larger commissions for certain products. Some products pay additional compensation for marketing and distribution. FFSI does not promote, encourage, or specify which of the approved products your RR recommends to you.

Limited Products: FFSI only offers Mutual Funds, Variable Annuities/Life and Index Annuities limiting the recommendations provided to you.

> ***Conversation Starters***
> "How might your conflicts of interest affect me, and how will you address them?"

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Fortune Financial Services is paid a commission for new sales and transactions that add money to your investments. The rates that we are paid are set by the issuer, as disclosed in their offering material. Fortune then pays your RR an agreed upon percentage of those commissions.

Occasionally, issuing companies may pay for, or reimburse RRs for, product training, marketing costs or client events. All such non-cash compensation must be reviewed and approved by FFSI.

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

YES – Fortune Financial Services, Inc does have a disclosure history. Some of Fortunes independent contractor RRs may also have disciplinary history. Please visit Investor.gov/CRS or https://brokercheck.finra.org/ for a free and simple search tool to research FFSI and our Registered Representatives.

> ***Conversation Starters***
> "As a financial professional, do you have any disciplinary history? For what type of conduct?"

You can receive additional information, review the definition of terms used, or request a copy of the relationship summary by calling 724-846-2488 or go to our website www.fortunefinancialservices.com

> ***Conversation Starters***
> "Who is my primary contact person? Who can I talk to if I have concerns about how my RR is treating me?"

Securities offered through Fortune Financial Services, Inc.
3582 Brodhead Road, Suite 202, Monaca, Pennsylvania 15061
Telephone: 724-846-2488 • Fax: 724-846-0170