

Item 1: Cover Page



Form ADV Part 2A
(Firm Brochure)

Headquarters:
10 Mall Road, Suite 301
Burlington, MA 01803

Additional Offices:
2 Richmond Square, Suite 216
Providence RI 02906

513 Broadway,
Newport, RI 02840

(800) 527-1238
www.cornerstonefm.com

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This brochure provides information about the qualifications and business practices of Cornerstone Financial Management LLC (“CornerstoneFM”). If you have any questions about the content of this brochure, please contact us at 800-527-1238 or by email at moreinfo@cornerstonefm.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.

CornerstoneFM is registered as an Investment Advisor with the United States Securities and Exchange Commission (“SEC”). Registration as an Investment Advisor does not imply any level of skill or training.

Additional information about Cornerstone Financial Management LLC is also available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Cornerstone Financial Management LLC is 140967.

Item 2: Material Changes

This Firm Brochure provides a summary of the services of Cornerstone Financial Management LLC, its fees, professionals and certain business practices and other matters.

This Item is used to provide clients with a summary of material changes to our business since our last filing of the Firm Brochure.

- Item 1 has been updated to reflect our new office address.
- Item 4 has been updated to more accurately reflect the scope and nature of the advisory services we provide.
- Item 5 has been updated to improve the precision of language surrounding our fees for advisory services, including clarification that termination of Client Agreements authorizing fees are effective upon 30-days written notice and fee allocation among our firm and Outside Managers.
- Item 12 has been updated to disclose the firm's relationship with Altruist Financial LLC ("Altruist"), or MTG, LLC dba Betterment Securities ("Betterment Securities").
- Item 13 has been updated to reflect that client accounts will be reviewed at least annually rather than quarterly.

If you would like to receive a complete copy of the brochure, including the supplement, please contact us at 800-527-1238 or by email at moreinfo@cornerstonefm.com

Item 3: Table of Contents

Contents	Page(s)
Item 1: Cover Page	1
Item 2: Material Changes.....	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation.....	10
Item 6: Performance-Based Fees and Side-By-Side Management.....	13
Item 7: Types of Clients	13
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	13
Item 9: Disciplinary Information	16
Item 10: Other Financial Industry Activities and Affiliations	16
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	17
Item 12: Brokerage Practices	18
Item 13: Review of Accounts	19
Item 14: Client Referrals and Other Compensation.....	19
Item 15: Custody.....	20
Item 16: Investment Discretion	20
Item 17: Voting Client Securities.....	21
Item 18: Financial Information	21

Item 4: Advisory Business

Description of Advisory Firm

Cornerstone Financial Management LLC is a Massachusetts limited liability company, formed in 2006, and is headquartered in Burlington, Massachusetts with additional office locations in Providence and Newport, Rhode Island. We are registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”). CornerstoneFM has two principal owners, Kevin Arruda and George Newfield. In addition to Mr. Arruda and Mr. Newfield, there are two other Investment Advisor Representatives.

As used in this brochure, the words “CornerstoneFM”, “we”, “our firm”, the “Advisor” and “us” refer to Cornerstone Financial Management LLC and the words “you”, “your” and “Client” refer to you as either a client or prospective client of our firm.

Types of Advisory Services

CornerstoneFM is a fee-only firm, meaning the only compensation we receive is from our Clients for our services. We offer Wealth Management Services, Investment Management Services, Project-Based Financial Planning Services, and Retirement Plan Consulting Services. From time to time, CornerstoneFM recommends third-party professionals such as attorneys, accountants, tax advisors, insurance agents, or other financial professionals. Clients are never obligated to utilize any third-party professional we recommend.

Wealth Management Services

Wealth Management Services (“WMS”) encompasses Investment Management Services and Ongoing Comprehensive Financial Planning Services. Our firm provides continuous advice to a Client regarding the investment of Client funds based on the individual 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 or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We will also review and discuss a Client's prior investment history, as well as family composition and background. Account supervision is guided by the stated objectives of the Client (e.g., maximum capital appreciation, growth, income, or growth, and income), as well as risk tolerance and tax considerations.

We primarily advise our Clients regarding investments in stocks, bonds, mutual funds, ETFs, U.S. government and municipal securities, and cash and cash equivalents. We may also provide advice regarding investments held in Client's portfolio at the inception of our advisory relationship and/or other investment types not listed above, at the Client's request.

