

Item 1. - COVER PAGE



Investment Adviser Information

Form ADV Part 2A

Uniform Application for Investment Adviser Registration

October 15, 2021

CornerStone Partners Capital Management, LLC.

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This Brochure provides information about the qualifications and business practices of CornerStone Partners Capital Management, LLC. ("CornerStone," "We," "Us," or the "Firm"). If you have any questions related to the contents of this Brochure, please contact Maria Rolph, Chief Compliance Officer ("CCO"), at (434) 296-2300 or mrolph@cstonellc.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about CornerStone is also available on the SEC's website at www.adviserinfo.sec.gov.

CornerStone Partners Capital Management, LLC. is a registered investment adviser with the SEC. Registration with the SEC does not imply a certain level of skill or training.

Item 2. – MATERIAL CHANGES

In this section, we are required to provide a summary of material changes since the last annual update of our Brochure. Our last annual updating amendment was filed on March 10, 2021. Since that time, we have begun to offer a fund of funds structure as an alternative for some clients to efficiently allocate client assets among pooled investment vehicles and separately managed accounts managed by third-party managers. We have revised Items 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17 and 18 of this Brochure in light of considerations relevant to our sponsorship and management of the Funds (as defined in Item 4 of the Brochure).

INVESTMENT ADVISER INFORMATION

Form ADV Part 2A: Uniform Application for Investment Adviser Registration

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Item 4. - ADVISORY BUSINESS

Firm Overview

CornerStone Partners Capital Management, LLC (doing business as CornerStone Partners) in 2020 acquired the advisory business of CornerStone Partners LLC, which was founded in 1997 and registered as an investment adviser with the SEC in 2002. CornerStone Partners ("CornerStone") provides portfolio management services and selects investments managed by third-party investment advisers for its clients' portfolios. As an Outsourced Chief Investment Officer providing investment office services ("OCIO") to tax-exempt organizations since 2002, we relieve clients of the challenges of building and maintaining an in-house investment office. CornerStone provides fiduciary portfolio management and a broad range of operational and administrative services to its clients.

Clients of CornerStone are endowments, foundations, charitable organizations, and pooled investment vehicles. Clients' missions include supporting educational institutions and students; improving healthcare availability and quality; safeguarding the environment through conservation; and improving their surrounding communities.

CornerStone Partners is managed by Christopher Laing, David Russell, Kevin Schuyler, Shane Galie, Peter Knerr, Jerry Polk, Carrie Davis, Kristin Henningsen, and Maria Rolph, (CornerStone Principals), pursuant to a management agreement between Wahoo Management Partners, LLC (the Management Company) and CornerStone Partners Capital Management, LLC (the Operating Company). The principals of Wahoo Management Partners, LLC serve as officers of CornerStone and as such are responsible for the management, supervision, and oversight of CornerStone.

FOCUS FINANCIAL PARTNERS, LLC

CornerStone Partners is part of the Focus Financial Partners, LLC ("Focus LLC") partnership. Specifically, CornerStone is a wholly owned subsidiary of Focus Operating, LLC ("Focus Operating"), which is a wholly owned subsidiary of Focus LLC. Focus Financial Partners Inc. ("Focus Inc.") is the sole managing member of Focus LLC and is a public company traded on the NASDAQ Global Select Market. Focus Inc. owns approximately two-thirds of the economic interests in Focus LLC.

Focus Inc. has no single 25% or greater shareholder. Focus Inc. is the managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is through the voting rights and Board at Focus Inc. As of June 30, 2021, investment vehicles affiliated with Stone Point Capital, LLC ("Stone Point") had an approximately 22% voting interest in Focus Inc. and Stone Point had the right to designate two of eight directors on the Focus Inc. Board.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other firms (the "Focus Partners"), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

Services Offered

OCIO Services. CornerStone provides OCIO services to tax-exempt organizations (“Advisory Clients”). We manage Advisory Clients’ portfolios pursuant to a discretionary or non-discretionary investment management agreement (“IMA”) with each Advisory Client. Client portfolios are managed in accordance with the investment objectives, strategies, and guidelines expressly stated and agreed upon within the Client’s Investment Policy Statement. Accounts and investments are registered in the Advisory Clients’ name and held in custody with an independent third-party qualified custodian selected and retained by each Advisory Client.

CornerStone recommends, implements, and monitors Advisory Clients’ investments with third-party managers, including public and private equity, and debt investments. CornerStone investment professionals monitor Advisory Clients’ portfolios and underlying manager performance on an ongoing basis and propose adjustments to allocations periodically as opportunities and challenges arise. With discretionary authority, CornerStone can arrange for the purchase, acquisition, redemption, sale, or disposal of investments on behalf of Advisory Clients.

Third-party investment managers have full investment discretion and trading authority and sole responsibility for implementation of the investment program with respect to the portion of the Advisory Clients’ account they manage. Investment discretion has been delegated to and accepted by the third-party money managers. Each Advisory Client has a direct contractual relationship with each such third-party investment manager and receives disclosures of each manager’s practices.

