

Cornerstone Financial Advisors

Fee-only Investment Management & Financial Planning Services

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O **Cornerstone Financial Advisors** ("Cornerstone") is a **fee-only** financial advisory services company providing investment management services, financial planning services and general financial advisory services to individuals, fiduciaries and trusts. Cornerstone is owned by Maricela M. Ledergerber who has over 35 years experience in accounting, investment banking, investment management services and financial advisory services.

O **General Investment Services:** Cornerstone's **fee-only** services consist primarily of individually designed portfolio management plans based on each client's written investment policy. These services are provided for many types of portfolios including individual, corporate, retirement and other types of fiduciary accounts. Included in these services are:

- o Development of customized investment strategy
- o Preparation of the investment plan or asset allocation plan
- o Selection of specific investments
- o Implementation of agreed-upon investments
- o Monitoring, portfolio re-balancing, and portfolio performance measurement.

O **Investment Selection:** Cornerstone exclusively recommends public market securities and funds, which include mutual funds (no-load), closed-end funds, stocks and fixed income issues.

O **Investment Implementation, Monitoring and Reporting:** Cornerstone maintains arrangements with selected brokerage entities, including Charles Schwab for the purpose of implementing client investment plans. Cornerstone does not have any financial interest in any brokerage entity nor does Cornerstone receive any direct or indirect fees from any broker. Cornerstone employs state-of-the-art portfolio management systems that facilitate efficient investment plan implementation, monitoring and quarterly reporting to clients.

O **Comprehensive Financial Planning:** For individual clients, Cornerstone normally prepares a comprehensive financial plan, or a focused plan, based on the client's goals and objectives. A comprehensive financial plan includes the coordination of various financial planning disciplines such as cash planning, tax planning, estate planning, contingency planning and retirement planning. Based upon each client's financial plan, a (required) investment plan rate of return is identified. Cornerstone then designs an investment strategy that targets the client's financial plan required rate of return; thereby, integrating the investment services function with the long range financial plan. We believe that this disciplined investment planning approach will maximize the client's wealth in the long run.

O **Fee-Only Services:** Cornerstone's **fee-only** financial planning services are provided on a fixed fee basis based on each client's needs. Normally, a comprehensive financial plan will range from \$4,000 and up depending upon the complexity of facts and circumstances unique to each client. The **fee-only** investment advisory services are provided per an "asset-based fee" schedule or “a percentage of assets under management” which aggregates all of a client's portfolio values and uses the following sliding fee scale:

- o \$500,000 or less 1.00 % of managed assets
- o \$500,001 to \$1,000,000 .75 % of managed assets
- o \$1,000,001 and above .50 % of managed assets.

Cornerstone works with clients who desire either investment management services or financial planning services. There is a minimum fee of \$4,000 for investment management services and \$4,000 for financial planning. If a client contracts for both financial planning and investment management services, a lower, blended fee arrangement is available. Cornerstone's **fee-only** compensation structure allows us to always remain independent.

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