When we provide investment management services, Clients grant us limited authority to buy and sell securities on a discretionary basis. More information on our trading authority is explained in Item 16 of this Brochure. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

At no additional fee and at Client's election, the Advisor also provides the Client with a financial plan. A Client will be taken through establishing their goals and values around money. Clients will be required to provide pertinent information to help complete the following areas of analysis: cash flow, investments, retirement planning, insurance planning, estate planning, tax planning, education planning, and charitable planning. These components all require in-depth communication with the Client for the Advisor to establish a financial plan and implementation strategy that provides the Client with the most appropriate options in pursuing their established goals and objectives. Once the Client's information is

reviewed, their plan will be built and analyzed, and then the findings, analysis and potential changes to their current situation will be reviewed with the Client. Clients will receive a detailed financial plan designed to help achieve Client's stated financial goals and objectives.

Investment Management Services

Our Investment Management Services (IMS) involve continuously managing your portfolio to ensure your investments always align with your individual financial needs. Through personal discussions in which goals and objectives based on a Client's circumstances are established, we develop a Client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We will also review and discuss a Client's prior investment history, as well as family composition and background. Account supervision is guided by the stated objectives of the Client (e.g., maximum capital appreciation, growth, income, or growth, and income), as well as risk tolerance and tax considerations.

We primarily advise our Clients regarding investments in stocks, bonds, mutual funds, ETFs, U.S. government and municipal securities, and cash and cash equivalents. We may also provide advice regarding investments held in Client's portfolio at the inception of our advisory relationship and/or other investment types not listed above, at the Client's request.

When we provide investment management services, Clients grant us limited authority to buy and sell securities on a discretionary basis. More information on our trading authority is explained in Item 16 of this Brochure. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

We also have the capability to provide discretionary management for certain investments not held at the client's brokerage account through an Order Management System to implement asset allocation or rebalancing strategies on behalf of the client. These are primarily 401(k) accounts, 529 plans, variable annuities, and similar accounts.

Pontera

CornerstoneFM will also provide service for accounts not directly held in our custody, but where we do have discretion, and may leverage an Order Management System (Pontera) to implement asset allocation and opportunistic rebalancing strategies on behalf of the client. Pontera is a clerical service that facilitates orders from CornerstoneFM to client accounts not held in our custody, for example, employer sponsored retirement plans like 401(k)s. This service does not facilitate account billing and fees are paid through a separate billing process.

The accounts that will utilize these services will be primarily 401(k) accounts, HSAs, and other assets that CornerstoneFM does not have custody of. Our firm will regularly review, rebalance, and implement our strategies using different tools as necessary.

We regularly review the available investment options in these accounts, monitor them, and rebalance and implement our strategies in the same way we do other accounts, though using different tools as necessary. The fees charged by Pontera will be paid by CornerstoneFM and will not increase your management fee. Suitability documentation will be held with the Plan Custodian and this documentation cannot be altered by CornerstoneFM.

Investment Management Services through the Use of Outside Managers

When appropriate, the Advisor will request a Client's authorization to utilize one or more independent managers or independent investment management programs ("Outside Manager") to manage all or a portion of the Client's account. To the extent utilized, the Outside Managers will have limited power-of-attorney and trading authority over those assets Advisor directs to them for management. The Outside Manager will be authorized to buy, sell and trade in accordance with Client's investment needs and to

give instructions, related to their authority, to the broker-dealer and the custodian of Client's Portfolio. Advisor will monitor and review asset allocation and asset performance. Where available, Advisor will deliver to such Clients the Outside Manager's Brochure on Form ADV 2A.

Our review process and analysis of Outside Managers is further discussed in Item 8 of this Form ADV Part 2A.

Financial Planning Services

Financial planning involves an evaluation of a Client's current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information, and analysis will be considered as they affect and are affected by the entire financial and life situation of the Client. Clients purchasing this service will receive a written/electronic report and/or access to our financial planning software, providing the Client with a detailed financial plan designed to help achieve his or her stated financial goals and objectives.

Financial Planning Services are offered as part of Wealth Management Services via Ongoing Comprehensive Financial Planning, or as Project-Based engagements.

In general, the financial plan will address some or all the following areas of concern. The Client and our firm will work together to select specific areas to cover. These areas may include, but are not limited to, the following:

- **Financial Goals:** We will help Clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Cash Flow Planning:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **Investments Planning:** This may involve developing an asset allocation strategy to meet Clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments). If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts, and

other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request. Representatives of CornerstoneFM do not currently serve, and will not serve, as trustees over a client's trust or executor of an estate.

- **Insurance Planning:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile. This review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).
- **Tax Planning:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with the consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before implementing any tax planning strategy. We may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We may participate in meetings or phone calls between you and your tax professional with your approval.

