

Cornerstone Advisory, LLC
March 25, 2025

FORM CRS

Cornerstone Advisory, LLC is registered with the Securities and Exchange Commission as an investment adviser and, as such, we provide advisory services rather than brokerage services. Brokerage and investment advisory services and fees differ and it is important for you, our client, to understand the differences. Additionally, free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing. This document is a summary of the services and fees we offer to "retail" investors, which are natural persons who seek or receive services primarily for personal, family, or household purposes.

What investment services and advice can you provide me?

We offer the following investment advisory services to retail investors: **Financial Planning Services; Portfolio Management Services; Pension Consulting Services; and Selection of Other Advisers.** In addition, our firm is also the investment adviser and management company to a private pooled investment vehicle (Outcome Driven Fund, L.P.) for which certain "qualified clients", having a net worth greater than \$2,100,000 or for whom we manage at least \$1,000,000 immediately after entering an agreement for our services, will be solicited to invest. Detailed information regarding our services, fees and other disclosures can be found in our Form ADV Part 2A Items 4, 6, 7, 8, and 10 by clicking [here](#).

Account Monitoring: If you open an investment account with our firm, as part of our standard service we will monitor your investments and meet with you via phone or in person on an annual basis.

Investment Authority: We manage investment accounts on a **discretionary** basis whereby **we will decide** which investments to buy or sell for your account. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing. We offer **non-discretionary** investment management services whereby we will provide advice, but **you will ultimately decide** which investments to buy and sell for your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Investment Offerings: We offer advice on the following types of investments or products: equity securities, certificates of deposit, municipal securities, variable life insurance, variable annuities, mutual fund shares, United States government securities, options contracts on securities, money market funds, REITs, derivatives, structured notes, ETFs, private placements and interests in partnerships investing in real estate, and alternative investments.

Account Minimums and Requirements: In general, we require a minimum account size of \$1,000,000 to open and maintain an advisory account, which may be waived in our discretion. For example, if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum. We may require a minimum fee of \$9,500 per year.

Key Questions to Ask Your Financial Professional:

- Given my financial situation, should I choose an investment advisory service? Why or Why Not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications?
- What do these qualifications mean?

What fees will I pay?

The following summarizes the principal fees and costs associated with engaging our firm for investment advisory services. For detailed information, refer to our Form ADV Part 2A, Items 5 and 6 by clicking [here](#).

- **Asset Based Fees** - Payable quarterly in advance. Since the fees we receive are asset-based (i.e. based on the value of your account), we have an incentive to increase your account value which creates a conflict.
- **Hourly Fees** - Payable In arrears;
- **Fixed Fees** - Payable In arrears;

Some "qualified clients" pay the following additional fees and/or expenses - Performance-based fees are fees based on a share of capital gains or capital appreciation of an account. We are also entitled to receive, in addition to an asset based fee, a performance based fee in connection with serving as manager to the Outcome Driven Fund, L.P. Fees charged by third party money managers, which are separate and apart from our fees.

Examples of the most common fees not billed by Cornerstone and costs applicable to our clients are: Custodian fees; Account maintenance fees; Fees related to mutual funds and exchange-traded funds; Transaction charges when purchasing or selling securities; and other product-level fees associated with your investments.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Key Questions to Ask Your Financial Professional:

- **Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

- ***Private Fund Affiliation:*** As stated above we serve as the general partner or are affiliated with one or more private funds (private pooled investment vehicles) in which you may be solicited to invest. This presents a conflict of interest due to our common ownership, investments and affiliation with these funds as we have an incentive to recommend these investments over other choices
- ***Third-Party Payments:*** Persons providing investment advice on behalf of our firm are licensed as independent insurance agents and may earn or share commission-based compensation for referring you to a third party. These commissions are separate and in addition to our advisory fees. This presents a conflict of interest because they have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs.
- ***Affiliation with a Proprietary Sub-Advisor:*** Cornerstone may utilize Outcome Driven Strategies (ODS), an independent Registered Investment Advisory Firm which is part of a 50/50 joint partnership between us and iCapital. This presents a conflict of interest as our common ownership as well as our inherent bias provide an incentive to utilize this investment manager over other choices.

Refer to our Form ADV Part 2A by clicking [here](#) to help you understand what conflicts exist.

Key Questions to Ask Your Financial Professional:

- **How might your conflicts of interest affect me, and how will you address them?**

How do your financial professionals make money?

The financial professionals servicing your account(s) are compensated in the following ways: Portfolio Management Fees. Financial professionals' compensation is based on the following factors: Based on the amount of client assets they service and the revenue the firm earns from the person's services or recommendations. In addition, we have a financial incentive to refer "qualified clients" to our private fund affiliation which creates a conflict of interest because of the compensation paid to our firm.

Do you or your financial professionals have legal or disciplinary history?

Yes. While our firm has no disciplinary history to disclose, one of our financial professionals has a prior customer complaint with a past employer which has since been resolved. This event is disclosed in the individual's Form U4 and can be found by going to Investor.gov/CRS.

Key Questions to Ask Your Financial Professional:

- **As a financial professional, do you have any disciplinary history? For what type of conduct?**

You can find additional information about your investment advisory services and request a copy of the relationship summary at 410-468-1694 or click [here](#) to download.

Key Questions to Ask Your Financial Professional:

- **Who is my primary contact person?**
- **Is he or she a representative of an investment adviser or a broker-dealer?**
- **Who can I talk to if I have concerns about how this person is treating me?**