

Item 1 Cover Page

Cornerstone Alternatives
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December 9, 2024

This brochure provides information about the qualifications and business practices of Cornerstone Alternatives (CRD #330043). If you have any questions about the contents of this brochure, please contact us at (315) 416-3384. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as a registered investment advisor does not imply a certain level of skill or training.

Additional information about Cornerstone Alternatives also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

December 9, 2024: Item 4 was modified to disclose a change in ownership of Cornerstone Alternatives and to disclose changes in service options for investment advisory clients. Item 5 was modified with changes to the Advisor's investment advisory fee structure.

The material changes discussed above are only those changes that have been made to this Brochure since the firm's initial registration approval. The date of the firm's initial registration approval was March 1, 2024.

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Brochure

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Item 4 Advisory Business

Cornerstone Alternatives (“Advisor”) is an investment advisor firm registered with the U.S. Securities and Exchange Commission, since March 2024.

The principal owner of Cornerstone Alternatives is CrowdDD LLC, which is controlled by Mark Robertson. On January 1, 2025, Andrew Goldberg, Managing Partner, will acquire 100% ownership of the firm. Mr. Goldberg is and has been the firm’s Managing Partner since its inception and therefore there will be no material change in management or operations of Cornerstone Alternatives.

Cornerstone Alternatives primarily advises on investments in private placements, Investment Company Act of 1940 (“40 Act”) closed-end funds, structured notes, special purpose vehicle private funds (SPVs), other non-traditional investments, and executes certain options-based investment strategies (hereinafter, “Advised Investments”).

Advisory Services — Class G

For Class G Clients, Cornerstone Alternatives’ principal service is providing non-discretionary fee-based investment advisory services consisting of trade execution services. The Class G clients, who at a minimum self-certify as “accredited investors,” elect to participate in certain Advised Investments and Cornerstone Alternatives provides trade execution in such Advised Investments (see Item 7 - Types of Clients for additional information on the minimum requirements to be an accredited investor). Cornerstone does allow non-accredited family members of Class G clients to also become Class G Clients, and provides trade execution services to such clients in a limited pool of Advised Investments. As part of Advisor’s services, Class G Clients bear the sole responsibility for determining and deciding the suitability of any Advised Investment. Cornerstone Alternatives does not conduct investment suitability analysis for Class G Clients, and does not make Advised Investment recommendations to Class G Clients. Rather, Cornerstone Alternatives provides Class G Clients with end-client due diligence materials and trade execution support for investment decisions made by Class G Clients to invest in Advised Investments. Class G Clients inform Cornerstone Alternatives of their investment decisions in Advised Investments and Cornerstone Alternatives is then responsible for trade execution of the transactions for the Class G Client. Cornerstone Alternatives may also provide access to internal research reports on Advised Investments as part of its services.

The Advisor will only charge an advisory fee on that portion of Class G Client assets invested in Advised Investments (see Item 5 - Fees and Compensation for a discussion of Cornerstone Alternatives’ advisory fees).

Advisory Services — Class N

For Class N Clients, the Advisor provides customized recommendations on portfolio management of Advised Investments, on a non-discretionary basis, according to their investment objectives. With non-discretionary investment management recommendations, the Class N Clients bears sole responsibility to determine and decide whether a recommended investment is suitable, and Advisor will not initiate any trades for the account without the client’s prior approval.

In providing services to Class N Clients, the Advisor's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. Cornerstone Alternatives will recommend Advised Investments to accomplish this objective. The Advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio to reduce risk and increase performance of Advised Investments. The Advisor may recommend employing cash positions as a possible hedge against market movement that may adversely affect the portfolio. The Advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any other risk identified by Advisor as potentially unacceptable for the client's risk tolerance. Advisor's scope is limited to Advised Investments, and any investments or consideration of any investment that is not an Advised Investments is the sole responsibility of the client.

Advisory Services — Class D

For Class D Clients, the Advisor practices custom management of portfolios, on a discretionary basis, according to their investment objectives. With discretionary investment management, the Advisor may initiate any trades for the Class D Client's account without the client's prior approval.

