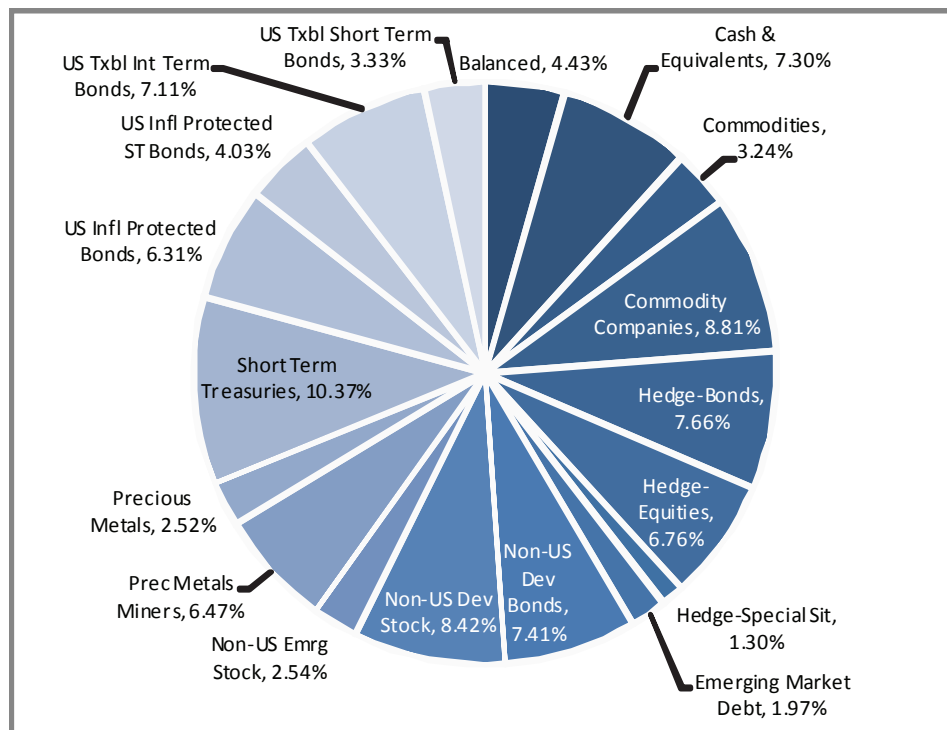


## Cornerstone Money Management

### Key Points

- ◆ We are more concerned about the bond market and have increased those hedges
- ◆ We have been increasing our hedges on Special Situations
- ◆ Over 1/2 the Model is in Cash, Treasury TIPs and Market Hedges
- ◆ We have consistently outperformed the S&P 500
- ◆ Our Beta, a measurement of volatility or risk, is extremely low

### Cornerstone Model Portfolio Asset Allocation 12/31/2009



### Cornerstone's Client Composite and Key Index Performance Comparisons

Cornerstone Client Composite	Since 10/31/2002	Trailing 5 Years	Trailing 3 Years	Trailing 1 Year
Ave. Ann. Return	6.38%	5.64	3.45	11.85
Beta		0.32	0.30	na
R-sqrd (Correlation)		32.81	41.05	na
Standard Deviation		8.98	9.47	na
<b>Major Indices (annualized)</b>				
S&P 500	0.29	0.42	-5.63	26.46
S&P 500 Standard Deviation		16.05	19.91	na
DB Commodity Index	1.04	1.49	0.29	22.01
ML US Corp and Gov	3.51	5.07	5.63	1.83