- **Education Planning:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to children and grandchildren (if appropriate).
- **Charitable Planning:** Includes projecting the resources available to achieve your long-term charitable impact or legacy goals, along with strategic advice on the most tax-efficient ways to fund your chosen causes. Recommendations on giving strategies—such as Qualified Charitable Deductions (QCDs), Donor-Advised Funds (DAFs), or Charitable Trusts—are included. If needed, we will review your overall financial picture to determine the best timing for gifts and the most effective way to transfer wealth to qualified organizations or future generations for philanthropic purposes (if appropriate).

Ongoing Comprehensive Financial Planning

Our firm offers Ongoing Comprehensive Financial Planning as part of Wealth Management Services. This service involves working one-on-one with an Advisor over an extended period of time. Through this ongoing arrangement, Clients are expected to collaborate with the Advisor to develop and assist in the implementation of their financial plan (the “plan”). The Advisor will monitor the plan, recommend any appropriate changes and ensure the plan is up-to-date as the Client's situation, goals, and objectives evolve.

Upon engaging the firm for financial planning, CornerstoneFM is responsible for obtaining and analyzing

all necessary qualitative and quantitative information from the Client that is essential to understanding the Client's personal and financial circumstances; helping the Client identify, select, and prioritize certain financial goals while understanding the effect that pursuing one goal may have on other potential goals; assessing the Client's current course of action and alternative courses of action to identify required changes that provide the best opportunity for the client to meet their financial goals; developing and presenting financial planning recommendations based on the aforementioned actions while including all information that was required to be considered in preparing the recommendations; and ongoing monitoring of the Client's progress toward the goals and objectives that the recommendations are based around. These components all require in-depth communication with the Client for the Advisor to establish a financial plan and implementation strategy that provides the Client with the most appropriate options in pursuing their established goals and objectives.

Project-Based Financial Planning

Our firm provides project-based financial planning services on a limited scope or one-time engagement. Project-Based Financial Planning is available for Clients looking to address specific questions or issues. The Client may choose from one or more of the following topics: cash flow planning, investments planning, retirement planning, insurance planning, estate planning, tax planning, education planning, and charitable planning, to cover or other areas as requested and agreed to by CornerstoneFM. For Project-Based Financial Planning, the Client will be ultimately responsible for the implementation of the financial plan, and ongoing monitoring of progress toward the goals and objectives.

Retirement Plan Consulting

Our firm provides retirement plan services to employer plan sponsors on an ongoing basis. Generally, such services consist of assisting employer plan sponsors or plan named fiduciaries in establishing, monitoring, and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include design of investment policy statement, investment review and recommendations, fee analysis, participant education, and vendor searches and analysis.

In providing retirement plan services, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly-traded REITs), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, "Excluded Assets").

Certain plans and/or clients that we may provide services to are regulated under the Employee Retirement Income Securities Act of 1974 ("ERISA"). We will provide employee benefit plan services to the plan sponsor and/or fiduciaries as described above for the fees set forth in Item 5 of this brochure. The services we provide are advisory in nature. We are not subject to any disqualifications under Section 411 of ERISA. In performing fiduciary services, we are acting as a fiduciary of the plan as defined in Section 3(21)(A)(ii) under ERISA.

Educational Seminars and Speaking Engagements

Our firm may provide seminars for groups seeking general advice on investments and other areas of personal finance. The content of these seminars will vary depending upon the needs of the attendees. These seminars are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any individual's person's need, nor does CornerstoneFM provide individualized investment advice to attendees during these seminars.

Client Tailored Services

Our services are tailored to the individual needs of our Clients. Clients can specify, within reason, any limitations they would like to place on discretionary authority as it pertains to individual securities and/or sectors that will be traded in their account. All such requests must be provided to CornerstoneFM in writing. CornerstoneFM will notify Clients if they are unable to accommodate any requests.

Wrap Fee Programs

We do not participate in wrap fee programs.

Assets Under Management

As of December 31, 2025, the Advisor had a total of \$165,331,269 of discretionary assets under management and \$1,660,641.59 of non-discretionary assets under management.

Item 5: Fees and Compensation

Below is a brief description of our fees. Clients should review their Client Agreement for more detailed information.

Wealth Management Services

Clients receiving Wealth Management Services (“WMS”) will be charged a fee based on the market value of the assets under management, calculated according to the Investment Management Services table. WMS fees are paid in advance on a quarterly basis. The WMS fee is a blended fee and is calculated by assessing the percentage rates using the predefined levels of assets as of the last day of the previous month or quarter as shown in the Investment Management Services table resulting in a combined weighted fee.

The minimum quarterly fee for Wealth Management Services is \$2,500.00. Minimum fees will never arise to more than 2.00% of assets under our management. The minimum fee may be negotiable in certain cases, at our sole discretion.

No increase in the annual WMS fee rates shall be effective without agreement from the Client by signing a new advisory agreement or amendment to their current advisory agreement.

