

Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of Cornerstone Advisors Inc. (hereinafter “CAI” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (425) 646-7600 or at info@buildbeyond.com. 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.

Additional information about CAI is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for CAI is 110908.

Item 2. Material Changes

There have been no material changes since this Form ADV Part 2A was updated on 11/04/19.

Item 3. Table of Contents

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Item 4. Advisory Business

Cornerstone Advisors, Inc. is a fee-based SEC-registered investment adviser (SEC file number 801-20509). Our principal place of business is located in Bellevue, Washington. We have been in business since 1984. Cornerstone is owned by a group of employee shareholders. No single individual owns over 25% of the firm.

Discretionary assets under our firm's management were 3,960,599,929 as of December 31, 2019.

Wealth Management Services (Portfolio Management Services)

Our firm provides continuous advice to clients (including individuals, families, related entities, tax-exempt and corporate/institutional organizations) regarding the investment of client funds based on the specific needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy statement ("IPS") and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

We will manage advisory accounts on a discretionary basis only. For these discretionary accounts, we may implement transactions without seeking prior client consent. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. Cornerstone follows a manager-of-managers approach to investment management on behalf of our clients. Accordingly, our investment recommendations are not limited to any specific product or structure. We allocate funds to third party managers within several different legal structures including but not limited to: 1933 and 1940 Act Registered Investment Companies (RICs) which can include open-end funds, closed-end funds, exchange traded funds, comingled trusts, separate accounts under a comingled/pooled investment entity (such as proprietary Cornerstone Mutual Funds) and exempted 3c1, 3c7 private partnership structures in client portfolios. Our firm, or its affiliate, serves as the managing member or general partner to private funds that are created by CAI for the purpose of facilitating investments by our clients in various private equity investments or private real estate investments

Additional information about the fees related to such fund investments is included in the offering documents provided to prospective investors. Because these types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Third Party Manager Selection and Monitoring Services

We perform management searches of various unaffiliated third-party managers, and based upon the results of these searches, we will recommend investments with those managers who demonstrate knowledge and expertise in a particular investment strategy. Our clients then access these independent third-party managers through two primary investment structures where Cornerstone operates as the Investment Advisor and General Partner, respectively: 1) publicly traded mutual funds, e.g., Cornerstone Advisors Global Public Equity Fund (CAGLX) and Cornerstone Advisors Core

Plus Bond Fund (CACTX), and 2) non-registered limited partnerships vehicles designed to invest with third party managers specializing in private equity and private real-estate.

Based on a client's individual circumstances and needs, as exhibited in the client's IPS, we will determine which selected third-party managers, and or investment structures, e.g., mutual funds or non-registered limited partnership vehicles, are appropriate for that client. Factors considered in making this determination include account size, risk tolerance, liquidity needs, suitability for the client and the investment philosophy of the selected third-party manager(s). We encourage clients to review each fund's investment objectives as outlined in their private placement memoranda and / or fund prospectus (hereinafter collectively "Offering Documents") in order to evaluate any fund or managers selected by us.

For applicable clients, we will also establish separately managed accounts with selected third-party managers for the exclusive use of that client. These selected managers will then create and manage the client's portfolio based upon that client's individual needs as exhibited in their IPS.

We will regularly monitor the performance of the selected third-party managers. If we determine that a particular selected manager is not providing sufficient management services to the client and/or fund, or is not managing the client's portfolio in a manner consistent with the client's IPS and/or the fund's Offering Documents, we will, when possible, remove the client's/fund's assets from that selected manager and place the client's/fund's assets with another manager at our discretion and without prior consent from the client.

Our firm will conduct appropriate due diligence on all independent third-party managers, making reasonable inquiries into their performance calculations, policies and procedures, Code of Ethics, and other operational and compliance matters deemed important to account performance and risk management.

Employees and/or owners of approved third party managers may become Cornerstone clients and receive services on the same terms and conditions as other Cornerstone clients.

Family Office Services

In addition to or in combination with the Wealth Management services described above, our firm provides family office services to high net worth individuals and families to assist them in achieving their goals. Family Office services are structured to managing our clients' investments and financial affairs. Our Family Office services provide family-specific, custom solutions including:

- Wealth Management Services (as separately described above)
- Comprehensive Risk Management Consulting
- Integration of strategic Income Tax and Estate Planning considerations into implementation of a comprehensive financial plan
- Bill Paying Services
- Bookkeeping Services
- Philanthropy Planning/Charitable Giving
- Coordination of outside consultants, including bookkeepers and bookkeeping services, attorneys, private bankers, accountants, insurance advisors, family education advisors, and ad hoc concierge services that are typically requested by family offices

Consulting/Specialty Services

Clients can also receive financial advice and services on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, insurance issues, annuity advice, bill paying services, bookkeeping services, or any other specific topic or service.

We tailor our portfolio management, family office and consulting recommendations to the individual needs of each client. All consulting recommendations are based on information gathered through client questionnaires, electronic communications, telephone and in-person discussions.

