

Cornerstone Planning

Highlights

- ◆ Asset Allocation based on Long Term Cycles
- ◆ We have a Top-Down Approach
- ◆ We look for Values
- ◆ We manage Risk



As Seen in

Forbes

Cornerstone Investment Services has been chosen by Goldline Research as one of the **Ten Most Dependable Wealth Managers of the NorthEast**

INVESTMENT PRINCIPLES

At Cornerstone Investment Services, we believe that a successful investment plan is built on a strong foundation of investment principles.

Market Cycles

History shows that markets and economies have upswings and downswings. The problem is that these fluctuations can be so long, many people forget the cyclical nature of the market. Once an up wave is in place, many investors believe it is permanent. Long-term market cycles tend to be measured in decades - not days, weeks or even years. The daily "noise" of the market is usually irrelevant to the long-term cycle.

At Cornerstone, we have researched hundreds of years of market cycles to aid our clients in understanding where we are within the cycle. It is more important for an investor to know where in the long-term cycle the market is, rather than this week's "event" or the recent market rally or drop. Our objective is to position assets to take advantage of the current trend and prepare for the next change in the direction of the trend.

A "Top-Down" view.

We first scrutinize the economy, determine the sectors that will benefit most, then look within those sectors for the industries best positioned to succeed. Then we look for the companies with the best value, as measured by various classical standards such as P/E ratios, dividend yields, book values and others. By being top-down, our view of the choices of investments for our clients is not limited by some pre-determined selection list. This view gives us a clearer grasp of how stocks, bonds, cash and even hard assets could fit into your investment portfolio.

Value investing.

Value investing requires discipline and time. Aided by some of Wall Street's most sophisticated analytical tools and research from well respected firms, we are able to sift through thousands of stocks for our clients. We are not interested in the latest hot stock or fad. Rather, we painstakingly look for opportunities to pay a fraction of the real value of a company. By concentrating on value, we are not limited to just stocks. This discipline can be applied to bonds and mutual funds as well.

Risk - evaluation, management and reduction.

At Cornerstone, we view risk as the unseen killer. It is ignored during the up wave and feared and avoided only after a down wave. Instead of ignoring it on the way up, we concentrate on reducing risk. This is accomplished in a number of ways, but first it must be measured and recognized. By having a clear understanding of the risks of a given investment or portfolio, an investor can make better decisions. This is not to say we eliminate risk. Without risk, there can be no reward. Our belief is that a portfolio that keeps an investor up nights worrying is too risky. The client's comfort level is paramount. We also factor in investor psychology. It is our position that investors should avoid the activity of the crowd and not be fooled by either euphoria or gloom. By eliminating emotion, the investing picture gets much clearer from a risk perspective.

A strong foundation is built.

By combining these four Cornerstones of investing, market cycles, top-down view, value investing and risk management, we are able to build a strong foundation for your investment future.

*He who gathers crops in summer is a wise son,
but he who sleeps during harvest is a disgraceful son. (Prov 10:5)*

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