In providing services to Class D Clients, the Advisor's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. Cornerstone Alternatives will primarily use Advised Investments to accomplish this objective. The Advisor may employ techniques such as redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The Advisor may employ cash positions as a possible hedge against market movement that may adversely affect the portfolio. The Advisor may sell positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client's risk tolerance. Advisor's scope is limited to Advised Investments, and any investments or consideration of any investment that is not an Advised Investments is the sole responsibility of the client.

Special Purpose Vehicle Sponsorship/Management

The Advisor also provides certain discretionary or non-discretionary advisory services to special purpose vehicles ("SPV"s) that hold Advised Investments and are typically exempt from registration under Section 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940. In addition to such advisory services, the Advisor may in some cases act as the manager of an SPV, providing entity management services outside of its advisory services. Furthermore, the Advisor may in some cases receive fees related to various services it provides to SPVs managed by other managers.

Estate Transition Program

The Advisor also offers estate transition services to clients ("Estate Transition Program"), designed to support the client's Advised Investments and related interests upon death of the client, including support to family members, heirs, and beneficiaries, estate administrators, and other interested persons. These services may include (a) personalized education and support about client's Advised Investments to (i) client's family members, heirs, and beneficiaries, and (ii) those involved in managing and distributing the client's estate (e.g., executors, administrators, personal representatives, etc.), and (b) investment management and advisory services for the client's Advised

Investments following death of the client, including without limitation portfolio management and advice (discretionary or non-discretionary); communication and interaction with investment issuers and sponsors; investment transfers; and investment sale and liquidation support.

Class D and Class N clients will receive Basic Service and Full Service Estate Transition Program services (see below) for no additional cost (other than continuation of fees for such Class D or Class N services). Class G Clients may choose to engage Basic Service or Full Service (see below) Estate Transition Services from Advisor. Advisor's hourly rate for Estate Transition Services will be marked on the fees portion of the investor portal. In all cases, a client's investment advisory contract with Advisor will define any specific Estate Transition Services that will be provided by Advisor to client.

Basic Service:

Basic Service includes the following upon the client's death or incapacitation:

- Essential information and documentation of Advised Investments to executors, family members, or certified parties.
- Personalized education sessions regarding applicable Advised Investments for executors and/or heirs, and a one-time suitability determination, at the prevailing hourly rate.
- Continuation of Class G services

Full Service:

Full Service includes the following upon client's death or incapacitation:

- Essential information and documentation to executors, family members, or certified parties regarding Advised Investments.
- Personalized education sessions regarding applicable Advised Investments for executors and/or heirs.
- Full management services—discretionary or non-discretionary—until liquidation or as specified, at the prevailing management fee.

Advisor does not sponsor, participate in or provide portfolio management services to wrap fee programs.

At any time, and without notice, Advisor may establish a minimum account size for new clients.

As of June 20, 2024, Cornerstone Alternatives had \$103,332,733 in non-discretionary client assets under management.

Item 5 Fees and Compensation

Investment Advisory Fees

Pursuant to an investment advisory contract signed by each Class G, Class N, Class D, and SPV client, the client will pay Cornerstone Alternatives up to a 1.0% annual management fee, payable quarterly in arrears, based on the value of Advised Investments in the client's account on the last business day of the quarter. This annual fee may increase each year for existing Advised Investments at a rate no greater than the Consumer Price Index for All Urban Consumers, or CPI-U. Under rare circumstances, Client and Advisor may arrange a fixed fee arrangement. Although the client may

have other investable assets in the account, including cash or other securities, Cornerstone Alternatives only charges an advisory fee on that portion of the account that is invested in Advised Investments that require an RIA to invest. New account fees will be prorated from the inception of the account to the end of the first quarter. Cornerstone Alternatives may charge a clerical fee of up to \$100 per instance to assist the client in any account opening paperwork or other paperwork related to an application for inclusion in an Advised Investment. For Class G clients, the Advisor will charge a clerical fee of up to \$100 per instance to assist the client in obtaining an accreditation certificate. For class G clients, any new investments purchased away from the custodian where Advisor has an institutional advisory agreement will be charged an additional \$100 per year administration fee. If the client has existing non-custodied investments, there will be no additional charge. Upon prior notice by Advisor to Client, and for any reason, one or more of these fees may increase for new investments.