Fund of Funds. CornerStone is also the sponsor and investment manager of the following asset class commingled funds of funds: CPCM PEF LP, CPCM DAF LP and CPCM PIF LP (collectively, the “Funds” and together with the Advisory Clients, the “Clients”). The Funds are an administratively efficient means to allocate Advisory Clients’ assets among pooled investment vehicles and separately managed accounts managed by third-party managers. The Funds waive management fees for Fund investors (“Investors”) who are current Advisory Clients of CornerStone. Accordingly, current Advisory Clients will pay fees to CornerStone on assets invested in the Funds only at the Advisory Client level.

CornerStone provides detailed written analysis and reports to Advisory Clients, typically monthly and/or quarterly and the Funds at least quarterly with audited year-end financial statements annually, in addition to the account statements Clients receive from their custodian, investment managers, and the Funds’ administrator.

Client-Tailored Services and Client-Imposed Restrictions

CornerStone seeks to understand the unique considerations and objectives of each Client, and to integrate portfolio design, investment planning and ongoing recommendations with each Client’s broader mission, strategic plan, and financial needs. We work closely with each Client’s staff and committees to define and establish or update the organization’s investment policies, and to determine appropriate allocations in consideration of each organization’s financial strategy, objectives, risk tolerance, and constraints.

CornerStone recommends or implements third-party investments in accordance with the investment goals and objectives established jointly by CornerStone and each Client.

Clients can place restrictions on the types of investments to be recommended or made for its account(s).

Assets Under Management

As of September 30, 2021, we had \$9,393,000,000 in assets under management on a discretionary basis and \$1,493,600,000 in assets under management on a non-discretionary basis.

Item 5. - FEES AND COMPENSATION

Fee Options

CornerStone offers two fee schedule options to Advisory Clients.

Option #1: Management Fee + Incentive Fee:

Annual Management Fee:

0.40% per annum on assets up to \$250 million;

0.15% per annum on assets between \$250 million and \$500 million;

0.10% per annum on assets between \$500 million and \$1 billion;

0.08% per annum on assets over \$1 billion.

Incentive Fee:

An annual incentive fee of 3.0% of the aggregate profits, net of all fees and expenses, for the calendar year, including unrealized gains, if any, in excess of a 10% "hurdle return", subject to a loss carry-forward. An incentive fee will not be paid until net losses have been offset by subsequent net profits, and the hurdle return for the year has been exceeded. The incentive fee will only be payable on net profits that are in excess of the hurdle return. The "hurdle return" is a non-cumulative, non-compounded rate of 10% per annum. Partial periods are prorated. Any incentive fee is paid in arrears and is based on the net asset value of the account on the last trading day of the calendar year or the last trading day that CornerStone managed the portfolio.

Option #2: Management Fee Only:

Advisory Clients have the option to eliminate the annual incentive fee in favour of a management fee only structure. For this option, each breakpoint of the management fee in Option 1 is increased by 0.02% per annum.

The Funds

As discussed in Item 4 above, the Funds waive their management fee for current Advisory Clients. Advisory Clients who have invested in the Funds are subject instead to the agreed upon advisory fee at the Advisory Client account level.

Advisory Clients who have terminated their advisory agreement with CornerStone but remain invested in the Funds, and Investors who are not Advisory Clients and are not CornerStone employees, will be subject to an annual management fee of .42%, payable quarterly in advance, as specified in the private placement memorandum for the Funds.

The management fee charged by the Fund to Investors is subject to negotiation.

One of the potential conflicts of interest that may arise in connection with fee calculations is related to valuation. Valuation of investments (which will indirectly determine the amount of the management and incentive fee) may involve uncertainties and judgmental determinations; should such valuations prove to be incorrect, Advisory Clients may be affected adversely. Independent pricing information may not be available at times with respect to certain securities and other investments. Accordingly, while custodians, administrators, and managers use their best efforts to establish the accurate current market value of all investments held in Advisory Clients' accounts, certain investments can be difficult to value and may be subject to varying interpretations of value. Private investment funds are valued based on quarterly statements or monthly estimates provided by the underlying manager, which statements are typically received on a delayed basis, are unaudited and subject to change.

Payment Terms

The first CornerStone management fee payment related to Advisory Clients is due upon execution of the investment management agreement and will be prorated if the agreement is executed at any time other than the first business day of the calendar quarter. Thereafter, the management fee is billed and payable quarterly in advance. CornerStone's fee is calculated on the net asset value of the Advisory Client's investment portfolio as of the last trading day of the previous calendar quarter. The management fee payment related to the Funds is due quarterly in advance, based on the value of each limited partner's capital account as of the first business day of each calendar quarter.

The investment management agreement is terminable by either party on prior written notice as specified in the IMA. Following termination, unless we have agreed otherwise in our agreement with the Client, we will refund a pro-rated amount for unearned, prepaid fees we may have received prior to the termination date.

Other Expenses

CornerStone's management fee is separate from, and in addition to, the fees and expenses of third parties associated with the investment of the Advisory Clients' assets, including fees charged by third-party investment managers, fees and expenses of mutual funds, ETFs and private investment funds, custodial charges, brokerage fees or commissions, transaction fees, borrowing charges, exchange fees, taxes, and other related costs and expenses incurred by Advisory Clients accounts.

