

Cornerstone Asset Management Inc.  
Part 2A of Form ADV  
March, 2012

## ADVISORY BUSINESS

Cornerstone Asset Management Inc. (CAMCO) was formed in 1987 by Scott Campbell. It is currently organized as a California corporation. Mr. Campbell is the controlling shareholder and President of the firm.

CAMCO's main service is as the investment advisor to Cornerstone Investment Partners LLC (CIP). The CIP is an SEC Regulation D privately offered investment partnership.

CAMCO hires independent SEC registered investment advisors to manage the investments of the CIP. These advisors manage their individual portfolios within the CIP and are typically 100% responsible for all investment decisions. On extremely rare occasions, the Advisor will place an investment into the portfolios of the CIP. The Advisor monitors and reviews all accounts managed by the independent advisors on a continual basis.

Clients may invest funds in and withdraw funds from the CIP only at the beginning of a month or a calendar quarter, depending on the portfolio. Because of this the CIP is not a liquid investment.

The minimum account generally accepted is \$200,000.

A bank or trust company is selected to provide custody services for client funds invested in the CIP.

## FEES AND COMPENSATION.

Fees for the CIP are based on the market value of the assets managed and are billed monthly in arrears. Fees incorporate all advisory fees of the advisor and the retained advisors, client consultation, reports and evaluations, and year end report and summation for tax reporting.

The scheduled annual rate is 2.0%. This fee is not negotiable and all clients pay the same fee. All individual clients must meet certain net worth and/or income requirements.

In addition, CAMCO may receive a performance-based fee of 15% of net profits on a portfolio. Minimum return to investor after taking the 15% net profit fee must be at least