Item 5. Fees and Compensation

Wealth Management Services

Our fees for Portfolio Management services for individuals, families, and related entities are based upon a percentage of assets under management, in accordance with the following fee schedule:

<u>Assets Under Management (\$)</u>	<u>Annual Fee (%)</u>
\$1M - \$3M	\$10,000 plus 1.00% of amount over \$1M
\$3M - \$5M	\$30,000 plus 0.60% of amount over \$3M
\$5M – \$10M	\$42,000 plus 0.50% of amount over \$5M
\$10M - \$25M	\$67,000 plus 0.35% of amount over \$10M
Above \$25M	\$119,500 plus 0.20% of amount over \$25M

Our fees for Portfolio Management services for tax-exempt organizations (and corporate or institutional services) are based upon a percentage of assets under management, in accordance with the following fee schedule:

<u>Assets Under Management (\$)</u>	<u>Annual Fee (%)</u>
\$5M - \$10M	\$33,000 plus 0.35% of amount over \$5M
\$10M - \$25M	\$50,500 plus 0.25% of amount over \$10M
\$25M - \$50M	\$88,000 plus 0.20% of amount over \$25M
Above \$50M	\$138,000 plus 0.10% of amount over \$50M

Family Office Services

Our fees for Family Office services are based upon a percentage of assets under management or advisement, in accordance with the following fee schedule:

<u>Assets Under Management (\$)</u>	<u>Annual Fee (%)</u>
\$5M - \$10M	\$50,000 plus 0.60% of amount over \$5M
\$10M – \$25M	\$80,000 plus 0.40% of amount over \$10M
\$25M - \$50M	\$140,000 plus 0.30% of amount over \$25M
Above \$50M	\$215,000 plus 0.20% of amount over \$50M

Consulting/Specialty Services

For any ad-hoc consulting services delivered separately or found to be outside the scope of Wealth Management or Family Office services, we will charge based on an hourly rate ranging from \$60 to \$500 or mutually agreed upon fixed fee (subject to a minimum fee of \$5,000), depending on the staff member performing the work. The length of time it will take us to complete a particular consulting project will depend on the nature and complexity of the individual client's personal circumstances. An estimate for total hours will be determined at the start of the consulting relationship.

Fees in General

Advisory fees are charged in advance at the beginning of each quarter, based upon the net value of the managed assets in the client account on the last business day of the previous quarter. If significant assets are added or subtracted during the quarter, Cornerstone may negotiate an adjusted fee.

Consulting fees are due and payable upon completion of the consulting service. We may request an initial retainer deposit upon completion of our fact-finding session with the client.

Depending on the particular arrangement with each client, we will either invoice clients or directly debit their custodial accounts for wealth management and family office fees.

Fees and account minimums for all services are negotiable based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Discounts, not generally available to our advisory clients, may be offered to Cornerstone employees and family members of Cornerstone employees.

We may aggregate certain related client accounts for the purposes of determining the account size and/or annualized fee.

Legacy client agreements are governed by fee schedules different from those listed above.

If Cornerstone chooses to accept a portfolio below our stated account sizes, we may charge a fee based upon a percentage of assets under management or advisement of 1.25% until such time the portfolio meets fee schedule guidelines.

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered.

Account Termination

Clients will have a period of five (5) business days from the date of signing the agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, the client may terminate the agreement by providing us with a written notice at our principal place of business. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. Clients who invested in certain private funds sponsored by our firm will continue to pay us fees on these investments from the date of termination to the date of client's interest liquidation.

Mutual Fund and ETF Fees and Expenses:

Cornerstone is a manager of third party managers, therefore all fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses of the underlying portfolio investments. These fees and expenses are described in each investment legal document offering or private placement memorandum including the Prospectus for the Cornerstone Mutual Funds or Cornerstone private partnerships.

These fees will generally include a management fee, other fund expenses (which in aggregate could equal or exceed the management fee), a possible distribution fee, and a possible carried interest or performance fee assessed by the underlying third-party managers in the Cornerstone private partnerships. A client could invest in a RIC directly, without the services of our firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which investments are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the underlying investments and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Brokerage, Custodial, and Third-Party Manager Fees

In addition to advisory fees paid to our firm, clients will also be responsible for all transaction, brokerage, trade-away and custodial fees incurred as part of their account management. Please see Item 12 of this Brochure for important disclosures regarding our brokerage practices. All fees charged by selected third-party managers and funds are incurred by clients in addition to our advisory fees.

Item 6. Performance-Based Fees and Side-By-Side Management

We do not charge any fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

Our firm generally provides advisory services to individuals, family offices, pension and profit sharing plans, trusts, estates and charitable organizations.

As mentioned in Item 5, we require a minimum annual fee of \$10,000 for Wealth Management Services and \$50,000 for Family Office Services. We also require a minimum engagement fee of \$5,000 for Consulting/Specialty Services; however, we may waive the minimum at our discretion.

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

Our firm employs the following types of analysis to formulate client recommendations:

Asset Allocation: Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of equity securities, fixed income, alternative assets and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of holdings will change over time due to market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated a persistent ability to invest successfully over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held elsewhere in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund, which could make the fund less suitable to the client's portfolio.

Third-Party Manager Analysis: We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated a persistent ability to invest successfully over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, it is possible for us to miss the absence of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for all forms of analysis: Our securities analysis method relies on the assumption that the rating agencies reviewing these securities, e.g., Morning Star in the case of mutual funds, along with other publicly-available sources of information, e.g., Bloomberg in the case of publicly traded securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Our firm employs the following investment strategies to implement investment advice given to clients:

Long-term purchases: We mostly purchase securities with the idea of holding them in the clients account for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current short-term projection for this class.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases: At times, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal that a client must be prepared to bear.

Item 9. Disciplinary Information

Our firm has no reportable disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

As is disclosed in Item 4 of this Brochure, our firm, or its affiliate, serves as a sponsor and General Partner or Manager to certain private funds that are created for the purpose of facilitating investments by our clients in various private equity investments or private real estate investments. The affiliate is Cornerstone Portfolio GP, LLC, a Delaware entity and single member LLC. In addition, as disclosed in Item 4, we are the adviser to two private-label mutual funds. Our firm, principals and/or employees may have invested their own funds into these investment vehicles on the same terms and conditions as our clients. Cornerstone is paid an administrative fee from the private funds for the cost of administering the business affairs of these entities. Furthermore, Cornerstone is paid an advisory fee of approximately 1 basis point per annum of the assets invested in its two private-label mutual funds. Also, as mentioned in Item 4, employees and/or owners of approved third party managers may become Cornerstone clients, and receive services on the same terms and conditions as other Cornerstone clients.