Investors are responsible for their share of the expenses related to the Fund's investments and operations, such as (i) professional fees (including, without limitation, in respect of economic and other consultants and outside directors' fees and expenses (such as travel, lodging and meals)) incurred in connection with investments, whether or not such investments are consummated, (including, without limitation, negotiation and due diligence costs and legal expenses incurred in connection with workouts involving underlying portfolio companies); (ii) expenses of purchasing, carrying and disposing of portfolio positions such as commissions, borrowing charges on securities sold short, interest on margin accounts and other indebtedness; (iii) prime brokerage fees; (iv) custodial fees; (v) litigation, indemnification and other extraordinary expenses, if any; (vi) legal, the cost of negotiating side letters, related governmental and regulatory fees including, without limitation: Forms 13D, 13F, 13G, 13H, Form PF, and AIFMD Annex IV and other filings and reports the preparation and submission of which currently or in the future may be

required of a Fund or CornerStone under applicable law, audit, tax, accounting, the administrator (including middle/back office and/or independent shadow accounting services) and anti-money laundering officer fees; (vii) market data, modeling, valuation services, order management systems, portfolio management systems, risk management systems and/or independent risk advisory services (including third-party software licensing, implementation, data management and recovery services); (viii) research, including third-party research and market data (excluding the cost of terminals or other computer hardware incorporated in the cost of obtaining such research and market data), and legal expenses; (ix) administration fees; (x) the Management Fee; (xi) clearing costs; (xii) exchange fees; (xiii) insurance costs, including, without limitation, errors and omissions insurance (subject to applicable law); (xiv) brokerage fees and bank charges; (xv) marketing and related travel expenses (including Swiss representative fees and expenses); and (xvi) any other expenses related to the purchase, sale or transmittal of Fund assets (including, without limitation, travel directly related to portfolio management, research or structuring of the Fund's investments).

The allocation of expenses by CornerStone between it and a Client and among Clients represents a conflict of interest for Cornerstone. CornerStone has adopted an expense allocation policy that is designed to address this conflict. CornerStone allocates expenses to each Client in accordance with the Advisory Client's investment management agreement or the Fund's offering documents.

Item 6. - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described in Section 5 - Fee Options, Advisory Clients can select the management fee option that includes an Incentive Fee. The incentive fee is based on the performance of each Advisory Client's portfolio under CornerStone management and is a share of capital appreciation of the Client's assets.

In addition, a performance fee may be based on realized and unrealized gains and losses. As a result, a performance-based fee may be charged based on unrealized gains that a Client may never realize.

Compensation based on portfolio performance could create an incentive for CornerStone to recommend investments that may be riskier or more speculative than would be the case in the absence of such compensation. To the extent that CornerStone manages portfolios subject to a performance-based fee and portfolios that are not subject to a performance-based fee, CornerStone may be incentivized to favor accounts for which the Firm receives a performance-based fee.

CornerStone allocates investment opportunities among Clients in a manner it believes to be fair and equitable over time and in the best interests of each Client. Factors we consider include individual Client's investment objectives, strategies, limitations, and capital available for investment. Because of the diversity of objectives, risk tolerances, and differences in the timing of capital contributions and withdrawals, allocations to investment managers and specific investments/positions will inevitably differ among Client accounts. We monitor investments recommended and made for Client accounts on an ongoing basis, endeavoring to ensure they are appropriate, fair, and equitable to the maximum possible extent. CornerStone has adopted policies and procedures with respect to the allocation of investment opportunities that we believe are reasonably designed to mitigate conflicts associated with side-by-side management.

Item 7. - TYPES OF CLIENTS

CornerStone's Clients are generally institutional not-for-profit (tax-exempt) investors, including endowments, foundations, charitable organizations, and the Funds. We generally seek a minimum of \$250 million for new Advisory Client separate account relationships and a minimum of \$25 million for hybrid fund of funds and directly held relationships. CornerStone reserves the discretion to accept Advisory Clients with fewer assets, as well as the discretion to decline any proposed client engagement. Any initial and additional subscription minimums with respect to investment in a Fund are disclosed in the offering memorandum for each Fund.

Item 8. - METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK OF LOSS

Strategies and Methods of Analysis

CornerStone assesses each Client's portfolio objectives, risk tolerance, and constraints to form the basis for recommending or implementing investment strategies designed to achieve the Client's investment goals and objectives. CornerStone invests using an endowment approach or strategy, which means investing in a broad array of securities and assets, using multiple strategies to balance risks with the goal of achieving modest, consistent returns over long-term time horizons. We use proprietary and non-proprietary models to determine tactical and strategic asset allocation targets for Client investment portfolios. We use proprietary and non-proprietary databases, research, and industry networks in search of suitable investments for Client portfolios. We do not independently audit or verify the performance figures reported by all funds or managers that appear in these databases. The third-party managers determine the underlying investments in specific funds/accounts, and they determine their specific securities analysis methods.

We primarily consider the long-term prospects of a potential investment. CornerStone's manager selection process includes in-depth investment due diligence and fundamental analysis. Once we have identified a potential candidate for investment, we examine and evaluate management teams, investment and operations personnel, manager/fund strategies, security/investment selection methodologies, and portfolio- and risk management systems. We collect and review available audited financial statements, offering documents, manager reports, and past performance records, and we conduct manager interviews, in-person meetings, reference checks, and third-party background checks.