Investment Management Services

Clients receiving Investment Management Services (“IMS”) will be charged a fee based on the market value of the assets under management, calculated according to the table below. IMS fees are paid in advance or arrears on a monthly or quarterly basis. The IMS fee is a blended fee and is calculated by assessing the percentage rates using the predefined levels of assets as of the last day of the previous month or quarter as shown in the table below resulting in a combined weighted fee.

Our IMS fees for new accounts are:

Account Value	Annual Advisory Fee
First level: \$0 up to \$3,000,000	1.00%, plus:
Second level: \$3,000,001 - \$5,000,000	0.85%, plus:
Third level: \$5,000,001 - \$7,500,000	0.75%, plus:
Fourth level: \$7,500,001 - \$10,000,000	0.68%, plus:
Fifth level: 10,000,001 - \$999,999,999	0.50%

For example, an account valued at \$7,000,000 would pay an effective fee of 0.89% with the annual fee of \$62,000. The quarterly fee is determined by the following calculation: $((\$3,000,000 \times 1.00\%) + (\$2,000,000 \times 0.85\%) + (\$2,000,000 \times 0.75\%)) \div 4 = \$15,500$.

There is no minimum fee for Investment Management Services, who remain subject to the fee schedule below. Minimum fees will never arise to more than 2.00% of assets under our management. The

minimum fee may be negotiable in certain cases, at our sole discretion.

No increase in the annual IMS fee rates shall be effective without agreement from the Client by signing a new advisory agreement or amendment to their current advisory agreement.

Please note: The value of the Client's held-away assets that are managed by CornerstoneFM are included in the Account Value.

Fee rates may be negotiable in certain cases, at our sole discretion.

Ongoing Comprehensive Financial Planning

Clients receiving Ongoing Comprehensive Financial Planning are not charged a separate fee, since this service is part of the Wealth Management Services fee. Please see description of fees for Wealth Management Services for additional details. The minimum quarterly fee for Wealth Management Services is \$2,500.00. Minimum fees will never arise to more than 2.00% of assets under our management. The minimum fee may be negotiable in certain cases, at our sole discretion.

Project-Based Financial Planning

Clients receiving Project-Based Financial Planning will be charged either a fixed or hourly fee. Our fixed fee rate ranges up to \$10,000 and our hourly rate ranges up to \$400.

The fee range is dependent upon variables including the specific needs of the Client, complexity, estimated time, research, and resources required to provide services to you, among other factors we deem relevant. Fees are negotiable and the final agreed upon fee will be outlined in your Advisory Agreement. CornerstoneFM may request a portion of the fee be collected in advance with the remainder due upon completion of the services. CornerstoneFM will not bill an amount above \$1,200 more than 6 months or more in advance of rendering the services.

Retirement Plan Consulting

Clients receiving Retirement Plan Consulting ("RCP") will be charged a one-time implementation fee ranging up to \$10,000 and an ongoing fee based on the market value of the assets under management.

Our Retirement Plan Consulting services ongoing fees are billed based on the percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. Fees based on a percentage of managed Plan assets will not exceed 1.00%. The fee arrangements will be detailed in the signed Consulting Agreement. CornerstoneFM relies on the valuation as provided by Plan's custodian in determining assets under management. Our advisory fee is prorated for any partial billing periods occurring during the engagement, including the initial and terminating billing periods.

CornerstoneFM fees are in addition to any fee assessed by any mutual funds in which Plan assets are invested and does not include fees to other parties, such as record keepers, custodians, or third-party administrators. Our firm acknowledges that it receives no compensation of any kind from any party in relation to the services it provides as an independent consultant to the Plan fiduciaries. To the extent that the client requires extraordinary time, effort or travel, client and our firm will agree in advance on any additional compensation and or expense reimbursement.

Outside Managers

When an Outside Manager is used, the separate investment advisory agreement or fee addendum shall govern the Outside Manager's fees, billing terms and methods of payment. If we utilize an Outside Manager, the above fee schedule does not include the Outside Manager's fee. The Outside Manager will debit the Client's account for the Outside Manager's fee and in some cases our advisory fee also and will remit CornerstoneFM's fee to us. The Outside Manager's advisory fees, billing schedule, and

payment procedures are set forth in their separate written disclosure documents, advisory agreements, and/or the account opening documents of your account Custodian. At no point will the combined fee charged to the Client exceed 2% of assets under management.

Legacy clients may be subject to a different service arrangement and/or fee schedule.

Payment/ Termination/ Prorated Fees

For Wealth Management services, we deduct our advisory fee from one or more account(s) held at an unaffiliated third-party custodian, as directed by the Client. Please refer to Item 15 of this Brochure regarding our policy on direct fee deduction. Clients may also pay by check.

