

# Model Wealth Program SRI Income with Moderate Growth

December 31, 2017

## At Cornerstone, we provide Principle-Based Investment Strategies.

### Our Goal

Our goal is to identify a small number of experienced managers who offer the potential to outperform their peers over a long period of time.

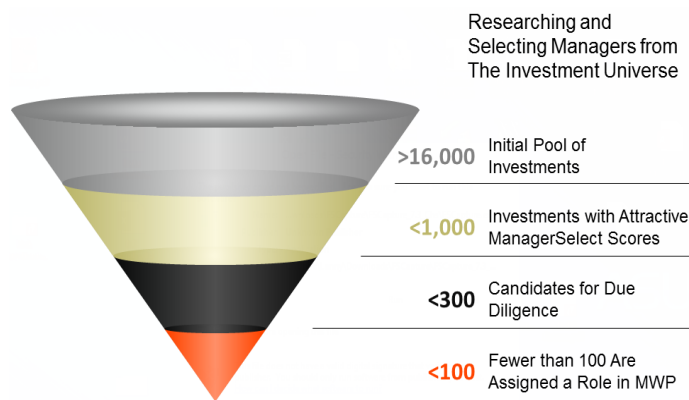
### Our Principles

Rapidly rotating through managers on a short-term basis is a "loser's game". Our intention is to identify managers that offer a sustainable competitive advantage that we can invest with over the long-term.

- They are experienced, talented and focused
- The supporting team and resources are sufficiently broad and deep
- They employ their style of investing with discipline in good times and bad
- They have a sufficient set of systems and processes in place to manage and control risk
- They have reasonably low expenses, which allows investors to keep more of the return
- Have an investment-oriented culture instead of a sales and marketing culture

### Our Approach

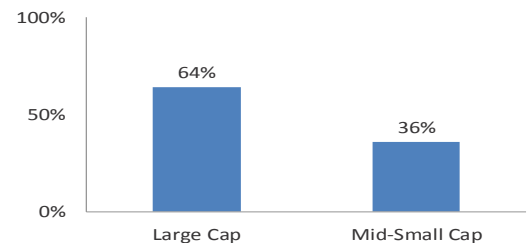
Our approach is to combine a well-defined quantitative and qualitative due diligence process with proprietary portfolio construction tools to build, manage and monitor our client's portfolios.



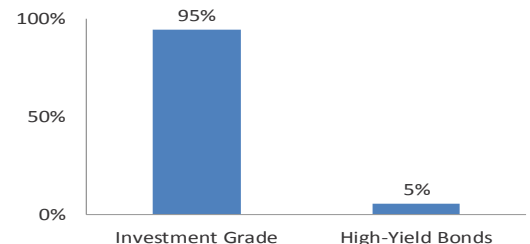
## OVERVIEW

- ✓ SRI portfolios not only endeavor to implement socially responsible investing, which incorporates ethical and sustainable factors into investment decisions, but also seek to meet a secondary goal of maximizing returns while minimizing risk.
- ✓ The portfolios are implemented with a three-to-five year time horizon, but changes may take place sooner if market conditions changes or if a change in managers is deemed necessary.
- ✓ These portfolios may be preferable for investors who pursue an approach that blends both active and passive investing strategies.
- ✓ This specific model is designed with a goal to provide current income, moderate capital appreciation potential, and appropriate diversification among asset classes.

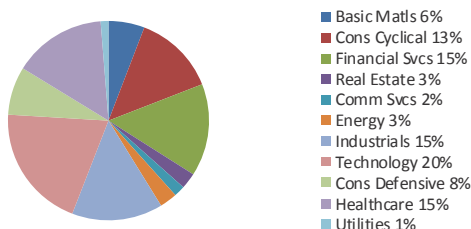
## EQUITY STYLE BREAKDOWN



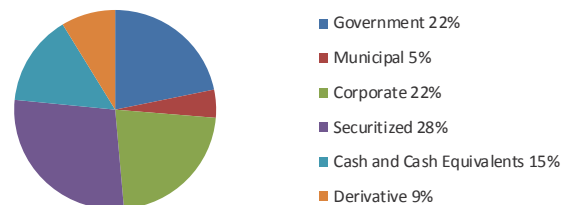
## BOND CREDIT RATING BREAKDOWN



## EQUITY SECTOR BREAKDOWN



## FIXED-INCOME SECTOR BREAKDOWN



## Strategic Allocation

Asset Classes	Growth & Income
Equity	40%
Fixed Income	60%

## Blended Benchmark Composition

Benchmark Indices	Growth & Income
US OE Large Blend	32%
US OE Foreign Large Blend	8%
US OE Intermediate-Term Bond	60%

The benchmarks were selected because in our opinion they most closely track the types of holdings that are likely to be included in our allocations.

**The Morningstar US OE Large Blend Category** includes large-blend managers which are fairly representative of the overall U.S. stock market in size, growth rates, and price. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate.

**The Morningstar US OE Foreign Large Blend Category** includes foreign large-blend managers which invest in a variety of big international stocks. These portfolios primarily invest in stocks that have market caps in the top 70% of each economically integrated. The blend style is assigned to portfolios where neither growth nor value characteristics predominate.

**The Morningstar US OE Intermediate-Term Bond bond Category** includes managers that focus on corporate, government, foreign or other issues with an average duration of greater than or equal to 3.5 years but less than or equal to six years, or an average effective maturity of more than four years but less than 10 years.

## Important Disclosures

Benchmark indices are unmanaged, and cannot be invested into directly.

2% cash is blended into the above allocations in the actual portfolios as well as the benchmarks. The cash position is set to avoid overbuying caused by market fluctuation and other liquidity problems, and will not change because of market conditions. Refer to the next paragraph for the exact allocations.

SRI Income with Moderate Growth Composite includes portfolios that are comprised of socially conscious securities. These portfolios are designed with a goal to provide current income, moderate capital appreciation potential and appropriate diversification among asset classes, with the fixed income component consisting of non-municipal bond. The strategic asset allocations are 31.36% in US equity, 7.84% in international equity, 58.8% in fixed income and 2% cash or cash equivalents, with tolerance bands of 5% deviation.

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. All indices are unmanaged and may not be invested into directly.

No strategy assures success or protects against loss. All investing involves risk, including potential for loss. The prices of small and mid-cap stocks are generally more volatile than large cap stocks. Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price. High yield/junk bonds (grade BB or below) are not investment grade securities, and are subject to higher interest rate, credit, and liquidity risks than those graded BBB and above. International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

Past performance is no guarantee of future results. Investors participating in this model portfolio may experience different individual performance results.

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Cornerstone Wealth Management, LLC, a registered investment advisor and separate entity from LPL Financial.