Clients should be aware that proprietary investments in the above-mentioned investment vehicles may create an incentive for us to favor these accounts because our overall financial interest is more directly tied to the performance of these accounts. Consequently, we have an inherent incentive to favor vehicles and managers with higher levels of proprietary investment. Since we endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address these conflicts:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm to earn direct compensation from pooled investment vehicles with a level of proprietary investment (albeit such compensation should not exceed what would otherwise be paid if the clients' interest were instead simply included as managed assets subject to our advisory fee);
2. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
3. We collect, maintain and document accurate, complete and relevant third party manager background information and complete relevant due diligence selection procedures, prior to third party manager consideration as a client;
4. Our client management team conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;

5. We have implemented policies and procedures for fair and consistent allocation of investment opportunities among all client accounts managed by our firm;
6. We periodically compare holdings and performance of all accounts with similar strategies to identify significant performance disparities indicative of possible favorable treatment; and
7. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients and equitable treatment of all clients, regardless of the overall compensation arrangement or outcome.

Cornerstone Advisors utilizes a Trust Representative Office of National Advisors Trust Company ("NATC"), an independent, federally chartered savings bank that provides trust and custodial services. To the extent a client determines to retain Cornerstone Advisors, the client will enter into a separate and distinct agreement with National Advisors Trust Company for trust administration, distribution and custodial services and will pay a separate fee for such services. Any trust administration fees are in addition to the advisory fees paid for advisory services. Such trust administration fees are paid directly to NATC by the client, and Cornerstone does not share in these fees. National Advisors Trust Company, one of the largest independent trust companies in the country, is owned by a diversified group of independent registered investment advisers.

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

Code of Ethics Disclosure

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement). Our code provides for oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to Jeff Huse, Chief Compliance Officer, at the firm's principal office address.

Although we typically only purchase exchange-listed equity securities or privately held securities for clients through third-party managers, our firm or individuals associated with our firm, may buy or sell mutual funds, ETFs, and privately held securities identical to those recommended to or purchased for customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. This practice results in a potential conflict of interest, as we may have an incentive (to the extent possible) to manipulate the timing of such purchases to obtain a better price or more favorable allocation in rare cases of limited availability.

To mitigate these potential conflicts of interest and ensure the fulfillment of our fiduciary responsibilities, we have established the following restrictions:

1. No principal or employee of our firm may buy or sell securities for their personal portfolio(s)

where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our firm may prefer or sell his or her own interest to that of the advisory client;

2. It is the policy of our firm that no person employed by us may, without the express consent of the firm's Chief Compliance Officer, purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts;
3. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by Jeff Huse, Chief Compliance Officer;
4. We do not aggregate employee trades with client trades;
5. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where our firm is granted discretionary authority;
6. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices; and
7. Any individual not in observance of the above may be subject to disciplinary action or termination.

Item 12. Brokerage Practices

We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits.

We do not request or accept the discretionary authority to determine the broker dealer to be used for client accounts. Clients may direct us as to the broker dealer to be used for all client securities transactions. In directing the use of a particular broker or dealer, it should be understood that we will not have the ability to negotiate commissions among various brokers, and best execution may not be achieved, resulting in higher transaction costs for clients. *Not all advisers require their clients to direct brokerage.*

Our firm participates in the Schwab Institutional (SI) services program offered to independent investment advisers by Charles Schwab & Company, Inc. ("Schwab"), an unaffiliated FINRA-registered broker dealer. Accordingly, Cornerstone will often recommend Schwab to clients in need of brokerage and custodial services. As part of the SI program, our firm receives benefits that it would not otherwise receive if it did not participate in the program or recommend Schwab's brokerage and custodial service offerings to clients. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving SI participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client accounts; access, for a fee, to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional

investors. Some of the benefits received through participation in the SI program depend upon the amount of transactions directed to, or amount of assets custodied by, Schwab.

Schwab also makes available to Cornerstone other services intended to help Cornerstone manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, regulatory compliance, and marketing. In addition, they may make available, arrange, and/or pay for these types of services rendered to Cornerstone by independent third parties. The Custodian may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to Cornerstone.

Participation in the SI program results in a potential conflict of interest for our firm, as the receipt of the above benefits creates an incentive for us to recommend Schwab to clients.

Nonetheless, we have reviewed the services of Schwab and recommend their services based on a number of factors. These factors include the professional services offered, commission rates, and the custodial platform provided to clients. While, based on our business model, we will not seek to exercise discretion to negotiate trades among various brokers on behalf of clients, we will, however, periodically attempt to negotiate lower commission rates for our clients with Schwab.

If a client, when undertaking an advisory relationship with our firm, already has a pre-established relationship with a broker and instructs us to execute all transactions through that broker, it should be understood that under those circumstances, we will not have the ability to negotiate commissions, obtain volume discounts and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients since our firm may not be able to aggregate orders to reduce transaction costs or the client may receive less favorable prices.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account.

Trade Aggregation

We may aggregate client trades when doing so is advantageous to our clients. Mostly, we will batch client transactions to receive volume discounts and to obtain better and more uniform pricing across client accounts. If we determine that aggregation of trades in a certain situation will be beneficial to our clients, transactions will be averaged as to price and will be allocated among our clients in proportion to the purchase and sale orders placed from each client account on any given day, i.e., pro-rata. Any exceptions from this pro-rata allocation procedure will be carefully explained and documented. Such exceptions may occur due to varying cash availability across accounts, divergent investment objectives and existing concentrations, and desire to avoid "odd lots," (an amount of a security that is less than the normal unit of trading for that particular security). It is Cornerstone's policy not to engage in any principal or agency cross transactions.