For Investment Management services, we deduct our advisory fee from one or more account(s) held at an unaffiliated third-party custodian, as directed by the Client. Please refer to Item 15 of this Brochure regarding our policy on direct fee deduction. Clients may also pay by check.

For Project-Based Financial Planning, fees are paid by electronic funds transfer (EFT) or check. We use an independent third-party payment processor in which the Client can securely input their banking information and pay their fee. We do not have access to the Client's banking information at any time.

For Retirement Plan Consulting services, fees are either paid directly by the plan sponsor or deducted directly from the plan assets by the custodian. Please refer to Item 15 of this Brochure regarding our policy on direct fee deduction. Clients may also pay by electronic funds transfer (EFT) or check. We use an independent third-party payment processor in which the Client can securely input their payment information to pay their fee. We do not have access to the Client's banking or credit information at any time.

The Client Agreement for any service thereunder may be terminated by either the Client or CornerstoneFM by giving notice in writing to the other party at least 30 days in advance. Services or accounts initiated or terminated during a calendar month/quarter (as applicable) will be charged a prorated fee based on the amount of time remaining in the billing period, and any paid but unearned fees will be refunded to the Client.

Educational Seminars and Speaking Engagements

There is no fee for Educational Seminars and Speaking Engagements at this time.

Other Types of Fees and Expenses

Our fees do not cover brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the Client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending custodians for Client's transactions and determining the reasonableness of their compensation (e.g., commissions). We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

Clients may incur fees from third-party professionals such as accountants and attorneys that we may recommend, upon Client request. Such fees are separate and distinct from CornerstoneFM's advisory fees.

Sale of Securities or Other Investment Products

CornerstoneFM and its supervised persons do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

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

We do not offer performance-based fees. We will not be compensated on the basis of a share of capital gains or upon capital appreciation of client funds (or any portion of client funds).

Item 7: Types of Clients

We provide financial planning and portfolio management services to individuals, high net-worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations or other businesses.

We do not have a minimum account size requirement, however, see Item 5 for our minimum fee.

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

Modern Portfolio Theory (“MPT”)

The underlying principles of MPT are:

- Investors are risk averse. The only acceptable risk is that which is adequately compensated by an expected return. Risk and investment return are related and an increase in risk requires an increased expected return.
- Markets are efficient. The same market information is available to all investors at the same time. The market prices every security fairly based upon this equal availability of information.
- The design of the portfolio as a whole is more important than the selection of any particular security. The appropriate allocation of capital among asset classes will have far more influence on long-term portfolio performance than the selection of individual securities.
- Investing for the long-term (preferably longer than ten years) becomes critical to investment success because it allows the long-term characteristics of the asset classes to surface.
- Increasing diversification of the portfolio with lower correlated asset class positions can decrease portfolio risk. Correlation is the statistical term for the extent to which two asset classes move in tandem or opposition to one another.

Use of Outside Managers: We may refer Clients to Outside Managers, to assist in the portfolio management process. Our analysis of Outside Managers involves the examination of the experience, expertise, investment philosophies, and past performance over a period and in different economic conditions. We monitor the manager’s performance, underlying holdings, adherence to its 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. There is no guarantee that the Outside Manager will continue to be successful in the future.

Passive Investment Management

When appropriate, we practice passive investment management. Passive investing involves building portfolios that are composed of various distinct asset classes. The asset classes are weighted in a

manner to achieve the desired relationship between correlation, risk, and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange-traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark.

Values-Based Investing

CornerstoneFM may utilize various socially or morally conscious investment approaches if a client desires. CornerstoneFM may construct portfolios that utilize mutual funds, ETFs, or individual securities with the purpose of incorporating socially conscious principles into a client's portfolio. These portfolios may sometimes also be customized to reflect the personal values of each individual, family, or organization. This allows the Firm's clients to invest in a way that aligns with their personal values. CornerstoneFM may rely on mutual funds and ETFs that incorporate Environmental, Social and Governance ("ESG") research as well as positive and negative screens related to specific business practices to determine the quality of an investment on values-based merits.

CornerstoneFM may employ Outside Managers to construct portfolios of individual securities to provide clients with a greater degree of control over the socially conscious strategies they are utilizing. CornerstoneFM relies on third party research when constructing portfolios of individual securities with socially conscious considerations.

Material Risks Involved

All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Material risks associated with our investment strategies are listed below. Many of these risks apply equally to stocks, bonds, commodities, and any other investment or security. The risks described below also apply to the underlying investments in mutual funds, ETFs, variable life policies and variable annuities.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Strategy Risk: The Adviser's investment strategies and/or investment techniques may not work as intended.