In the event that a client de-links any of its accounts from under Cornerstone Alternatives' custodial master account, the applicable management fee will continue to be charged unless the client demonstrates that the account assets have been formally linked to a different registered investment advisor (RIA), which must be different from any default brokerage investment advisor (e.g., the Charles Schwab & Co., Inc. RIA designation that occurs upon Schwab account de-linking). Private placement drawdown investments will be subject to a minimum cumulative fee of 1.0% of the total commitment amount the client has made to any investment under Cornerstone Alternatives' services ("drawdown fee"). If the client de-links from Cornerstone Alternatives before Cornerstone Alternatives has received the full minimum drawdown fee for any of the client's drawdown investments, the client will be responsible for paying the difference to reach the minimum drawdown fee for each drawdown investment.

If any investment initially designated as RIA-only changes its status to non-RIA-only during the investment period, Cornerstone Alternatives will continue to bill the management fee for such investment for the duration of client's ownership of such investment.

Cornerstone Alternatives' fees may be negotiated at the sole discretion of the Advisor. Investment advisory fees will be directly deducted from the client account on a quarterly basis by the qualified custodian. The client will give written authorization permitting the Advisor to be paid directly from their account held by the custodian. The custodian will send a statement at least quarterly to the client. In the event that sufficient funds are not available in the custodian account to cover the advisory fees, the client remains ultimately responsible for payment of any outstanding fees.

Cornerstone Alternatives' fees for investment advisory services are separate and distinct from custodial and execution fees charged by broker-dealers, and the expenses charged by mutual funds, exchange traded funds, limited partnerships, and other securities issuers to their investors and shareholders. These fees will generally include a management fee and other fund or product expenses and are described in each fund's or product's prospectus or offering memorandum.

At no time will Cornerstone Alternatives accept or maintain custody of a client's funds or securities except for authorized fee deduction.

Neither Cornerstone Alternatives nor its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6 Performance-Based Fees and Side-by-Side Management

Cornerstone Alternatives does not charge performance-based fees.

Item 7 Types of Clients

Cornerstone Alternatives will offer its services to individuals, trusts, estates, or charitable organizations, and corporations or other business entities. At any time, and without notice, Advisor may establish a minimum account size for new clients.

The Advisor will primarily support trade execution, recommend or offer investments in Advised Investments. Generally, investors in Advised Investments must be “accredited investors.” While the U.S. Securities and Exchange Commission has defined multiple types of institutions as accredited investors (for example, certain employee benefit plans and tax exempt charitable organizations with assets in excess of \$5 million), Cornerstone Alternatives primarily advises individuals and high-net worth individuals. Individuals are accredited investors if they meet certain financial criteria defined by applicable law, which may change over time. Currently, an individual qualifies as an accredited investor if they have a net worth, or joint net worth with a spouse or spousal equivalent, of at least \$1 million excluding the value of their primary residence; or have an income exceeding \$200,000 (or joint income with a spouse or spousal equivalent exceeding \$300,000) in each of the two most recent calendar years and a reasonable expectation of the same income level in the current year.

Cornerstone Alternatives requires that its Class G clients be accredited investors to invest in most Advised Investments, but may at times accept non-accredited investors in connection with Advised Investments that do not require investors who are accredited investors (e.g., certain investments exempt under Rule 506 under SEC Regulation D). Investors in most Advised Investments must meet the qualification requirements of investments using exemptions under Section 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940, as amended. When applicable, suitability will be determined for Class N and D clients through due diligence inquiries determined to be appropriate in the circumstances by Cornerstone Alternatives. Cornerstone Alternatives, at its sole discretion, may reject any client application where the above qualification standards are not met and/or where it reasonably believes the investor lacks the necessary financial sophistication, who purport to not fully understand Cornerstone Alternatives’ method of compensation and the nature of its risks, or who are otherwise deemed to be unsuitable for such an arrangement in the Advisor’s sole discretion.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Cornerstone Alternatives may utilize various analysis techniques, including fundamental, technical or cyclical techniques in formulating investment advice or managing assets for clients.