Associated Risks

The following is a brief overview of some of the risks associated with the investment strategies that CornerStone recommends and implements within Client portfolios; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks, considerations and conflicts that may arise in connection with the management of Client investment portfolios. The investment programs of the Clients may involve significant risk factors. Such investments are suitable only for experienced and sophisticated clients who have limited need for liquidity in their investment and can bear the economic risk of the loss of their entire investment. Further, due to the illiquid nature of certain assets, some investments may be redeemed or withdrawn at a price that may not always accurately reflect the value of the investment.

CornerStone seeks to select only third-party investment managers (e.g., “managers” or “money managers”) for its Advisory Clients who will invest assets with the highest level of integrity, but our investment selection process cannot ensure that managers will perform as desired. We have no control over the day-to-day operations of any money manager, and we would not necessarily be aware of certain activities, including, without limitation, a manager engaging in unreported risks, regulatory breach, or fraud. There can be no assurance that a manager will conform its conduct to the desired standards.

Investments with money managers are subject to inherent risks associated with securities investing, as well as additional risks. Managers may suffer loss because of poor performance, failure to raise assets, regulatory violations and enforcement actions, fraud, and other factors, which may result in a complete loss of the investment. Other risks include, but are not limited to, lack of liquidity, lack of diversification or transparency, reliance on managers for performance and valuation information, dependence on key personnel, the use of short sales, the use of leverage, custodian and prime broker insolvency, counterparty credit, and settlement default risk. There can be no assurance that Client portfolios will achieve their investment objectives. Changing economic, political, regulatory or market conditions, interest rates, general levels of economic activity, the price of securities and debt instruments, and participation by other investors in the financial markets may affect the value, number, and size of investments considered.

General Market and Economic Conditions. General economic conditions may affect the Clients’ activities. Changing economic, political, regulatory or market conditions, interest rates, general levels of economic activity, the price of securities and debt instruments and participation by other investors in the financial markets may affect the value and number of investments made by the Fund or considered for prospective investment. The value of investments may fluctuate in accordance with changes in the financial condition of portfolio companies and other factors that affect the markets in which the Clients invests. Economic, political, regulatory or market developments can affect a single obligor, obligors within an industry, economic sector or geographic region, or the market as a whole. Different parts of the market and different types of investments can react differently to these developments. Every investment has some level of market volatility risk. Economic slowdowns or downturns could lead to financial losses in a Client’s investments. In addition, many portfolio companies may be similarly subject to the same economic conditions, which could adversely impact a Client’s returns.

Short Sales. Certain Clients may engage in short sales to the extent CornerStone deems it advisable in connection with the Client’s investments or as opportunistic investments. CornerStone may use futures, options, swaps, credit default swaps, forward sales, or other transactions to effectuate short exposure in a portfolio. Short sales involve selling securities of an issuer short in the expectation of covering the short sale with securities purchased in the open market at a price lower than that received in the short sale. If the price of the issuer’s securities declines, the Client may then cover the short position with securities purchased in the market. The profit realized on a short sale will be the difference between the price received in the sale and the cost of the securities purchased to cover the sale. The possible losses from selling short a security differ from losses that could be incurred from a cash investment in the security; the former may be unlimited, whereas the latter can only equal the total amount of the cash investment. Short selling activities are also subject to restrictions imposed by federal or state securities laws and the various national and regional securities exchanges, which restrictions could limit a Client’s investment activities. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Synthetically created short positions will involve both hedging situations, where the position is intended to wholly or partially offset risk associated with another position in a related security, and speculative situations, where CornerStone uses shorting techniques to take advantage of the decline in the price of particular assets. A Client will generally realize a profit or a loss as a result of a synthetically created short position if the value of the underlying asset decreases or increases respectively during the relevant term of the short position. In addition, a Client would be required to post collateral on such positions as required pursuant to the agreement with the relevant transaction counterparty. The use of short selling through

credit default swaps and total return swaps would subject a Client to counterparty credit risk in the event of a default by the counterparty which could result in the loss of collateral posted with such counterparty and gains to which the Client would otherwise be entitled absent the default of the counterparty. In addition, depending on the nature of the synthetic instrument used by a Client to create short exposure, the Client could be subject to the risk of unlimited losses.

Leverage. CornerStone may cause the Funds to use leverage in their investment program. The amount of leverage that is employed by a Fund at a given time will be determined by CornerStone. The costs associated with any such leverage will be charged to the Fund.

Hedging Transactions. CornerStone may utilize various financial instruments, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of a Client's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect a Client's unrealized gains in the value of the Client's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in a Client's portfolio; (v) hedge the interest rate or currency exchange rate on any of a Client's liabilities or assets; (vi) protect against any increase in the price of any securities that a Client anticipates purchasing at a later date; or (vii) for any other reason that CornerStone deems appropriate.

The success of a Client's hedging strategy will be subject to CornerStone's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Client's hedging strategy will also be subject to the CornerStone's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner.