Small and Medium Cap Company Risk: Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the Client's portfolio.

Turnover Risk: At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

Liquidity Risk: Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions, we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

Foreign Investment/Currency Risk: Securities or other investments of foreign issuers involve additional risks (such as risks arising from less frequent trading, changes in political or social conditions, currency risk and less publicly available information about non-U.S. issuers) that differ from those associated with investing in securities of U.S. issuers and may result in greater price volatility.

Concentration Risk: Certain investment strategies focus on asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Legal or Legislative Risk: Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

Inflation: Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

Commercial Paper is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured, the risk to the investor is that the issuer may default.

Common stocks may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

Corporate Bonds are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero-coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on factors such as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

Bank Obligations including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

Municipal Bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

Options and other Derivatives: While certain derivatives, e.g., covered call options, may be used to hedge investment risk, other derivatives (e.g., index futures) may be speculative and can result in the complete loss of principal.

Risks of Alternative Funds

Alternative mutual funds or ETFs, which CornerstoneFM may utilize for certain clients when appropriate, may carry the risks described above at a heightened level, e.g., greater derivative risk, currency risk, or heightened concentration risk in a particular security or sector.

Risks of Insurance Products

In addition to the risks associated with their investment portfolios, variable life policies and variable annuities carry the risk of default by the insurance company that has issued the product, and which stands behind any guarantee of payment. CornerstoneFM will only recommend insurance products backed by companies with superior financial strength ratings.

Item 9: Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material in the evaluation of CornerstoneFM or the integrity of CornerstoneFM's management. The Advisor along with its principal owners and employee(s) have not been disciplined by any governing authority, including any regulatory agency or any industry association of which they are licensed and/or are members.

Item 10: Other Financial Industry Activities and Affiliations

Neither CornerstoneFM or its management persons is registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Recommendations or Selections of Other Investment Advisers

As referenced in Item 4 of this brochure, CornerstoneFM recommends Clients to Outside Managers to aid in the management of their accounts. In the event we recommend an Outside Manager, please note that we do not share in their advisory fee. Our fee is separate and in addition to their compensation (as noted in Item 5 of this brochure). In addition, you will be provided a copy of the Outside Manager's Form ADV 2A, Firm Brochure, which also describes its fees. You are not obligated, contractually or otherwise, to use the services of any Outside Manager we recommend.

Affiliated Accounting and Tax Planning Services

Certain representatives and owners of CornerstoneFM are also owners of Cornerstone Tax & Consulting, LLC. While we do not explicitly recommend services through this entity, we do make services available to clients of CornerstoneFM who may engage these services at the client's discretion.

When clients engage Cornerstone Tax & Consulting, LLC, owners and representatives of CornerstoneFM are compensated, which in turn benefits CornerstoneFM.

Clients of CornerstoneFM are not required to utilize services through these other entities.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Advisor strives to observe the highest industry standards of conduct based on its obligation as a fiduciary to its Clients. In an effort to meet this obligation, and in compliance with Investment Advisers Act rules, CornerstoneFM has adopted a written Code of Ethics (the “Code”) that is applicable to all employees. Each employee will be provided a copy, and is required to acknowledge, in writing, that they have received, read, understand and will abide by, the Code, and the Advisor’s Compliance Manual.

A copy of the Code of Ethics shall be provided to any client or prospective client upon request.

The Code requires that employees act in the Client’s best interests and comply with all applicable laws and regulations. Employees are expected to avoid any action that is or could appear to be illegal or ethically improper. The principles outlined in the Code apply to all conduct, whether or not the conduct is also covered by more specific standards or procedures set forth in the Code, Compliance Manual, or elsewhere. Employees are required to bring any violations of the Code, actual or suspected, immediately to the attention of the Advisor’s Chief Compliance Officer (“CCO”). Failure to comply with the Code may result in disciplinary action or other sanctions, including termination of employment.

The Code also places certain restrictions on the personal trading activities of employees and their immediate family members. All other personal trades are subject to obtaining prior approval from the Chief Compliance Officer. Prior approval is also required for personal trading in securities on CornerstoneFM’s restricted list and for any investment in any private offering or initial public offering.

Employees are also required to disclose their personal securities holdings annually and personal securities transactions quarterly to the Chief Compliance Officer. The CCO shall maintain current and accurate records of all personal securities transactions in which employees have a direct or indirect beneficial interest. The CCO shall also review employee trades for compliance with the Code’s requirements and to assure that employees are not engaged in any trading practices which are inconsistent with our Clients’ best interests.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither CornerstoneFM, its access persons, or any related person is authorized to recommend to a Client or effect a transaction for a Client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, principal transaction, among others.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Our firm, its access persons, and its related persons may buy or sell securities similar to, or different from, those we recommend to Clients. In an effort to reduce or eliminate certain conflicts of interest, our Code of Ethics may require that we restrict or prohibit access persons’ transactions in specific reportable securities. Any exceptions or trading pre-clearance must be approved by our Chief Compliance Officer in advance of the transaction in an account. We maintain a copy of access persons’ personal securities transactions as required.