Fundamental analysis of a business involves analyzing its financial statements and health, its management and competitive advantages, and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions; and to calculate its credit risk.

Technical analysis is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall.

Cyclical analysis of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class or an individual company's profits. Cyclical risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. Between the peak and trough of a business or other economic cycle, investments may fall in value to reflect the uncertainty surrounding future returns as compared with the recent past.

The investment strategies the Advisor will implement may include long term purchases of securities held at least for one year and short term purchases for securities sold within a year.

The methods of analysis and investment strategies followed by the Advisor are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client's portfolio, risk tolerance, time horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs.

Investing includes the risk that the value of an investment can be negatively affected by factors specifically related to the investment (e.g., capability of management, competition, new inventions by other companies, lawsuits against the company, labor issues, patent expiration, etc.), or to factors related to investing and the markets in general (e.g., the economy, wars, civil unrest or terrorism around the world, concern about oil prices or unemployment, etc.).

Risks of fundamental analysis may include risks that market actions, natural disasters, government actions, world political events or other events not directly related to the price or valuation of a specific company's fundamental analysis can adversely impact the stock price of a company causing a portfolio containing that security to lose value. Risks may also include that the historical data and projections on which the fundamental analysis is performed may not continue to be relevant to the operations of a company going forward, or that management changes or the business direction of management of the company may not permit the company to continue to produce metrics that are consistent with the prior company data utilized in the fundamental analysis, which may negatively affect the Advisor's estimate of the valuation of the company.

The primary risks in technical analysis are that the factors used to analyze the price, trends and volatility of a security may not be replicated, or the outcomes of such analysis will not be the same

as in past periods where similar combinations existed. Because of the reliance on trends, technical analysis can signal buying at market peaks and selling at market troughs.

In cyclical analysis, economic or business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. Also, the lengths of the economic cycles may be difficult to predict with accuracy. Therefore, the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks. Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.

Every saving and investment product has different risks and returns. Differences include how readily investors can get their money when they need it, how fast their money will grow, and how safe their money will be. The primary risks faced by investors include:

Business Risk

With a stock, you are purchasing a piece of ownership in a company. With a bond, you are loaning money to a company. Returns from both of these investments require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing.

Volatility Risk

Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one out of every three years. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

Inflation Risk

Inflation is a general upward movement of prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest. The principal concern for individuals investing in cash equivalents is that inflation will erode returns.

Interest Rate Risk

Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower interest rate, you might have to sell it at a discount.

Liquidity Risk

This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products. It may also be the case with products that charge a penalty for early withdrawal or liquidation such as a certificate of deposit (CD).

The Advisor primarily performs suitability and recommendations in the private market sector, but may review the rest of the client's investment portfolio and advise on other investment options or strategies. Clients are advised that many unexpected broad environmental factors can negatively impact the value of portfolio securities causing the loss of some or all of the investment, including changes in interest rates, political events, natural disasters, and acts of war or terrorism. Further, factors relevant to specific securities may have negative effects on their value, such as competition or government regulation. Also, the factors for which the company was selected for inclusion in a client portfolio may change, for example, due to changes in management, new product introductions, or lawsuits.

Risks of Investing in Advised Investment Offerings:

Many of the Advised Investment offerings pertain to the sale of securities to accredited investors rather than through the broader open market. In particular, for private placement offerings, there are few regulatory requirements to registering and the issuer is not required to provide investors with a prospectus or detailed financial information. Issuers instead provide potential investors with a private placement memorandum or private offering memorandum. Although private offerings may provide advantageous returns on investment, they are often issued by new companies that may not grow as expected or obtain the financial footing needed to provide investors with expected returns.

Risks of investing in Advised Investments, including private funds (including hedge funds) include, but are not limited to: leverage risk; interest rate risk; equity risk; currency risk; credit risk; concentration risk; liquidity risk; lock-up periods; redemption risk; commodity risk; business risk; volatility risk; correlation risk; basis risk; common holder risk; event risk; counterparty risk; asset/liability matching risk or funding liquidity risk; and meta risks.

Leverage Risk

This refers to funds purchasing securities on margin, meaning the fund leverages a broker's money in order to make larger investments. Fund managers invest using credit lines and hope their returns outpace the interest charged. Leverage allows funds to amplify their returns but can also magnify losses and lead to increased risk of failure if the investment strategy fails.

