

creating & managing wealth



PROFESSIONALLY MANAGED ACCOUNT SOLUTIONS

Mutual Funds, Exchange Traded Funds (ETF's), Variable Annuity sub-accounts, 401(k)'s, SMA/UMA platforms

RISK-BASED PORTFOLIOS

Managed Bond, Moderate, Moderate Growth, Growth, Aggressive Growth

COMPUTER-AIDED INVESTMENT PROCESS

Systematic, unemotional investment decisions

ACTIVE MANAGEMENT

Tactical Asset Allocation attempts to move client assets towards potential growth areas

MINIMIZING RISK IN TODAY'S VOLATILE MARKETS

Cornerstone Asset Management Services, Inc. (CAMS) brings advanced computer-aided asset management services, once reserved for large institutions and pensions, to the average investor.



CAMS' strategies operate by analyzing the price behavior of mutual funds and ETF's to determine the area(s) of potential investment. We believe that active management aimed at minimizing risk while continually searching out growth opportunities in a systematic, unemotional investment process will outperform standard benchmarks over the long-term.

- For Investment Professional Use Only -

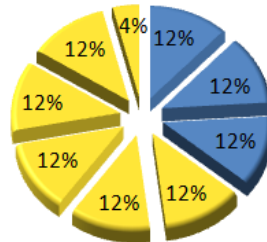
The Cornerstone Philosophy

- Since the traditional “Buy and Hold” strategy from the 1990’s has not been the best solution in the 2000’s, investors are recognizing the need for a more tactical approach to asset management
- There are times to own stocks, bonds and every other asset class, including cash or money market
- We believe that in order to reduce volatility, it is important to diversify across asset classes that perform well in varying economical environments
- Our priority is seeking to grow assets through prudent management, while minimizing loss by actively managing downside risk

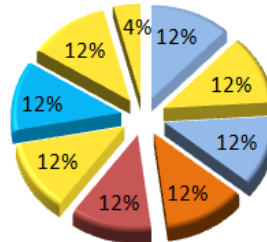
The Cornerstone Sample Portfolios

Moderate Growth Portfolio Comparison

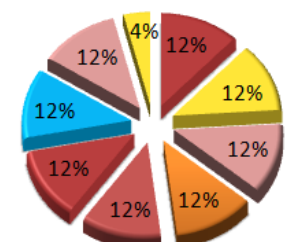
Recessionary Economy



Recovering Economy

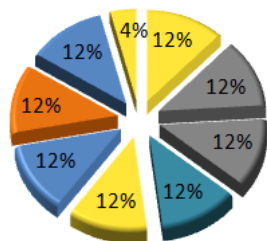


Strengthening Economy

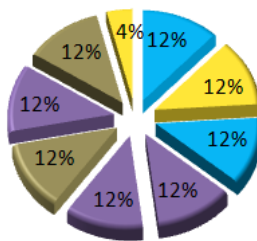


Aggressive Growth Portfolio Comparison

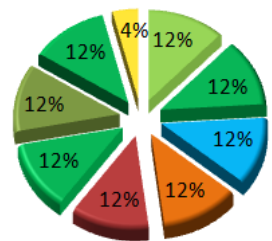
Recessionary Economy



Recovering Economy



Strengthening Economy



- | | | |
|--------------------|-------------------------|----------------------|
| ■ Cash | ■ Long Government Bonds | ■ Intermediate Bonds |
| ■ Technology | ■ Large-Cap Blend | ■ High Yield Bonds |
| ■ Large-Cap Growth | ■ Mid-Cap Blend | ■ Inverse Fund |
| ■ World Bonds | ■ Emerging Markets | ■ Precious Metals |
| ■ Healthcare | ■ Utilities | ■ Real Estate |

FREQUENTLY ASKED: HOW OFTEN DO YOU TRADE?

Each position we purchase has a minimum holding period ranging from 60-135 days. Therefore, a typical strategy will trade 4-6 times a year. With 5-8 positions in each portfolio, we normally see 20-50 trades per year.

WHY ARE THERE 5-8 POSITIONS?

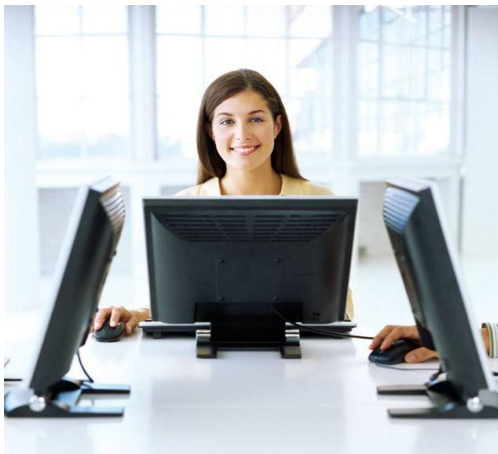
Our research shows that 5-8 positions still accomplishes the diversification needed to lower risk, while not ‘watering-down’ the portfolio with too many positions.

CAN I SEE MY ACCOUNTS ONLINE EVERYDAY?

Yes, we provide access to our managed accounts online to clients and their financial advisors.

The Cornerstone Portfolio

- Our portfolios do not fit into a specific style box or category because the allocations change frequently, and sometimes significantly
- The investment process produces low-volatility portfolios, with typical portfolio betas of 0.30 - 0.60, versus the S&P benchmark of 1.00
- Based on the current market conditions, an investor's account may be 100% invested in equities and 30 days later, could be 100% in bonds or cash, given their individual risk tolerance and portfolio selection
- The allocation of assets becomes dynamic – changing in response to market conditions and potential opportunities for growth



Computer-Aided Investment Process + Technical Analysis Overlay

- The Cornerstone portfolio managers begin the investment process by building and back-testing investment models designed to generate trading signals
- These models analyze 10-25 investment choices selected by the manager, to identify a security for investment
- Funds are selected based on: sector correlation, price behavior, correlation to other investments in the group, etc.
- Our research shows that by applying basic technical analysis to our model strategies and the investment choices, we can significantly reduce the drawdown experienced during periods of market decline
- We find that we can lower the instance of quick market reversals or 'whip-saws' by applying the same technical indicators, thus increasing our percentage of profitable trades

WHAT ASSET CLASSES ARE CONSIDERED?

We believe that every asset class has the potential for positive performance. Therefore we have the ability to hold every asset class in every portfolio. A broad spectrum of investment options increases the chances of having a productive strategy over a wider range of investment & economic environments.

WHAT LIMITS ASSET CLASSES?

We do place limits on the number of positions that can be held in our Moderate and Moderate Growth portfolios to control the portfolio's exposure to riskier asset classes.

How Cornerstone can help you...

- Evaluate client needs and implement *customized* strategies
- Strive to *protect* clients' assets with our proprietary process
- Conduct *daily-monitoring* of current positions
- Provide actively managed *options* to qualified plans
- Strategically partner with those who value quality *relationships*

Systematic • Unemotional • Disciplined

"We offer services to a select group of independent financial advisors who value strategic relationships. We welcome the opportunity to help you create and manage wealth."

- George Anastasakis
President



For more information or to schedule a webcast with a portfolio manager, call us at 877.514.9477

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Professionally Managed
Account Solutions

Risk-Based Portfolios

Computer-Aided
Investment Process

Active Management

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