Trading Securities At/Around the Same Time as Client's Securities

From time to time our firm, its access persons, or its related persons may buy or sell securities for themselves at or around the same time as they buy or sell securities for Clients' account(s). To address this conflict, it is our policy that neither our firm or access persons shall have priority over Clients' accounts in the purchase or sale of securities.

Other material provisions of the Code, are summarized below:

Privacy of Client Information. All information relating to Clients' portfolios and activities, including proposed recommendations, is strictly confidential, outside of the parameters set in our Privacy Policy. Consideration of a particular purchase or sale for an account may not be disclosed, except to authorized persons.

Conflicts of Interest. Employees may not use any confidential information or otherwise take inappropriate advantage of their positions for the purpose of furthering any private interest or as a means of making any personal gain. Employees and their immediate families may not accept any benefit from clients or any person who does business with the Advisor, other than business courtesies and non-cash gifts of nominal value.

Outside Business Activities. No employee may engage in an outside business activity without the approval of the Chief Compliance Officer, based upon a determination that such activity would not be adverse to the interest of clients.

Reporting of Violations. Employees are required to promptly report all actual or potential conflicts of interest, violations of any government or regulatory law, rule or regulation, or violations of the Advisor's policies and procedures.

Training. Employees will receive periodic training on the Code and their ethical obligations.

Review and Enforcement. The CCO is responsible for ensuring adequate supervision over the activities of all persons who act on the Advisor's behalf to prevent and detect violations of the Code by such persons.

Item 12: Brokerage Practices

CornerstoneFM is not affiliated with any bank, custodian, or broker-dealer firm ("service provider"). When engaged to provide investment supervisory services, the Advisor requires that the client open a brokerage account with either the institutional services division of Fidelity Brokerage Services, Altruist Financial LLC ("Altruist"), or MTG, LLC dba Betterment Securities ("Betterment Securities").

Best Execution

Consistent with our duty to obtain "best execution" on brokerage transactions, the Advisor periodically compares the performance of the brokerage firm or firms that it uses to other similar firms to assure that it is obtaining reliable execution at competitive prices. The Advisor also considers a brokerage firm's financial strength, reputation, execution, pricing, and service. Any rebates or other revenue of any kind resulting from account transactions are the property of clients.

Soft-Dollar Arrangements

The Advisor does not have any soft-dollar arrangements and does not contract with any broker dealer to receive soft-dollar benefits. This means that the Advisor does not receive research or gain access to industry analysts or conferences in return for paying higher commissions for trades to a particular broker dealer. The Advisor is provided access to Fidelity's trading platform at no cost, as are all other users of the platform.

Client Referrals

All compensation paid to the Advisor is paid directly by the client and, therefore, the Advisor does not receive any additional compensation when its clients engage a recommended custodian or any other service provider.

Directed Brokerage

CornerstoneFM will not enter into a directed brokerage arrangement involving its accounts.

Trade Aggregation

Transactions for each client will generally be carried out independently by each of the Advisor's portfolio managers. From time to time, if appropriate, the portfolio managers may coordinate their trading in a particular security and place an aggregated or "block" trade. The Advisor may (but is not obligated to) do so if it believes that the trades may obtain better execution.

Item 13: Review of Accounts

CornerstoneFM will work with Clients to obtain current information regarding their assets and investment holdings and will review this information as part of our ongoing comprehensive financial planning services. CornerstoneFM does not provide specific reports to financial planning Clients, other than financial plans.

Client accounts with the Investment Management Service will be reviewed regularly on at least an annual basis. The account is reviewed with regards to the Client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of Client imposed restrictions, deposit or withdrawal of substantial assets, volatility in performance, or buy and sell decisions from the firm or per the Client's needs.

Clients will receive trade confirmations from the custodian(s) for transactions in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

Item 14: Client Referrals and Other Compensation

We do not receive any economic benefit, directly or indirectly, from any third party for advice rendered by such third party to our Clients.

CornerstoneFM may engage independent solicitors to provide client referrals. If a client is referred to us by a solicitor, this practice is disclosed to the client in writing by the solicitor and CornerstoneFM pays the solicitor out of its own funds. CornerstoneFM generally pays the solicitor a portion of the advisory fees earned for managing the account of the client that was referred. The use of solicitors is strictly regulated under applicable federal and state law. CornerstoneFM's policy is to fully comply with the requirements of the Investment Advisers Act of 1940, as amended, and any relevant state rules, as applicable.