While CornerStone may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for a Client than if it had not engaged in any such hedging transactions. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of those portfolio positions or prevent losses if the values of those positions decline. Rather, it establishes other positions designed to gain from those same declines, thus seeking to moderate the decline in the portfolio position's value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. For a variety of reasons, CornerStone may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a Client from achieving the intended hedge or expose the Client to risk of loss. In addition, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs. CornerStone may determine, in its sole discretion, not to hedge against certain risks and certain risks may exist that cannot be hedged. Furthermore, CornerStone may not anticipate a particular risk so as to hedge against it effectively. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of a Client's portfolio holdings.

CornerStone may seek to hedge currency risks by investing in currencies, currency exchange forward or futures contracts, swaps, swaptions or any combination thereof (whether or not exchange traded), but these or other instruments necessary to hedge such currency risks may not generally be available, may not provide a perfect hedge or may not be, in CornerStone's judgment, economically priced. There can be no assurance that these strategies will be effective, and such techniques entail costs and additional risks.

Uncertain Exit Strategies. Due to the illiquid nature of many distressed investments, as well as the uncertainties of the reorganization and active management process, CornerStone may be unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies that appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political, or other factors.

Control Position Risk. Certain distressed investment opportunities may allow a holder to have significant influence on the management, operations, and strategic direction of the portfolio companies in which it invests. The exercise of control and/or significant influence over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The exercise of control and/or significant influence over a portfolio company could expose the assets of a Client to claims by such portfolio company, its securities holders, and its creditors. While CornerStone intends to manage Clients in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Interest Rate Risk. A Fund may be subject to several risks associated with changes in interest rates on its borrowings and investments which may affect profitability. The interest payments on a Fund's borrowings may increase relative to the interest earned on the Fund's investments. In a period of rising interest rates, interest payments by a Fund could increase or increase faster while the interest earned on certain investments would not change or change more slowly. The current environment of extraordinarily low interest rates is unprecedented in modern history and their impact is unknown.

Prepayment Risk. The frequency at which prepayments (including voluntary prepayments by the obligors and accelerations due to defaults) occur on bonds and loans will be affected by a variety of factors including the prevailing level of interest rates and spreads as well as economic, demographic, tax, social, legal, and other factors. Generally, obligors tend to prepay their fixed rate obligations when prevailing interest rates fall below the coupon rates on their obligations. Similarly, floating rate issuers and borrowers tend to prepay their obligations when spreads narrow.

In general, "premium" securities (securities whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments, and "discount" securities (securities whose principal or par amounts exceed their market values) are adversely affected by slower than anticipated prepayments. Since many fixed rate obligations will be discount securities when interest rates and/or spreads are high and will be premium securities when interest rates and/or spreads are low, such securities and asset-backed securities may be adversely affected by changes in prepayments in any interest rate environment.

The adverse effects of prepayments may impact a Client's portfolio in two ways. First, particular investments may experience outright losses, as in the case of an interest-only security in an environment of faster actual or anticipated prepayments. Second, particular investments may underperform relative to hedges that CornerStone may have constructed for these investments, resulting in a loss to a Client's overall portfolio. In particular, prepayments (at par) may limit the potential upside of many securities to their principal or par amounts, whereas their corresponding hedges often have the potential for unlimited loss.

Credit Risk. CornerStone may invest in debt securities and is subject to credit risk, i.e., the risk that an issuer of securities will be unable to pay principal and interest when due, or that the value of the security will suffer because investors believe the issuer is less able to pay. This is broadly gauged by the credit ratings of the securities in which a Client invests. However, ratings are only the opinions of the agencies issuing them, may change less quickly than relevant circumstances and are not absolute guarantees of the quality of the securities. Furthermore, a Client's investments may not be rated by any rating agency or may be below investment grade. Clients will be more dependent upon the judgment of CornerStone as to the credit quality of such unrated securities. A default, downgrade, or credit impairment of any of its investments could result in a significant or even total loss of the investment.

Concentration Risk. Although we strive to diversify portfolios so that the risks inherent in any one investment can be balanced by assets that move in different cycles or respond to different market factors, portfolio positions may be of sufficient size that a loss in a single position could comprise a significant loss

to the client's portfolio. In addition, diversification is not always successful in reducing correlation among asset classes and does not eliminate the risk of loss.

Private Investment Funds. Private Investment Funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, risks associated with the use of leverage, and liquidity constraints. Unlike other liquid investments that a client may maintain, Private Investment Funds do not provide daily liquidity or pricing. Assets invested in private investment funds may not be available to the client for many years. We urge investors to carefully review the complete discussion of risk factors set forth in the private offering memorandum for the Fund and/or the relevant fund we recommend.

Leveraged Loans. CornerStone may, from time to time, invest in non-investment grade senior secured loans, notes, and bonds and interests therein that are subject to liquidity, market value, credit, interest rate, reinvestment, and certain other risks. It is anticipated that any such investments will generally be subject to greater risks than investment grade corporate obligations. The prices of these investments may be volatile and will generally fluctuate due to a variety of factors that are inherently difficult to predict. Additionally, non-investment grade senior secured loans, notes and bonds and interests therein have significant liquidity and market value risks since they are not traded in organized exchange markets but are traded by banks and other institutional counterparties

Equity Investments. CornerStone may from time to time invest in equity instruments and securities. The value of equity securities held by a Client may decrease in value significantly due to changes in a company's financial condition, in response to adverse political, regulatory, market or economic developments affecting the company, its industry or the markets generally, or for other reasons. There is no assurance that the equity securities held by a Client will not lose their value. In addition, CornerStone may invest in equity instruments or securities of a private company that eventually transitions to a public company through an initial public offering. An initial public offering in this context may involve certain restrictions on trading, including but not limited to, customary lock-up periods for pre-initial public offering investments.