Trade Error

In the occurrence of a trade error in a client account, it is Cornerstone's policy to restore the account to the position it should have been in had the trading error not occurred. Specifically, if Cornerstone makes an error in a client account that results in a loss, Cornerstone will retain the loss in an error account that Schwab has established in our name so that it is not borne by the client. If the error

results in a gain, Cornerstone will retain the gain in an error account that Schwab has established in our name. This error account was established at our request to facilitate the correction and resolution of any client trade errors caused by Cornerstone.

Item 13. Review of Accounts

Portfolio Management/Model Portfolio Management Services

The following individuals are responsible for client account reviews:

- Kenneth Hart, CEO
- Adam Lewis, Chief Client Relationship Officer
- Susan Peterson, Client Manager
- David Drews, Client Manager
- Daniel Kwon, Client Manager
- Scott Dowling, Client Manager
- Kyle Kingshott, Client Manager
- Viren Kamdar, Client Manager
- Patrick Haugh, Client Manager
- Phil Miller, Client Manager
- Bryan Digel, Client Manager
- Renee Hawkes, Client Manager
- Rachele Bouchand, Client Manager
- Jesse Thomas, Client Manager
- Anna Johnson, Wealth Planning Director
- Kyle Thomas, Client Manager
- Bryce McDonald, Director of Strategic Growth

With the exception of Bryce McDonald, the above individuals will monitor the underlying securities in client accounts and perform regular reviews of account holdings for all clients. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Geopolitical and macroeconomic specific events may also trigger reviews.

Certain members of our Investment Team, Evan Wirkkala, CIO; Dave Freudenberg, Managing Director, Investments; Katie Robinette, Managing Director, Investments; and Steve Kleyn, Managing Director, Investments will monitor the performance of third-party managers on a continuous basis.

In addition to the monthly statements and confirmations of transactions that clients receive from their broker dealer, our firm will provide quarterly reports which detail investment holdings and portfolio performance. We will also provide Family Office clients with a net worth statement, asset detail schedules, summary of insurance coverage, sources and uses of cash flow, and other schedules as appropriate.

Consulting/Specialty services clients will receive reports as contracted for at the inception of the advisory relationship.

Item 14. Client Referrals and Other Compensation

Other than that already described in this Brochure, our firm does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 15. Custody

Custody is defined as any legal or actual ability by our firm to access client funds or securities. Since all client funds and securities are maintained with a qualified custodian, we don't take physical possession of client assets. However, under the current SEC rules, our firm is deemed to have constructive custody of client assets due to various arrangements which give us legal access to client funds. Therefore, we urge all of our management clients to carefully review and compare their reviews of account holdings and/or performance results received from us to those they receive from their custodian(s). Should you notice any discrepancies, please notify us and/or your custodian as soon as possible.

Item 16. Investment Discretion

For clients granting us discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for their account(s), we request that such authority be granted in writing, typically in the executed investment management agreement and custodial paperwork.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may amend these limitations as desired. Such amendments must be submitted to us by the client in writing.

Item 17. Voting Client Securities

Advisory clients may elect to delegate their proxy voting authority to us. Alternatively, clients may, at their election, choose to receive proxies related to their own accounts, in which case we may consult with clients as requested. (With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies). To direct us to vote a proxy in a particular manner, clients should contact Jeff Huse, Chief Compliance Officer, by telephone, electronic mail, or in writing.

When we have discretion to vote proxies for our clients, we will vote those proxies in the best interests of our clients and in accordance to our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. When clients elect to grant Cornerstone proxy voting authority with respect to shares held in their account(s), Cornerstone may vote on mutual fund proposals that raise the management fee of the fund. Third party managers have discretion to vote proxies for separately managed accounts, which they advise for Cornerstone's mutual funds.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Jeff Huse directly. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

Other than for our pooled investment vehicle and mutual fund clients, we will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18. Financial Information

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered.

Part 2B of Form ADV: *Brochure Supplement*

Kenneth Michael Hart
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

Cornerstone Advisors Inc.
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

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Item 2. Educational Background and Business Experience

Kenneth Michael Hart

Year of Birth: 1970

Education:

Mr. Hart graduated from Seattle Pacific University with a BS degree in Finance in 1993.

Professional Designations:

Mr. Hart has earned the Chartered Financial Analyst (CFA) designation. The CFA designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a CFA charterholder candidates must pass each of three six-hour exams, possess a bachelor's degree (or equivalent, as assessed by CFA institute) and have 48 months of qualified, professional work experience. CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

Business Background:

Cornerstone Advisors Inc.

Chief Executive Officer, 01/2011 – Present

President, 01/2010 – 12/2010

Chief Client Relationship Manager, 01/2007 – 12/2009

Client Manager, 01/1999 – 12/2006

Associate Client Manager, 06/1994 – 12/1998

Item 3. Disciplinary Information

Mr. Hart does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Mr. Hart is not engaged in any other business or occupation.

Item 5. Additional Compensation

Mr. Hart does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

Mr. Hart is directly supervised by our firm's Board of Directors. Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance with our policies and procedures, Code of Ethics, employee rules of conduct, and all relevant federal and state laws and regulations. Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. All of Mr. Hart's personal

securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.

Part 2B of Form ADV: *Brochure Supplement*

Adam Lewis
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

Cornerstone Advisors Inc.
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

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Item 2. Educational Background and Business Experience

Adam Lewis

Year of Birth: 1981

Education:

Mr. Lewis graduated from Seattle Pacific University with a BA degree in Business Administration in 2004 and from Gonzaga University with a Juris Doctor in 2007.