On occasion, a new client of CornerstoneFM has an existing insurance product that serves the client's needs and is in that client's best interest. Halo Investing Insurance Services, LLC ("Halo") has insurance agents who will provide ongoing advice on existing policies and/or when appropriate, may suggest an exchange for a more suitable product to meet the client's changing needs. CornerstoneFM will share information with Halo for clients who have the need for an insurance agent and Halo will provide CornerstoneFM access to information regarding the client's insurance product(s). For those clients that own variable insurance products that require ongoing advisory service, CornerstoneFM will provide advisory services. Halo will provide a licensed insurance agent to service the insurance policy itself. The agreement between CornerstoneFM and Halo provides that CornerstoneFM will compensate Halo for

the assistance it provides with these clients' insurance products. The client is not responsible for paying this nominal fee.

Owners and representatives of CornerstoneFM are also owners of Cornerstone Tax & Consulting, LLC. Therefore, this additional entity is a related person of CornerstoneFM. While revenue is separated between entities, these individuals are compensated within their roles at Cornerstone Tax & Consulting LLC.

Item 15: Custody

In all cases, client assets are held by a qualified custodian. Except in the limited instances described below, the Advisor does not have custody of Clients' assets.

Payment of Advisory Fees from Client Accounts

In the view of the SEC, investment advisors have "custody" of client funds if they have the ability to instruct the account's custodian to withdraw funds from the Client's account to pay the advisor's fees by directly debit advisory fees from client accounts. The Advisor is responsible for assuring that the account's independent, qualified custodian will provide account statements directly to clients at least quarterly, and that the client's statement will clearly identify the advisor's fee. Customers are advised to review all activity on their statements regularly. Clients are reminded to inform the custodian if they do not receive these statements in a timely fashion

Account Statements

Clients will be provided account statements sent directly from the accounts' custodians on a monthly or quarterly basis. Clients are strongly encouraged to compare invoices or any reports that they receive from CornerstoneFM to account statements they receive from the custodian.

Certain Client Accounts subject to CornerstoneFM's services may be held at a custodian that is not directly accessible by the CornerstoneFM ("Held Away Accounts"). These Held Away Accounts are employer sponsored retirement plans that meets the requirements of the Internal Revenue Code and the Employee Retirement Income Security Act (ERISA), making them eligible for certain tax benefits. These benefits typically include tax deductions for employer and employee contributions and tax-deferral of investment gains. CornerstoneFM may, but is not required to, manage these Held Away Accounts using the Pontera Order Management System ("Pontera") that allows us to view and manage these assets. The Firm will only charge advisory fees on the managed Held Away Accounts. To manage Held Away Assets, you must agree to the Pontera End User Terms and Conditions and Privacy Policy and must further agree to keep CornerstoneFM apprised of any changes. CornerstoneFM will never exercise custody of client funds and will maintain their own login credentials for trading on behalf of the client pursuant to client's advisory agreement with CornerstoneFM. CornerstoneFM representatives will maintain their own log in credentials to Pontera accounts for this service. CornerstoneFM will be under no obligation to credit any fees for valuations made in good faith during periods when CornerstoneFM did not have access to any Held Away Account in calculating its fees under the investment management agreement.

Item 16: Investment Discretion

For those Client accounts where we provide Wealth Management and Investment Management Services, CornerstoneFM has discretionary authority and limited power of attorney to determine the securities and the amount of securities to be bought or sold for a Client's account without having to obtain prior Client approval for each transaction. Investment discretion is explained to Clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the Client will execute a Limited Power of Attorney, which will grant our firm discretion over the account(s). Such

discretion is subject to the Client's Investment Policy Statement and any reasonable restrictions imposed by the Client. The discretionary relationship will be outlined in the Advisory Agreement and signed by the Client. Clients may limit our discretion by requesting certain restrictions on investments. However, approval of such requests are at the firm's sole discretion.

If we have engaged an Outside Manager to assist with the management of Client's portfolio, we have the discretion to direct the Outside Manager to buy or sell securities for Client's portfolio without obtaining prior Client approval for each transaction.

Item 17: Voting Client Securities

As a matter of firm policy and practice, the Advisor does not have authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Proxy materials are forwarded to Clients by their custodian.

Item 18: Financial Information

We are not required to provide financial information in this Brochure because: we have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to our Clients, nor have we been the subject of any bankruptcy proceeding. We do not have custody of Client funds or securities or require or solicit prepayment of more than \$1,200 in fees six months or more in advance.