Initial Public Offerings. CornerStone may purchase securities of companies in initial public offerings of any equity security or shortly thereafter. Special risks associated with these securities may include a limited number of interests available for trading, unseasoned trading, lack of investor knowledge of the company, and a limited operating history. These factors may contribute to substantial price volatility for the interests of these companies. The limited number of interests available for trading in some initial public offerings may make it more difficult for CornerStone to buy or sell significant amounts of interests without an unfavorable impact on prevailing market prices. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them.

OTC Derivative Instrument Transactions. CornerStone may invest a portion of its assets in investments which are not traded on organized exchanges and as such are not standardized. Such transactions are known as over-the-counter ("OTC") transactions and may include forward contracts, swaps, or options. While some OTC markets are highly liquid, transactions in OTC derivatives may involve greater risk than investing in exchange traded derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price. In respect of such trading, a Client is subject to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respect to such contracts. Market illiquidity or disruption could result in major losses to a Client.

The instruments, indices and rates underlying derivative transactions expected to be entered into by

CornerStone may be extremely volatile in the sense that they are subject to sudden fluctuations of varying magnitude, and may be influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and changes in interest rates. The volatility of such instruments, indices, or rates, which may render it difficult or impossible to predict or anticipate fluctuations in the value of instruments traded by a Client, could result in losses.

Options. CornerStone may utilize options. Trading in options involves a number of risks. Specific market movements of the option and the instruments underlying an option cannot be predicted. No assurance can be given that a liquid offset market will exist for any particular option or at any particular time. If no liquid offset market exists, CornerStone might not be able to effect an offsetting transaction in a particular option. To realize any profit in the case of an option, therefore, the option holder would need to exercise the option and comply with margin requirements for the underlying instrument. A writer could not terminate the obligation until the option expired or the writer was assigned an exercise notice. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the futures contract underlying the option that the writer must purchase or deliver upon exercise of the option. The writer of a naked option may have to purchase the underlying contract in the market for substantially more than the exercise price of the option in order to satisfy his delivery obligations. This could result in a large net loss.

Futures. CornerStone may invest in certain futures contracts, including futures contracts on securities, interest rates, foreign currencies, stock indices, and may trade options on such futures contracts, including purchasing call options, writing (selling) naked or covered call options, and purchasing or selling put options on such futures contracts. CornerStone may also purchase or sell options on securities and securities indices. Futures contracts markets are highly volatile and are influenced by a variety of factors, including national and international political and economic developments. In addition, because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the trader. Moreover, futures positions are marked to market each day and variation margin payment must be paid to or by a trader.

ETF Risks. An ETF's risks include declining value of the securities held by the ETF, adverse developments in the industry or sector that the ETF tracks, capital loss in geographically focused funds because of unfavorable fluctuation in currency exchange rates, differences in generally accepted accounting principles, or economic or political instability, tracking error, which is the difference between the return of the ETF and the return of its benchmark, and trading at a premium or discount, meaning the difference between the ETF's market price and NAV. While ETFs may provide diversification, risks can be significantly increased for Clients concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e., borrow money), or concentrate in a particular type of security rather than balancing the fund with different types of securities. ETFs can be bought and sold throughout the day and their price can fluctuate throughout the day. During times of extreme market volatility, ETF pricing may lag versus the actual underlying asset values and there is no guarantee this relationship will resolve itself. ETFs also are subject to the individual risks described in their prospectus.

Additional Risks

Cybersecurity Risk. The computer systems, networks and devices used by CornerStone and service providers to us and our Clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and

telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A Client could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a Client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a Client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Systems and Operational Risks. CornerStone relies on certain financial, accounting, data processing and other operational systems and services that are employed by CornerStone and/or by third-party service providers, including prime brokers, the third-party administrator, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures, or interruptions. For example, CornerStone and Clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated, or accounted for or related to other similar disruptions in Clients' operations. In addition, despite certain measures established by CornerStone and third-party service providers to safeguard information in these systems, CornerStone, Clients, and their third-party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss, or corruption of data, and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of Client trading activities, liability under applicable law, regulatory intervention, or reputational damage.

Assumption of Business, Terrorism and Catastrophe Risks. Opportunities involving the assumption by Clients of various risks relating to particular assets, markets or events may be considered from time to time. Clients' portfolios are subject to the risk of loss arising from exposure that it may incur, directly or indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events and events that could adversely affect the health or life expectancy of people. These risks of loss can be substantial, could greatly exceed all income or other gains, if any, received by Clients in assuming these risks and, depending on the size of the loss, could adversely affect the return of Clients.

Systemic Risk. Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms, and exchanges with which Clients interact, as well as Clients, are all subject to systemic risk. A systemic failure could have material adverse consequences on Clients and on the markets for the securities in which Clients seek to invest.