Professional Designations:

Mr. Lewis has earned the Certified Financial Planner (CFP) designation from the College of Financial Planning. The CFP designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. (CFP Board) in the United States. To receive authorization to use the designation, the candidate must meet education, examination, experience and ethics requirements, and pay an ongoing certification fee. To fulfill the education requirement, students are required to complete course training in various topic areas and sit for the CFP Board Certification Examination. A bachelor's degree (or higher), or its equivalent in any discipline, from an accredited college or university is required to attain CFP certification.

Business Background:

Cornerstone Advisors, Inc.

Chief Client Relationship Officer, 06/2019 - Present

Client Manager, 01/2015 – 05/2019

Associate Client Manager, 11/2009 – 012/2014

Perkins Coie

Attorney, 11/2008 – 11/2009

Pacific Capital Resource Group

Financial Service Representative, 10/2007 – 11/2008

Item 3. Disciplinary Information

Mr. Lewis does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Mr. Lewis is not engaged in any other business or occupation.

Item 5. Additional Compensation

Mr. Lewis does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

Mr. Lewis is directly supervised by Kenneth Hart, Chief Executive Officer. Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance

with our policies and procedures, Code of Ethics, employee rules of conduct, and all relevant federal and state laws and regulations. Mr. Hart and Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. All of Mr. Lewis's personal securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.

Part 2B of Form ADV: *Brochure Supplement*

Susan Elizabeth Peterson
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

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Cornerstone Advisors Inc.
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

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Item 2. Educational Background and Business Experience

Susan Elizabeth Peterson

Year of Birth: 1965

Education:

Ms. Peterson graduated from Wheaton College with a BA degree in Economics in 1987.

Professional Designations:

Ms. Peterson has earned the Chartered Financial Analyst (CFA) designation. The CFA designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a CFA charterholder candidates must pass each of three six-hour exams, possess a bachelor's degree (or equivalent, as assessed by CFA institute) and have 48 months of qualified, professional work experience. CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

Business Background:

Cornerstone Advisors, Inc.
Client Manager, 08/1992 – Present
Associate Client Manager, 07/1987 – 07/1992

Item 3. Disciplinary Information

Ms. Peterson does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Ms. Peterson is not engaged in any other business or occupation.

Item 5. Additional Compensation

Ms. Peterson does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

Ms. Peterson is directly supervised by Adam Lewis, Chief Client Relationship Officer. Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance with our policies and procedures, Code of Ethics, employee rules of conduct, and all relevant federal and state laws and regulations. Mr. Lewis and Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. All of Ms. Peterson's personal securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.

Part 2B of Form ADV: *Brochure Supplement*

Daniel Kwon
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

Cornerstone Advisors Inc.
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

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Item 2. Educational Background and Business Experience

Daniel Kwon

Year of Birth: 1970

Education:

Mr. Kwon graduated from the University of Washington with a BA degree in 1994 and from Seattle University Albers School of Business with a Masters of Science in Finance in 1998.

Business Background:

Cornerstone Advisors, Inc.
Client Manager, 01/2002 - Present
Associate Client Manager, 03/1998 – 12/2001

Item 3. Disciplinary Information

Mr. Kwon does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Mr. Kwon is not engaged in any other business or occupation.

Item 5. Additional Compensation

Mr. Kwon does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

Mr. Kwon is directly supervised by Adam Lewis, Chief Client Relationship Officer Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance with our policies and procedures, Code of Ethics, employee rules of conduct, and all relevant federal and state laws and regulations. Mr. Lewis and Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. All of Mr. Kwon's personal securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.

Part 2B of Form ADV: *Brochure Supplement*

David W. Drews
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

Cornerstone Advisors Inc.
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

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Item 2. Educational Background and Business Experience

David W. Drews

Year of Birth: 1965

Education:

Mr. Drews graduated from the University of Washington with a BA degree in 1988.

Professional Designations:

Mr. Drews has earned the Chartered Financial Analyst (CFA) designation. The CFA designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a CFA charterholder candidates must pass each of three six-hour exams, possess a bachelor's degree (or equivalent, as assessed by CFA institute) and have 48 months of qualified, professional work experience. CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

Mr. Drews has also earned the Certified Public Accountant (CPA) designation. CPA is the statutory title of qualified accountants in the United States who have passed the Uniform Certified Public Accountant Examination and have met additional state education and experience requirements for certification as a CPA.

Business Background:

Cornerstone Advisors, Inc., Client Manager, 1997 - Present

Item 3. Disciplinary Information

Mr. Drews does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Mr. Drews is not engaged in any other business or occupation.

Item 5. Additional Compensation

Mr. Drews does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

Mr. Drews is directly supervised by Adam Lewis, Chief Client Relationship Officer. Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance with our policies and procedures, Code of Ethics, employee rules of conduct, and all relevant federal and state laws and regulations. Mr. Lewis and Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are

being met. All of Mr. Drews's personal securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.

Part 2B of Form ADV: *Brochure Supplement*

Scott Dowling
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

Cornerstone Advisors Inc.
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

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Item 2. Educational Background and Business Experience

James Scott Dowling

Year of Birth: 1958

Education:

Mr. Dowling graduated from the University of Montana with a BS degree in Business Administration in 1980.

Professional Designations:

Mr. Dowling has earned the Certified Public Accountant (CPA) designation. CPA is the statutory title of qualified accountants in the United States who have passed the Uniform Certified Public Accountant Examination and have met additional state education and experience requirements for certification as a CPA.