Interest Rate Risk

Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower interest rate, an investor might have to sell it at a discount.

Equity Risk

This refers to the risk that a portfolio will change in value due to fluctuations in equity prices. Equity risk can be managed through hedging strategies that utilize equity derivatives such as options and futures contracts or by employing market-neutral investment strategies that generally do not correlate with broad market movements.

Currency Risk

Currency risk is the risk of changes to the relative value of a foreign currency in which investments are denominated. This risk directly affects the value of such investments but can be offset using forward or futures contracts as hedges against foreign exchange rate fluctuations.

Credit Risk

This refers to the risk of default in an underlying borrower, and depending on the nature of the borrower there can be consumer credit risk or corporate credit risk. Relying solely on third-party credit rating providers can expose a portfolio to rating agency risk.

Concentration Risk

Concentration risk involves an excessive focus on a particular type of strategy or investing in a restricted sector for enhancing returns. This risk can be conflicting for investors who expect diversification to enhance returns in various sectors.

Liquidity Risk

This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products. It may also be the case with products that charge a penalty for early withdrawal or liquidation.

Lock-up Periods

A lock-up period is a window of time in which investors are forbidden from redeeming or selling shares of their investment. For hedge funds, the lock-up period is intended to give the fund manager time to exit investments that may be illiquid or otherwise unbalance the portfolio of investments too rapidly. Lock-up periods generally expire after 1-3 years. Certain funds may include a rolling lock-up period, which requires investors to commit to an initial 2-3 year lock-up, and if the investor does not submit a redemption notice within a set time prior to expiration of the lock-up, the investor is locked-up for another 2-3 years, and so forth.

Redemption Risk

This is the risk that a fund will run into financial trouble (or Funding Liquidity Risk, see below) if a large number of investors attempt to redeem their shares at the same time. Consequently, hedge funds are normally subject to redemption restrictions (or Lock-Up Periods, see above).

Commodity Risk

This refers to the risk of rising or falling commodity prices that may result from supply and demand imbalances, changing spending patterns, or changing input costs. Commodity risk can be contained through futures and forward commodity contracts.

Business Risk

With a stock, an investor is purchasing a piece of ownership in a company. With a bond, an investor is loaning money to a company. Returns from both of these investments require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If an investor is a common stockholder, the investor gets whatever is left, which may be nothing.

Volatility Risk

Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one out of every three years. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

Correlation Risk

This is the risk of changes in the way prices of different investments in a portfolio relate to each other. Increasing correlations can attenuate the expected benefits of diversification.

Basis Risk

This refers to the risk remaining after hedging has been implemented. Certain investment opportunities may not allow for effective hedging, and hedge funds may be able to hedge some components of risk but not others. Generally, there will always be some basis risk in hedged investments.

Common Holder Risk

This results where many investors holding the same asset need to exit it at the same time, resulting in significant downward price pressure.

Event Risk

Event risks are unusual circumstances in which large-scale swings occur from unpredictable events such as terrorist attacks, natural disasters, unusual weather patterns, or oil supply shocks.

Counterparty Risk

This risk arises from transacting with parties that are unable to meet their obligations. Fund managers generally attempt to mitigate or diversify counterparty risk by choosing counterparties with strong balance sheets and consistent cash flow, and by using security interests in collateral, covenants, and credit derivatives, such as credit default swaps or other types of protection, to support the timely and orderly repayment of financial obligations.

Asset/Liability Matching Risk or Funding Liquidity Risk

This refers to the risk of loss when the amount of capital available to a fund falls due to redemptions or the loss of other financing sources and the fund cannot fund its redemptions, investments, payments to creditors, or expenses.

Meta Risks

These are the qualitative risks beyond explicit measurable financial risks. They include human and organizational behavior, moral hazard, excessive reliance on and misuse of qualitative tools, complexity and lack of understanding of market interactions, and the very nature of capital markets where extreme events happen with greater regularity than standard models suggest. It is virtually impossible to plan for and hedge against them.