Effects of Health Crises and Other Catastrophic Events. Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war, or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on Clients' investments and CornerStone's operations. For example, any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for Client portfolio companies. In addition, under such circumstances the operations,

including functions such as trading and valuation, of CornerStone and other service providers could be reduced, delayed, suspended, or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

Item 9. - DISCIPLINARY INFORMATION

As a registered investment adviser, CornerStone is required to disclose all material facts for any legal or disciplinary event that would be material to a Client or a potential client's evaluation of the firm and the integrity of the business and personnel employed by the firm. None of CornerStone's partners or employees have ever been the subject of any legal or disciplinary actions material to our business.

Item 10. - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Some CornerStone employees may be invited to serve on the advisory boards of third-party managed investment funds in which CornerStone Clients invest. In so doing, they may provide advice on certain conflicts of interest and other matters pertaining to such investment funds. There may be instances where such persons are asked to vote on issues taking the needs of all investors in such investment funds into account. Neither CornerStone nor any CornerStone employee receives any form of compensation for serving on these advisory boards.

FOCUS FINANCIAL PARTNERS

As noted above in response to Item 4, certain investment vehicles managed by Stone Point collectively are principal owners of Focus LLC and Focus Inc., and certain investment vehicles managed by KKR collectively are minority owners of Focus LLC and Focus Inc. Because CornerStone is an indirect, wholly owned subsidiary of Focus LLC and Focus Inc., the Stone Point and KKR investment vehicles are indirect owners of CornerStone. None of Stone Point, KKR, or any of their affiliates participates in the management or investment recommendations of our business.

Item 11. - CODE OF ETHICS, Participation or Interest in Client Transactions, and Personal Trading

CornerStone believes that high ethical standards are essential if we are to earn and maintain the confidence of our Clients. We have adopted a Code of Ethics designed to prevent and detect possible conflicts of interest, and compliance with CornerStone's Code of Ethics is a condition of employment. All CornerStone employees must acknowledge the Code and agree to comply upon employment, annually thereafter, and whenever material changes are made to the Code. A copy of CornerStone's Code of Ethics is available to any Client or prospective Client upon request by contacting the CCO using the contact information on the cover of this Brochure.

CornerStone's Code of Ethics acknowledges our obligations to our Clients as adviser and fiduciary, and imposes requirements related to supervision, reporting and preclearance of certain personal securities transactions which are designed to minimize conflicts of interest with our Clients.

Members of CornerStone's management company and CornerStone knowledgeable employees have the opportunity to invest in the Funds, which aligns our economic interests with Clients and Fund investors and gives us an incentive to recommend that our Advisory Clients invest in the Funds.

Item 12. – BROKERAGE PRACTICES

CornerStone does not recommend custodians for Advisory Client accounts. CornerStone Advisory Clients select and enter into agreements with the custodians who will hold their assets. Most securities transactions are executed by third-party managers. When CornerStone executes securities transactions for Advisory Clients, CornerStone has the authority to select the executing broker-dealer, and typically selects the Advisory Client's custodian broker-dealer based on the firm's belief that this choice is the most cost effective for the Advisory Client. When we have the authority to select the executing broker-dealer for Advisory Client securities transactions, we have a duty to seek best execution, which means the most favorable terms under the circumstances.

For the Funds, CornerStone considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) including the financial stability and reputation of brokerage firms, and the cost, research, brokerage, or other services provided by such brokers.

CornerStone does not receive soft dollars or other products or services other than execution from broker-dealers in connection with the execution of client securities transactions.

Directed Brokerage

Some Advisory Clients may have a pre-established relationship with a broker, and if so, they may instruct CornerStone to execute any relevant, directly traded securities transactions through that broker. Advisory Clients who direct the use of a particular broker or dealer should understand that they may pay higher brokerage commissions because CornerStone may not be able to aggregate orders to reduce transaction costs, so directed brokerage may cost them more money and result in less favorable overall execution.

Aggregation and Allocation of Transactions

CornerStone may aggregate investments among Clients when such aggregation is expected to be in the best interest of all Clients and in compliance with such Client investment management agreements. As an example, we may aggregate Client Commitments for the purposes of negotiating favorable terms such as reduced fees and capacity rights with fund sponsors.

CornerStone seeks to allocate investments among Client accounts in a manner that is fair and equitable under the circumstances.

Item 13. - REVIEW OF ACCOUNTS

Client portfolios are regularly reviewed for performance of investments and strategy of managers. CornerStone's senior managing directors are responsible for conducting these reviews, which focus on the consistency of portfolio investments with objectives and risk tolerances. Asset allocation, cash management, market prospects and underlying manager activity are also reviewed for consistency with the Client's investment parameters. Other factors we consider include changes in general economic and market conditions, corporate news, and interest rate movements.

The Firm provides detailed and customized written performance summaries to each Client on a monthly and/or quarterly basis, based upon the Advisory Client's request or the terms of the Fund's agreements. Among other information, these reports include the Client's investment value with each manager/fund, gains and losses, and the performance of all investments.

CornerStone's senior investment professionals generally hold in-person quarterly meetings with the investment or finance committee and staff of each Advisory Client. We tailor meeting agendas to topics relevant for each Advisory Client and provide detailed written reports and analysis in advance of each quarterly meeting for review and discussion at the meeting. In addition, CornerStone often prepares ad hoc reports in response to Advisory Client inquiries.