Business Background:

Cornerstone Advisors, Inc., Client Manager, 10/2011 - Present
Dowling Investment Group, Owner, 1/1989 – 10/2011

Item 3. Disciplinary Information

Mr. Dowling does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Mr. Dowling is not engaged in any other business or occupation.

Item 5. Additional Compensation

Mr. Dowling does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

Mr. Dowling is directly supervised by Adam Lewis, Chief Client Relationship Officer. Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance with our policies and procedures, Code of Ethics, employee rules of conduct, and all relevant federal and state laws and regulations. Mr. Lewis and Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. All of Mr. Dowling's personal securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.

Part 2B of Form ADV: *Brochure Supplement*

Kyle Kingshott
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

Cornerstone Advisors Inc.
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

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Item 2. Educational Background and Business Experience

Kyle Kingshott

Year of Birth: 1981

Education:

Mr. Kingshott graduated from Washington State University with a BA degree in Business Administration in 2004.

Professional Designations:

Mr. Kingshott has earned the Certified Financial Planner (CFP) designation from the College of Financial Planning. The CFP designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. (CFP Board) in the United States. To receive authorization to use the designation, the candidate must meet education, examination, experience and ethics requirements, and pay an ongoing certification fee. To fulfill the education requirement, students are required to complete course training in various topic areas and sit for the CFP Board Certification Examination. A bachelor's degree (or higher), or its equivalent in any discipline, from an accredited college or university is required to attain CFP certification.

Business Background:

Cornerstone Advisors, Inc.
Client Manager, 01/2015 – Present
Associate Client Manager, 06/2006 – 012/2014

Item 3. Disciplinary Information

Mr. Kingshott does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Mr. Kingshott is not engaged in any other business or occupation.

Item 5. Additional Compensation

Mr. Kingshott does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

Mr. Kingshott is directly supervised by Adam Lewis, Chief Client Relationship Officer. Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance with our policies and procedures, Code of Ethics, employee rules of conduct, and all relevant federal and state laws and regulations. Mr. Lewis and Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are

being met. All of Mr. Kingshott's personal securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.

Part 2B of Form ADV: *Brochure Supplement*

Viren Kamdar
920 5th Ave
Suite 415
Seattle, WA 98104

Telephone: (425) 646-7600

Cornerstone Advisors Inc.
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

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Item 2. Educational Background and Business Experience

Viren Kamdar

Year of Birth: 1974

Education:

Mr. Kamdar graduated from University of Phoenix with a BBA degree in Finance in 2009 and from University of Phoenix with a Master's in Business Administration in 2012.

Business Background:

Cornerstone Advisors, Inc.
Client Manager, 08/2016 – Present
J.P. Morgan Private Bank
Vice President, 06/2012 – 07/2016
Citi Private Bank
Banker Associate, 05/2007 – 05/2012
Wells Fargo Bank N.A.
Personal Banker, 06/2006 – 05/2007

Item 3. Disciplinary Information

Mr. Kamdar does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Mr. Kamdar is not engaged in any other business or occupation.

Item 5. Additional Compensation

Mr. Kamdar does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

Mr. Kamdar is directly supervised by Adam Lewis, Chief Client Relationship Officer. Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance with our policies and procedures, Code of Ethics, employee rules of conduct, and all relevant federal and state laws and regulations. Mr. Lewis and Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. All of Mr. Kamdar's personal securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.

Part 2B of Form ADV: *Brochure Supplement*

Patrick Haugh
3601 C Street, Suite 1320
Anchorage, AK 99503

Telephone: (425) 646-7600

Cornerstone Advisors Inc.
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

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Item 2. Educational Background and Business Experience

Patrick Haugh

Year of Birth: 1963

Education:

Mr. Haugh graduated from University of Alaska Anchorage with a BA degree in Finance in 2004.

Professional Designations:

Mr. Haugh has earned the Certified Financial Planner (CFP) designation from the College of Financial Planning. The CFP designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. (CFP Board) in the United States. To receive authorization to use the designation, the candidate must meet education, examination, experience and ethics requirements, and pay an ongoing certification fee. To fulfill the education requirement, students are required to complete course training in various topic areas and sit for the CFP Board Certification Examination. A bachelor's degree (or higher), or its equivalent in any discipline, from an accredited college or university is required to attain CFP certification.

Business Background:

Cornerstone Advisors, Inc.
Client Manager, 10/2016 – Present
Morgan Stanley
Financial Advisor, 05/2004 – 10/2016

Item 3. Disciplinary Information

Mr. Haugh does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Mr. Haugh is not engaged in any other business or occupation.

Item 5. Additional Compensation

Mr. Haugh does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

Mr. Haugh is directly supervised by Adam Lewis, Chief Client Relationship Officer. Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance with our policies and procedures, Code of Ethics, employee rules of conduct, and all relevant federal and state laws and regulations. Mr. Lewis and Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment

policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. All of Mr. Haugh's personal securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.

Part 2B of Form ADV: *Brochure Supplement*

Phil Miller
920 5th Ave
Suite 415
Bellevue, WA 98104

Telephone: (425) 646-7600

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Bellevue, WA 98004

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Item 2. Educational Background and Business Experience

Phil Miller

Year of Birth: 1979

Education:

Mr. Miller graduated from Western Washington University with a BA degree in 2002.

Professional Designations:

Mr. Miller has earned the Certified Financial Planner (CFP®) designation. The CFP® designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. (CFP® Board) in the United States. To receive authorization to use the designation, the candidate must meet education, examination, experience and ethics requirements, and pay an ongoing certification fee. To fulfill the education requirement, students are required to complete course training in various topic areas and sit for the CFP® Board Certification Examination. A bachelor's degree (or higher), or its equivalent in any discipline, from an accredited college or university is required to attain CFP® certification. Continuing Education is ongoing.