Item 9 Disciplinary Information

Neither Cornerstone Alternatives nor its management persons have had any legal or disciplinary events, currently or in the past.

Item 10 Other Financial Industry Activities and Affiliations

Neither Cornerstone Alternatives nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Cornerstone Alternatives nor any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Cornerstone Alternatives does not currently have any relationships or arrangements that are material to its advisory business or clients with either a broker-dealer, municipal securities dealer, or government securities dealer or broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund” and offshore fund), other investment advisor or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer or sponsor of syndicator of limited partnerships.

Cornerstone Alternatives will amend the paragraph above when a special purpose vehicle (SPV), or private fund, is created and Cornerstone Alternatives will disclose all applicable conflicts of interest.

Cornerstone Alternatives and its employees may attend conferences or events sponsored by investment managers or product providers, who may cover associated expenses such as travel, lodging, and meals. While these events offer valuable insights into potential investment opportunities and other information, the sponsorship presents a potential conflict of interest, as it could influence our investment recommendations for Advised Investments. To mitigate these potential conflicts, Cornerstone Alternatives has adopted a Code of Ethics and are committed to acting in your best interest and will disclose any such conflicts when recommending investments from these sponsors.

Cornerstone Alternatives does not recommend or select other investment advisors for clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Cornerstone Alternatives is registered with the U.S. Securities and Exchange Commission and maintains a Code of Ethics pursuant to SEC rule 204A-1. Cornerstone Alternatives has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the Advisor. In addition, the Code of Ethics governs personal trading by each employee of Cornerstone Alternatives deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Cornerstone Alternatives are conducted in a manner that avoids any conflict of interest between such persons and clients of the Advisor or its affiliates. Cornerstone Alternatives collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. Cornerstone Alternatives will provide a copy of the Code of Ethics to any client or prospective client upon request.

Cornerstone Alternatives may, on occasion, recommend that advisory clients buy or sell securities or investment products in which it or a related person has some financial interest. Management of Cornerstone Alternatives will at times offer or sell interests in special purpose vehicles (SPVs). As a result of this arrangement, management of Cornerstone Alternatives may receive additional compensation or other financial benefit based upon their ownership or financial interest in the security or investment product. This creates a conflict of interest. A conflict of interest exists because of the receipt of additional compensation or other financial benefit. If a client purchases these securities or investment products, Cornerstone Alternatives will disclose all fees and costs the client will pay and the relationships between Cornerstone, firm management, and the security or investment product, in advance.

Cornerstone Alternatives and/or its investment advisor representatives may from time to time purchase or sell products that they may recommend to clients. This practice creates conflicts of interest in that personnel of Cornerstone Alternatives can take advantage of the advance knowledge of firm securities trading and trade their personal accounts ahead of the client trades or recommend trades in client accounts that may affect the price of the securities owned by the investment advisor representatives. To mitigate these conflicts, Cornerstone Alternatives has adopted a Code of Ethics as noted above. Cornerstone Alternatives' Code of Ethics is available upon request. Finally, supervised persons of registered investment advisors are fiduciaries by law and are required to put the client's interest before those of the firm and themselves.

Cornerstone Alternatives requires that its investment advisor representatives follow its basic policies and ethical standards as set forth in its Code of Ethics.

Investment advisor representatives of Cornerstone Alternatives may trade for their own accounts securities that are being traded for client accounts at or about the same time. To mitigate the conflict of interest in such circumstances, Cornerstone Alternatives' policy is to require the trading of all relevant client accounts prior to the trading of their own accounts. The Chief Compliance Officer examines personal trading activities of Cornerstone Alternatives' personnel to verify compliance with this policy.

Item 12 Brokerage Practices

If requested by the client, Cornerstone Alternatives may suggest brokers or dealers to be used based on execution and custodial services offered, cost, quality of service and industry reputation. Cornerstone Alternatives will consider factors such as commission price, speed and quality of execution, client management tools, and convenience of access for both the Advisor and client in making its suggestion. Cornerstone Alternatives intends to recommend that our clients use Fidelity Brokerage Services LLC or, primarily, Charles Schwab & Co., Inc., both registered broker-dealers, members SIPC, as the qualified custodian for advisory accounts. At its discretion, Cornerstone Alternatives may agree to advise on client accounts at other custodians (i.e., held away assets) upon the client's request.

