

Model Wealth Program Tax-Efficient Income 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.

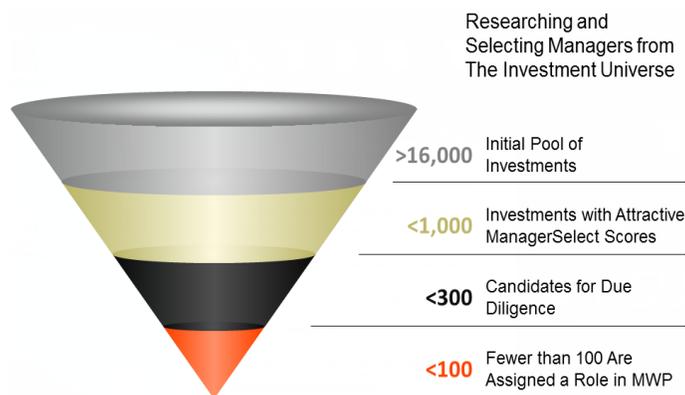
Our Principles

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

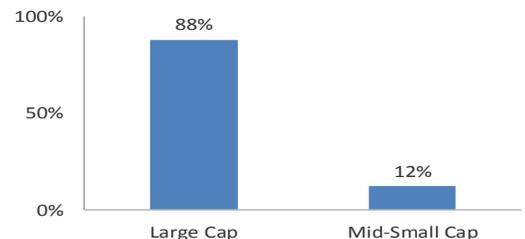
Our approach is to combine a well-defined quantitative and qualitative due diligence process with proprietary portfolio construction tools to build, manage and monitor our client's portfolios.



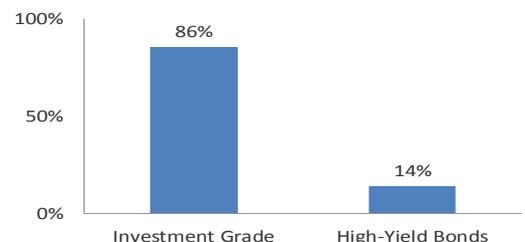
OVERVIEW

- ✓ Tax-Efficient Income portfolios not only endeavor to generate above-average income relative to their respective benchmarks, but also seek to meet a secondary goal of maximizing returns while minimizing risk.
- ✓ The portfolios may have greater allocation to historically dividend-paying stocks and may incorporate potentially higher income generation asset classes such as high-yield bonds.
- ✓ These portfolios may be preferable for investors who place a higher priority on income generation.
- ✓ The fixed-income portion of the portfolio is invested primarily in municipal bonds.
- ✓ This specific model is designed with a goal to provide capital appreciation potential, limited income, and appropriate diversification among asset classes.

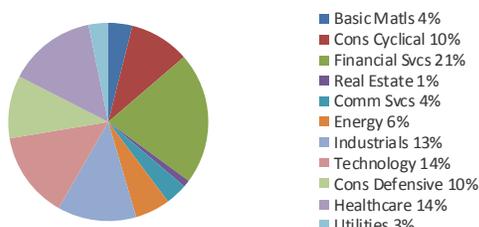
EQUITY STYLE BREAKDOWN



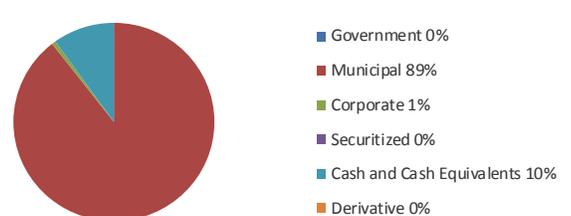
BOND CREDIT RATING BREAKDOWN



EQUITY SECTOR BREAKDOWN



FIXED-INCOME SECTOR BREAKDOWN



Strategic Allocation

Asset Classes	Growth & Income
Equity	70%
Fixed Income	30%

Blended Benchmark Composition

Benchmark Indices	Growth & Income
US OE Large Blend	53%
US OE Foreign Large Blend	17%
US OE Municipal National Intermediate-Term	30%

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 Municipal National Intermediate-Term bond Category includes managers that focus on municipal debt/bonds with an average duration of more than 4.5 years but less than seven years, or average maturity of more than five years but less than 12 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.

TE Income Growth Composite includes portfolios that aim to generate above-average income relative to the benchmark through investing in traditionally high dividend-paying strategies as well as municipal bonds with relatively high yields. These portfolios are designed with a goal to provide capital appreciation potential, income and appropriate diversification among asset classes. The strategic asset allocations are 51.94% in US equity, 16.66% in international equity, 29.40% in fixed income and 2% cash or cash equivalents, with tolerance bands of 5% deviation. As of October 1, 2014, the TE Equity Income Growth Composite was renamed to the TE Income Growth Composite.

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. Municipal bonds are subject to availability and change in price. They are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise. Interest income may be subject to the alternative minimum tax. Municipal bonds are federally tax-free but other state and local taxes may apply. Capital gains tax considerations may also apply. The payment of dividends is not guaranteed. Companies may reduce or eliminate the payment of dividends at any given time. 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.