Business Background:

Cornerstone Advisors, Inc.

Client Manager, Managing Director 01/2017 – Present

Associate Client Manager, 01/2015 – 12/2016

Russell Investments

Associate Client Executive, 09/2004– 01/2015

Item 3. Disciplinary Information

Mr. Miller does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Mr. Miller is not engaged in any other business or occupation.

Item 5. Additional Compensation

Mr. Miller does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

Mr. Miller is directly supervised by Adam Lewis, Chief Client Relationship Officer. Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance with our policies and procedures, Code of Ethics, employee rules of conduct, and all relevant federal and state laws and regulations. Mr. Lewis and Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment

policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. All of Mr. Miller's personal securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.

Part 2B of Form ADV: *Brochure Supplement*

Bryan Digel
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

Cornerstone Advisors Inc.
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

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Item 2. Educational Background and Business Experience

Bryan Digel

Year of Birth: 1969

Education:

Mr. Digel graduated from University of Washington with a BS in Business Administration.

Professional Designations:

Mr. Digel has earned the Certified Financial Planner (CFP®) designation. The CFP® designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. (CFP® Board) in the United States. To receive authorization to use the designation, the candidate must meet education, examination, experience and ethics requirements, and pay an ongoing certification fee. To fulfill the education requirement, students are required to complete course training in various topic areas and sit for the CFP® Board Certification Examination. A bachelor's degree (or higher), or its equivalent in any discipline, from an accredited college or university is required to attain CFP® certification. Continuing Education is ongoing.

Business Background:

Cornerstone Advisors, Inc.

Client Manager, Managing Director 01/2018 – Present

TD Ameritrade

Branch Manager, 03/1994– 01/2018

Item 3. Disciplinary Information

Mr. Digel does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Mr. Digel is not engaged in any other business or occupation.

Item 5. Additional Compensation

Mr. Digel does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

Mr. Digel is directly supervised by Adam Lewis, Chief Client Relationship Officer. Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance with our policies and procedures, Code of Ethics, employee rules of conduct, and all relevant federal and state laws and regulations. Mr. Lewis and Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are

being met. All of Mr. Digel's personal securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.

Part 2B of Form ADV: *Brochure Supplement*

Renee Hawkes
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Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

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Bellevue, WA 98004

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Item 2. Educational Background and Business Experience

Renee Hawkes

Year of Birth: 1972

Education:

Ms. Hawkes graduated from Gonzaga University with a Bachelor of Business Administration, Accounting.

Professional Designations:

Ms. Hawkes has earned the Certified Public Accountant (CPA) designation. CPA is the statutory title of qualified accountants in the United States who have passed the Uniform Certified Public Accountant Examination and have met additional state education and experience requirements for certification as a CPA.

Business Background:

Cornerstone Advisors, Inc.
Client Manager, Managing Director 04/2018 – Present
Coldstream Capital Management
Wealth Planner, 11/2014 – 04/2018
Berntson Porter & Company, PLLC
Director of Fiduciary Services, 08/2008 – 10/2014

Item 3. Disciplinary Information

Ms. Hawkes does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Ms. Hawkes is not engaged in any other business or occupation.

Item 5. Additional Compensation

Ms. Hawkes does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

Ms. Hawkes is directly supervised by Adam Lewis, Chief Client Relationship Officer. Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance with our policies and procedures, Code of Ethics, employee rules of conduct, and all relevant federal and state laws and regulations. Mr. Lewis and Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are

being met. All of Ms. Hawkes personal securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.

Part 2B of Form ADV: *Brochure Supplement*

Rachele Bouchand
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

Cornerstone Advisors Inc.
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

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Item 2. Educational Background and Business Experience

Rachele Bouchand

Year of Birth: 1974

Education:

Ms. Bouchand graduated from Harvey Mudd College with a Bachelor of Science, Biology in 1996.

Professional Designations:

Ms. Bouchand has earned the Certified Financial Planner (CFP®) designation. The CFP® designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. (CFP® Board) in the United States. To receive authorization to use the designation, the candidate must meet education, examination, experience and ethics requirements, and pay an ongoing certification fee. To fulfill the education requirement, students are required to complete course training in various topic areas and sit for the CFP® Board Certification Examination. A bachelor's degree (or higher), or its equivalent in any discipline, from an accredited college or university is required to attain CFP® certification. Continuing Education is ongoing.

Business Background:

Cornerstone Advisors, Inc.

Client Manager, Managing Director 05/2018 – Present

Ascent Private Capital Management

Managing Director, Family Office Advisory 06/2016 – 04/2018

Clark Nuber, PS

Director of Financial Planning, 01/2011 – 06/2016

Cawaring Financial Planning, LLC

Principal, 09/2006 – 12/2010

Item 3. Disciplinary Information

Ms. Bouchand does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Ms. Bouchand is not engaged in any other business or occupation.

Item 5. Additional Compensation

Ms. Bouchand does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

Ms. Bouchand is directly supervised by Adam Lewis, Chief Client Relationship Officer. Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance with our policies and procedures, Code of Ethics, employee rules of conduct, and all

relevant federal and state laws and regulations. Mr. Lewis and Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. All of Ms. Bouchand's personal securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.

Part 2B of Form ADV: *Brochure Supplement*

Jesse Thomas
920 5th Ave
Suite 415
Seattle, WA 98104

Telephone: (425) 646-7600

Cornerstone Advisors Inc.
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

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Item 2. Educational Background and Business Experience

Jesse Thomas

Year of Birth: 1982

Education:

Mr. Thomas graduated from University of Oregon with a Bachelor of Science, Journalism in 2004 and from Northwestern University with a Master's of Science in Journalism in 2006.