The custodian and brokers we use

Cornerstone Alternatives does not maintain custody of your assets, although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 – Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

How we select brokers/custodians

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients

- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

Your brokerage and custody costs

For our clients’ accounts that Schwab maintains, Schwab may charge you separately for custody services as part of their compensation model. Schwab is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds, ETFs, and online stock and options trades) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program. For some accounts, Schwab may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. In addition to commissions and asset-based fees, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker/dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”).

Products and services available to us from Schwab

Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us. They provide our clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we do not have to request them) and at no charge to us. Following is a more detailed description of Schwab’s support services:

Services that benefit you

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

Services that may not directly benefit you

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide pricing and other market data
- facilitate payment of our fees from our clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

Our interest in Schwab's services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. This creates an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business and Schwab's payment for services for which we would otherwise have to pay rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/custodians") and not Schwab's services that benefit only us.

For any such products and services Cornerstone Alternatives receives from Schwab or other custodians, it will follow procedures which ensure compliance with Section 28(e) of the Securities Exchange Act of 1934 or applicable state securities rules.

Cornerstone Alternatives does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

As an investment advisory firm, Cornerstone Alternatives has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there

is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. Cornerstone Alternatives' primary objectives when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Cornerstone Alternatives may not necessarily pay the lowest commission or commission equivalent as specific transactions may involve specialized services on the part of the broker.

Cornerstone Alternatives does not permit clients to direct brokerage.

For Class G and Class N clients, Cornerstone Alternatives does not have discretionary authority over client accounts for trading, and it is impractical to aggregate trades across the accounts and not applicable. For Class D clients, Cornerstone Alternatives may aggregate trades across multiple accounts when purchasing or selling the same securities. This practice aims to achieve administrative efficiency and potentially lower execution costs. However, Class D clients should be aware that trade aggregation can present certain risks, such as the possibility of partial fills. In such cases, we allocate securities or proceeds among participating accounts in a fair and equitable manner, consistent with our fiduciary duty. Furthermore, Cornerstone Alternatives' practice is to analyze client accounts individually, therefore there, in the vast majority of cases, no opportunity to initiate trades for multiple accounts at the same time.

Item 13 Review of Accounts

The firm reviews Class N and Class D client accounts on a continuous and ongoing basis, but no less frequently than annually or when conditions would warrant a review based on market conditions or changes in client circumstances. Triggering factors may include Cornerstone Alternatives becoming aware of a change in client's investment objective, a change in market conditions, change of employment, or a change in recommended asset allocation weightings in the account that exceed a predefined guideline. The nature of the review is to determine if the client account is still in line with the client's stated objectives.

Because Cornerstone Alternatives will not conduct an investment suitability analysis for Class G clients, and because Class G clients elect at their own discretion to participate in Advised Investments, account reviews are not conducted by Cornerstone Alternatives.

The client is encouraged to notify the Advisor and investment advisor representative if changes occur in his/her personal financial situation that might materially affect his/her investment plan.

The client will receive written statements no less than quarterly from the custodian. In addition, the client will receive other supporting reports from mutual funds, asset managers, trust companies or other custodians, broker-dealers, and others who are involved with client accounts. Cornerstone Alternatives may prepare and deliver separate reports to clients. Clients are urged to compare the account statements they receive from the qualified custodian with the reports they receive from Cornerstone Alternatives. Any discrepancies should be immediately brought to the firm's attention.

Item 14 Client Referrals and Other Compensation

Cornerstone Alternatives is not compensated by anyone for providing investment advice or other advisory services except as previously disclosed in this Brochure.

Cornerstone Alternatives may compensate persons or firms for client referrals in compliance with the Adviser's Act and state securities rules and regulations. The fees paid to referral sources do not affect the fees clients pay to Cornerstone Alternatives. In each instance, a written agreement will exist between the Advisor and the referral source. At the time of a referral, prospective advisory clients will receive the Advisor's Brochure and a Solicitor's Disclosure Document. Cornerstone Alternatives has established policies and procedures to ensure that its solicitation activities are compliant with the requirements under Rule 206(4)-1 of the Adviser's Act and state securities rules and regulations.