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



As Seen in

**Forbes**

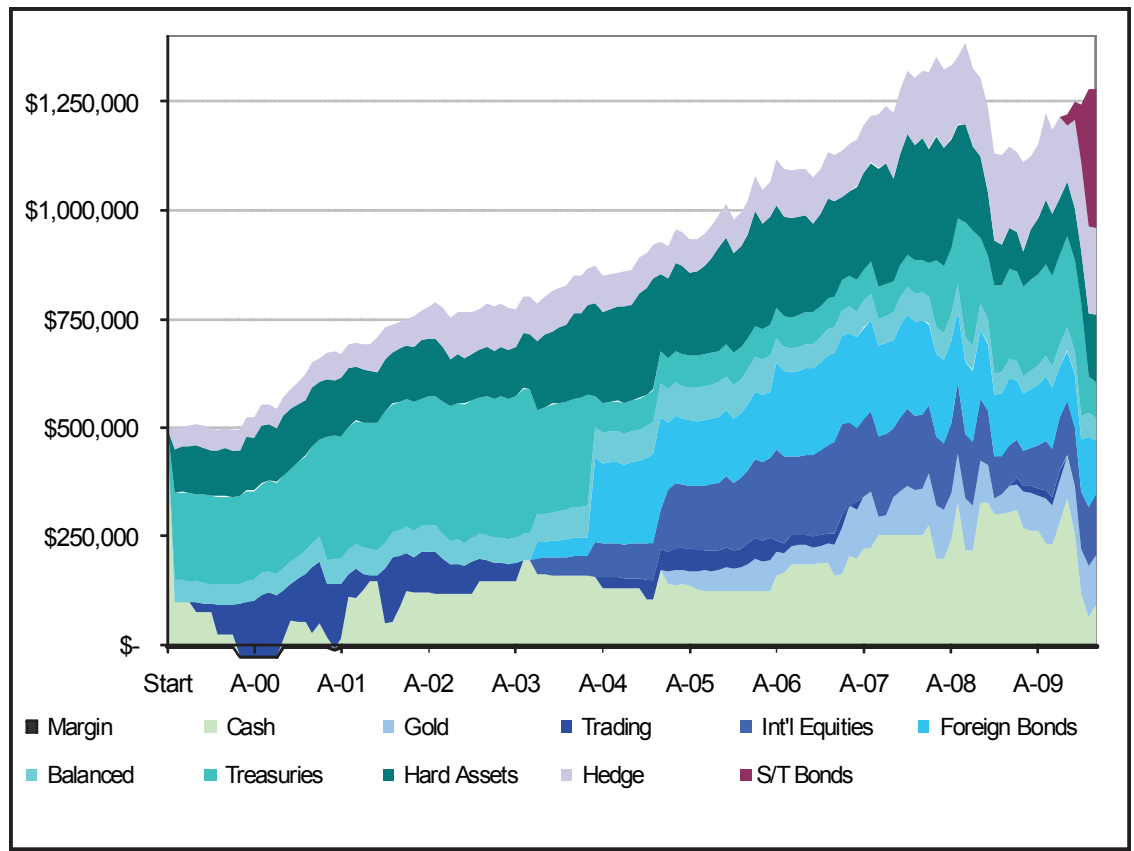
Cornerstone Investment Services has been chosen by Goldline Research as one of the **Ten Most Dependable Wealth Managers** of

## Key Points

- ◆ Our Asset Allocation changes as we see markets change
- ◆ For much of the first 3 years, the Model was about 50% cash and Treasuries
- ◆ Cash is used to feed the trading portion of the portfolio
- ◆ Cornerstone Portfolios are fully flexible. This means we are not limited to pre-set asset allocation percentages or asset classes

## Cornerstone's Model Portfolio has not been static

As the mountain chart below shows, we have made slight and major shifts as warranted by market action.



### Disclosures

Additional information is available on request.

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

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Securities offered through Cantella & Company, Inc., Member, FINRA, SIPC  
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Accounts are carried by National Financial Services Corporation, Member NYSE/SIPC

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.**

Diversification does not ensure a profit or guarantee against a loss. There is no assurance that any investment strategy will be successful. Investing involves risk and you may incur a profit or a loss.

All information contained herein is stated as of Dec 31, 2009, unless indicated otherwise. Results shown are past performance, which is not an indication of future results. Mutual fund dividends are re-invested, stock, bond and ETF dividends or interest are not. Indices do not re-invest dividends.

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 Client Composite is a Time Weighted composite of all client portfolios.

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.

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**Past performance is no guarantee of future results.**

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It contains all details regarding fees and services