Business Background:

Cornerstone Advisors, Inc.
Client Manager, Director 06/2018 – Present
Waddell & Reed
District Manager, 05/2014 – 05/2018
Financial Advisor, 06/2009 – 04/2014
Waggener Edstrom
Account Executive, 01/2008 – 04/2009

Item 3. Disciplinary Information

Mr. Thomas does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Me. Thomas is not engaged in any other business or occupation.

Item 5. Additional Compensation

Mr. Thomas does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

Mr. Thomas is directly supervised by Adam Lewis, Chief Client Relationship Officer. Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance with our policies and procedures, Code of Ethics, employee rules of conduct, and all relevant federal and state laws and regulations. Mr. Lewis and Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. All of Mr. Thomas' personal securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.

Part 2B of Form ADV: *Brochure Supplement*

Anna Johnson
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

Cornerstone Advisors Inc.
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

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Item 2. Educational Background and Business Experience

Anna Johnson

Year of Birth: 1973

Education:

Ms. Johnson graduated from Humboldt State University with a Bachelor of Arts in Art and Seattle University School of Law with Juris Doctorate.

Professional Designations:

Ms. Johnson has earned the Certified Financial Planner (CFP®) designation. The CFP® designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. (CFP® Board) in the United States. To receive authorization to use the designation, the candidate must meet education, examination, experience and ethics requirements, and pay an ongoing certification fee. To fulfill the education requirement, students are required to complete course training in various topic areas and sit for the CFP® Board Certification Examination. A bachelor's degree (or higher), or its equivalent in any discipline, from an accredited college or university is required to attain CFP® certification. Continuing Education is ongoing.

Business Background:

Cornerstone Advisors, Inc.
Client Manager, Managing Director 10/2019 – Present
Ascent Private Capital Management 10/2014 to 10/2019
Laird Norton Wealth Management 9/2009 to 10/2014

Item 3. Disciplinary Information

Ms. Johnson does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Ms. Johnson is not engaged in any other business or occupation.

Item 5. Additional Compensation

Ms. Johnson does not receive any additional compensation from third parties for providing investment advice to her clients and does not compensate anyone for client referrals.

Item 6. Supervision

Ms. Johnson is directly supervised by Adam Lewis, Chief Client Relationship Officer. Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance with our policies and procedures, Code of Ethics, employee rules of conduct, and all relevant federal and state laws and regulations. Mr. Lewis and Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are

being met. All of Ms. Johnson' personal securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.

Part 2B of Form ADV: *Brochure Supplement*

Kyle Thomas
225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

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225 – 108th Avenue NE
Suite 400
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Item 2. Educational Background and Business Experience

Kyle Thomas

Year of Birth: 1990

Education:

Mr. Thomas graduated from Seattle Pacific University with a Bachelor of Arts in Business Administration in 2013.

Professional Designations:

Mr. Thomas has earned the Certified Financial Planner (CFP®) designation. The CFP® designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. (CFP® Board) in the United States. To receive authorization to use the designation, the candidate must meet education, examination, experience and ethics requirements, and pay an ongoing certification fee. To fulfill the education requirement, students are required to complete course training in various topic areas and sit for the CFP® Board Certification Examination. A bachelor's degree (or higher), or its equivalent in any discipline, from an accredited college or university is required to attain CFP® certification. Continuing Education is ongoing.

Business Background:

Cornerstone Advisors, Inc.
Client Manager, Director 01/2019 – Present
Assistant Client Manager, 06/2013 – 12/2018

Item 3. Disciplinary Information

Mr. Thomas does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Mr. Thomas is not engaged in any other business or occupation.

Item 5. Additional Compensation

Mr. Thomas does not receive any additional compensation from third parties for providing investment advice to her clients and does not compensate anyone for client referrals.

Item 6. Supervision

Mr. Thomas is directly supervised by Adam Lewis, Chief Client Relationship Officer. Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance with our policies and procedures, Code of Ethics, employee rules of conduct, and all relevant federal and state laws and regulations. Mr. Lewis and Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are

being met. All of Mr. Thomas' personal securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.

Part 2B of Form ADV: *Brochure Supplement*

Bryce McDonald
920 5th Ave
Suite 415
Seattle, WA 98104

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225 – 108th Avenue NE
Suite 400
Bellevue, WA 98004

Telephone: (425) 646-7600

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Item 2. Educational Background and Business Experience

Bryce McDonald

Year of Birth: 1975

Education:

Mr. McDonald graduated from Santa Clara University with a Bachelor of Science in Psychology in 1997, and Walden University with a Masters of Business Administration in 2005.

Business Background:

Cornerstone Advisors, Inc.
Managing Director, Strategic Growth 01/2019-Present
Managing Director, Marketing 08/2015-12/2018

Item 3. Disciplinary Information

Mr. McDonald does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Mr. McDonald is not engaged in any other business or occupation.

Item 5. Additional Compensation

Mr. McDonald does not receive any additional compensation from third parties for providing investment advice to her clients and does not compensate anyone for client referrals.

Item 6. Supervision

Mr. McDonald is directly supervised by Kenneth Hart, Chief Executive Officer. Jeff Huse, Chief Compliance Officer, and our compliance staff are responsible for monitoring and enforcing compliance with our policies and procedures, Code of Ethics, employee rules of conduct, and all relevant federal and state laws and regulations. Mr. Hart and Mr. Huse can be reached at (425) 646-7600. Our firm's Investment Committee is responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. All of Mr. McDonald's personal securities transactions and annual holdings reports are collected on a quarterly and annual basis, respectively, and reviewed by our compliance staff.