

Cornerstone Money Management

Key Points

- ◆ Our primary objective is to manage risk. This year's performance shows it in action
- ◆ Our long term Beta is 0.07
- ◆ By minimizing the downside, we are better prepared for the inevitable recovery
- ◆ Over half the portfolio is in Cash, Treasury TIPs and Market Hedges
- ◆ We have consistently outperformed the market

Our Beta, a measurement of volatility or risk, is extremely low

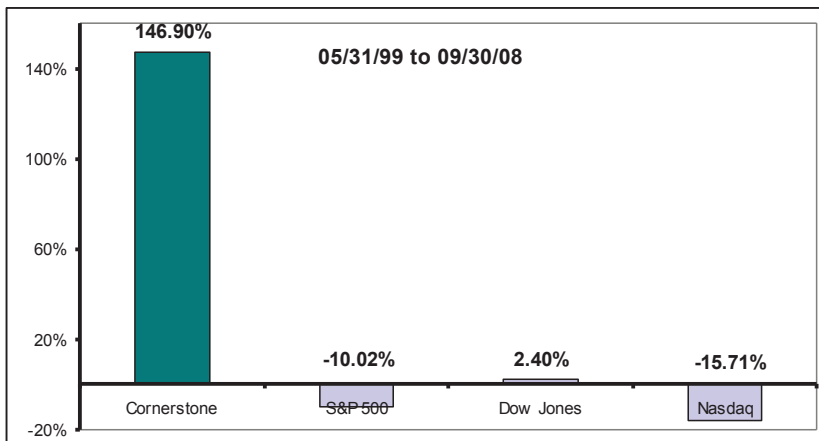


As Seen in
Forbes

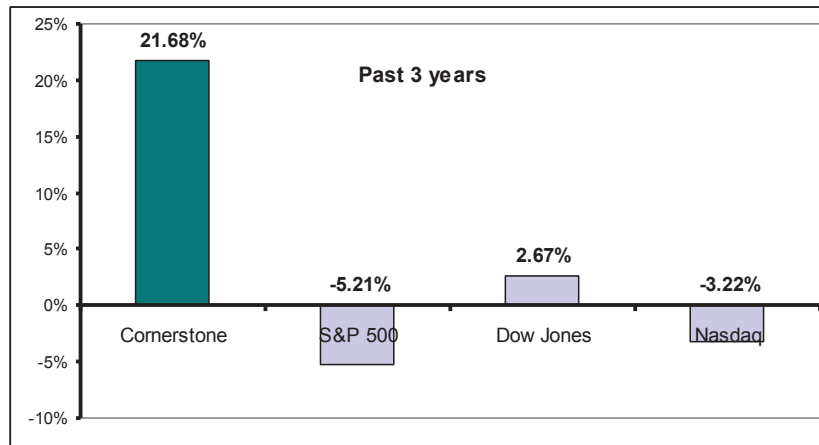
Cornerstone Investment Services has been chosen by Goldline Research as one of the **Ten Most Dependable Wealth Managers of the NorthEast**

Cornerstone Model Portfolio 09/30/2008

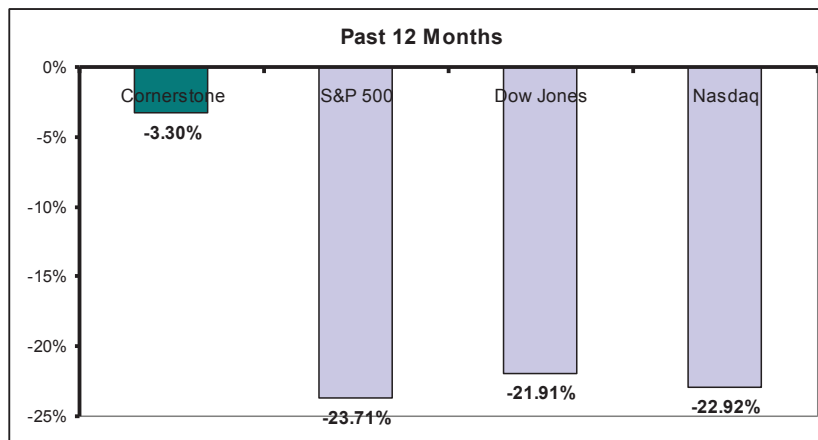
While our long term performance has beaten the markets...



Our shorter term performance has also beaten the markets...



Even more importantly, in bad markets, we continue to beat the markets.



All Model Portfolio figures are after fees (Indices do not pay fees)

Highlights

Questions, comments, further information, to set up an appointment or request forms, call: Toll Free: 1-888-277-5968 (outside Rhode Island) Providence Office: (401) 453-5550 Dallas Office: (972) 563-8990

**Cornerstone Investment Services, LLC
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Providence, RI 02906**

Securities offered through Cantella & Company, Inc., Member, FINRA, SIPC
Fee based money management and Financial Planning offered through Cornerstone Investment Services, LLC's RIA
Accounts are carried by National Financial Services Corporation, Member NYSE/SIPC

Disclosures

All information contained herein is stated as of September 30, 2008, unless indicated otherwise. Results shown are past performance, which is not an indication of future results.

Cornerstone Investment Services, LLC has prepared and presented this report in compliance with the Performance Presentation Standards of the Association for Investment Management and Research (AIMR-PPS®), the U.S. and Canadian version of the Global Investment Performance Standards (GIPS®). AIMR has not been involved in the preparation or review of this report.

Cornerstone Investment Services, LLC is a registered investment adviser. The firm is privately owned. The firm maintains a complete list and description of composites, which is available upon request.

The Cornerstone Model Portfolio (CMP) is an integral part of our investment management process, which is why it is included in this report. It is a hypothetical portfolio which began on 5/31/99 and is driven by Cornerstone's research. Performance is net of fees and utilizes the same investments as discretionary client portfolios. All discretionary accounts follow the CMP, but none are identical to it. Cornerstone's money management process first makes changes to the CMP and then applies those changes to client portfolios as appropriate. Client portfolio performance will differ from the CMP due to various factors including, but not limited to time, asset allocation, income distributions and risk tolerance of the investor.

Fees vary according to account size. A fee schedule is available upon request and is described in Part II of the firm's ADV. A client's actual net total return may differ from the CMP due to various factors including, but not limited to time, asset allocation, income distributions and risk tolerance of the investor.

The performance information is supplied for reference. Past performance is no guarantee of future results. Results will vary among accounts. The U.S. dollar is the currency used to express performance. All material is compiled from sources believed to be reliable, but accuracy cannot be guaranteed.

For other information please contact Cornerstone Investment Services, LLC at (401) 453-5550. This report is not to be considered an offer to buy or sell any financial instrument. As with all investments, there are associated inherent risks. Please obtain and review all financial material carefully before investing.

Past performance is no guarantee of future results.

Call for our latest Form ADV

It contains all details regarding fees and services