Item 15 Custody

Cornerstone Alternatives does not take or accept physical custody of client funds or securities, but is deemed to have custody by virtue of its ability to withdraw advisory fees directly from client accounts (please see Item 5 which describes the safeguards around direct fee deduction). As noted in Item 13 above, clients will receive statements not less than quarterly from the qualified custodian, and we encourage you to review those statements carefully. Any discrepancies should be immediately brought to the firm's attention.

If Cornerstone Alternatives becomes the manager and/or Investment Manager of any SPV, Cornerstone Alternatives may be deemed to have constructive custody of the fund's assets. Cornerstone Alternatives will comply with SEC Rule 206(4)-2 (the "Custody Rule") in such cases by ensuring that (1) assets are maintained by a qualified custodian in an account with the fund's name, (2) the fund receives quarterly account statements delivered by the qualified custodian, (3) the fund and its investors are notified of the qualified custodian's name and how and where the assets are maintained, and (4) no less frequently than annually the fund undergoes an audit or surprise examination by an independent public accountant registered with the PCAOB with the resulting statements being distributed to the fund.

Cornerstone Alternatives may also provide account statements or performance reports to clients. Clients are urged to compare the account statement they receive from the qualified custodian with those they receive from Cornerstone Alternatives. Any discrepancies should be immediately brought to the firm's attention.

Item 16 Investment Discretion

Cornerstone Alternatives does not have trading discretion over Class G and Class N client accounts, and those clients will initiate and approve all transactions in their accounts prior to an order being entered. For Class D clients, Cornerstone Alternatives generally has discretion over the selection and amount of securities to be bought or sold in accounts without obtaining prior consent or approval from the client for each transaction.

If Cornerstone Alternatives becomes the General Partner and/or Manager of any SPV, Cornerstone Alternatives may have discretion over the selection and amount of securities to be bought or sold in fund accounts without obtaining prior consent or approval from the investors in the SPV for each transaction. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the fund documents.

Discretionary authority will only be provided upon full disclosure to the Class D client or SPV. The granting of such authority will be evidenced by the applicable client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Cornerstone Alternatives will be in accordance with each applicable client's investment objectives and goals.

Item 17 Voting Client Securities

Cornerstone Alternatives will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Cornerstone Alternatives cannot give any advice or take any action with respect to the voting of these proxies. The client and Cornerstone Alternatives agree to this by contract. Clients will receive proxy solicitations from their custodian and/or transfer agent.

However, if Cornerstone Alternatives becomes the General Partner and/or Manager of any SPV, Cornerstone Alternatives will vote proxies on the fund's behalf. As applicable, Cornerstone Alternatives will adopt and implement written Proxy Voting Policies and Procedures ("Proxy Voting Procedures") designed to reasonably ensure that Cornerstone Alternatives votes proxies in its clients' best interests.

The Proxy Voting Procedures will describe how Cornerstone Alternatives addresses voting authority, material conflicts of interest, voting decisions, notification to the client, books and records requirements, and ensures that proxies are voted in the best interest of its clients.

Cornerstone Alternatives acknowledges and agrees that it has a fiduciary obligation to its clients to ensure that any proxies for which it has voting authority are voted solely in the best interest of and for the exclusive benefit of its clients. The Proxy Voting Procedures will be intended to guide Cornerstone Alternatives and its personnel in ensuring that proxies are voted in such manner, without limiting Cornerstone Alternatives or its personnel in specific situations to vote in a predetermined manner. These policies will be designed to assist Cornerstone Alternatives in identifying and resolving any conflicts of interest it may have in voting client proxies.

Item 18 Financial Information

Cornerstone Alternatives does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and is not required to file a balance sheet.

Cornerstone Alternatives does not have discretionary authority over Class G and Class N client accounts, but does have discretionary authority over Class D and SPV client accounts. Management

is not aware of any financial condition that will likely impair the firm's ability to meet contractual commitments to clients. If Cornerstone Alternatives does become aware of any such financial condition, this Brochure will be updated and clients will be notified.

Cornerstone Alternatives has never been subject to a bankruptcy petition.