Item 14. - CLIENT REFERRALS AND OTHER COMPENSATION

CornerStone does not receive economic benefits from anyone who is not a Client for providing investment advice to our Clients. CornerStone does not compensate anyone who is not a supervised person for Advisory Client referrals.

Charitable Contributions

In the normal course of business, CornerStone or its employees may provide gifts that in some cases take the form of charitable contributions and donations to various individuals and entities such as Advisory Clients. These gifts are not premised upon Advisory Client referrals nor on any other type of benefit to CornerStone or its employees. Nevertheless, this practice may present the appearance of a conflict of interest if the individual or entity refers a prospective Advisory Client to the firm, or if any such contributions were made to influence an institution to become or remain an Advisory Client of the firm. CornerStone maintains written policies and procedures for gifts and entertainment to help minimize the risks associated with conflicts of interest of the firm and Clients.

CornerStone's parent company is Focus Financial Partners, LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best practices conferences, which typically include CornerStone, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including CornerStone. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors, and other third-party

service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including CornerStone. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause CornerStone to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including CornerStone. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement. Charles Schwab has provided a conference sponsorship to Focus in 2021.

Item 15. - CUSTODY

Client assets are held in custody by a qualified custodian in accordance with Rule 206(4)-2 under the Advisers Act. The custodian is chosen by the Client and unaffiliated with CornerStone.

Typically, a discretionary Advisory Client maintains a Delegation of Authority letter ("DOA") signed by the Advisory Client and agreed to by its custodian. The DOA, which details the authority granted to CornerStone by the Client in its management of the Advisory Client's investments, allows authorized parties of CornerStone to transfer cash and securities between the Advisory Client accounts that are listed on an Authorized Accounts List ("List") attached to the DOA. Details for each account are provided on the List, including the name of the account and investment, account number, wire instructions, and reference numbers, if any. CornerStone can direct transactions between the Advisory Client accounts identified on the List, but we cannot withdraw funds from Advisory Client accounts or arrange for third-party payments, including third-party manager fees. Only the Advisory Client can authorize the opening of a new account and the addition of an account or a change of account details to the Authorized Accounts List.

Most Advisory Clients have online access to their custodian's customer account platform to view portfolio activity. Advisory Clients typically receive monthly and/or quarterly account statements from their custodian. Statements identify the value of the assets in each account at the end of the period and set forth all cash and investment transactions during the period. Advisory Clients are urged to carefully review and compare the official custodial records with the reports they receive from CornerStone. CornerStone reports may vary from custodial statements based on month-end closing dates at the custodian, client-specified reporting dates and accounting procedures, and valuation methodologies of certain securities.

CornerStone is deemed to have custody of the Funds and of discretionary Client assets. CornerStone will comply with Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended, by arranging for an annual surprise exam examination by an independent public accountant to verify Client assets. CornerStone Funds meet the conditions of the pooled vehicle annual audit provision as a means to satisfy the requirements of the Custody Rule.

Item 16. - INVESTMENT DISCRETION

CornerStone does not have discretionary authority for all of its Clients' accounts. (See *Section 4 - Assets Under Management* for approximate value of Discretionary vs Non-Discretionary Assets.) However, each third-party investment manager that CornerStone recommends or selects for a Client generally will have

investment discretion over that portion of the Client's account pursuant to agreements between the Client and the third-party manager.

Discretionary authority is granted in a limited power of attorney contained in the Client agreement with CornerStone and must be exercised in accordance with the Client's Investment Policy Statement. Where a Client has provided CornerStone with discretionary investment authority, CornerStone may determine appropriate investment strategies, retain third-party investment managers, and arrange securities transactions and other investments, subject to each Client's investment management agreement.

CornerStone has discretionary authority to invest the assets of a Fund pursuant to an investment management agreement with the Fund.

Item 17. - VOTING CLIENT SECURITIES

CornerStone does not have authority to vote proxies for securities held by non-discretionary Client accounts; however, as part of our due diligence process, CornerStone seeks to ensure that the third-party investment managers it recommends will vote proxies in the best interest of CornerStone's Clients and in a manner that is consistent with the fiduciary responsibilities of the investment manager under its agreement with the Client and under applicable law.

CornerStone has the authority to vote proxies for securities held by discretionary Client accounts. For commingled funds, proxy-voting authorization is typically delegated by the Client to the third-party investment manager within the Client's IMA with the investment manager. For accounts that are separately managed, CornerStone delegates proxy-voting authority to the third-party investment manager and is responsible for conducting due diligence of the third-party investment manager's controls, including its policies and procedures concerning proxy voting.

Clients may obtain a copy of CornerStone's proxy voting policy by contacting Chief Compliance Officer Maria Rolph at (434) 296-2300 or mrolph@cstonellc.com.

CornerStone does not participate in class action settlements on behalf of Clients. Clients assume the sole responsibility of evaluating the merits and risks associated with any class action settlement; therefore, Clients are responsible for filing proofs of claims.

Item 18. – FINANCIAL INFORMATION

CornerStone does not require or solicit prepayment of fees from any Client six months or more in advance.

CornerStone has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage Client accounts.