

We are registered with the Securities and Exchange Commission as an *investment adviser*. The services provided and fees charged by *investment advisory* and *brokerage* firms differ, and it is important that retail investors understand the differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about investment advisers, broker-dealers and investing.

### What investment services and advice can you provide me?

We are an *investment advisory firm* that provides asset management for high-net-worth individuals, group retirement plans, foundations, endowments, and other types of clients. We provide investment advice to clients, on both a discretionary and non-discretionary basis, regarding both equity and fixed income securities, consistent with each client's investment objective and strategy. We seek to learn our client's goals and objectives, risk tolerance and circumstances in order to determine an appropriate investment model/allocation for each client.

Most clients then give us authority to invest their assets on a discretionary basis in accordance with the client's objectives. Our discretionary clients generally do not have the ability to impose restrictions on our management. If clients choose a non-discretionary arrangement, the client will receive similar portfolio analysis and investment recommendations as discretionary accounts, but these clients must be contacted prior to the execution of any trade in the account(s) under management. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio. We actively monitor client accounts and make appropriate changes in light of market circumstances, our expertise, and the strategy selected by the client. The minimum account size for these types of clients is \$1 million.

We also offer the My Accumulation Plan<sup>TM</sup> and Digital Wealth Platform, automated investment programs (the "Programs") through which client accounts can be invested pursuant to one of the investment strategies developed and managed by CornerCap and offered through the Program. Each client portfolio in the Program is typically invested in a portfolio consisting of exchange-traded funds ("ETFs") and a cash allocation. The minimum account size for clients in these Programs is \$5,000.

More detailed information regarding our services is provided in our [Form ADV, Part 2 Brochure](#).

*"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?

**Fees for Direct Clients.** Our fees charged to Direct Clients are established in our written investment advisory agreement. Generally, fees for separate accounts are charged quarterly in advance; and fees for My Accumulation Plan<sup>TM</sup> and Digital Wealth Platform are charged quarterly in arrears. Typically, we charge fees as a percentage of the client's assets under management, calculated at the close of each calendar quarter or month (as applicable), but there may be instances where we enter into retainer or flat-fee arrangements with certain clients on a case-by-case basis.

Our fees are negotiable under certain circumstances such as asset size and the scope of management services; but they generally range from 0.50% – 1.00%.

We may invest your account in mutual funds, ETFs and other registered investment companies (collectively, Funds) that charge their own management fees and have their own operating costs and expenses (such as administrative, custodial, legal and trading costs and expenses), and may charge redemption fees or 12b-1 fees, all of which will be in addition to our management fees (but none of which are paid to us). These fees and expenses are typically described in the Fund's prospectus. Our management fees also do not cover transfer taxes, wire transfer and electronic fund fees, other taxes on brokerage accounts and securities transactions or spreads that are built into the price of fixed income securities.

In certain cases, we may invest assets in a client's portfolio in mutual funds for which we serve as the adviser ("CornerCap Funds") or in unaffiliated mutual funds or other investment funds. We do not charge a separate management fee on client assets invested in CornerCap Funds. This creates a conflict of interest because we will be incentivized to invest client assets in CornerCap Funds that would otherwise qualify for asset tiers with fees lower than those of the CornerCap Funds.

However, our policy is to put the client's interest first and we do not take fee tiers into account when determining the extent to which a client's portfolio will be allocated to the CornerCap Funds.

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.

*"Help me understand how these fees and costs might affect my investments. If I give you \$100,000 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 certain 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:

**Proprietary Products.** We receive advisory fees based on the amount of assets in the CornerCap Funds, which creates an incentive for us to use CornerCap Funds in client accounts. Fees charged by CornerCap Funds may exceed the management fee we charge clients, creating an incentive for us to recommend CornerCap Funds for a client's account, even though we may waive our management fee for such client.

**Fee Structure.** Because we charge an asset-based fee, the total fees you pay us will increase with the size of your account (even though higher asset tiers are charged lower fees). This creates an incentive for us to recommend that you increase the assets in your account.

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

## **How do your financial professionals make money?**

Our portfolio managers' compensation is primarily comprised of an annual fixed salary, which is based on various market factors and the skill and experience of the individual, and in some years certain employees may receive a discretionary bonus. The discretionary bonus, if paid, typically takes into account several factors, including the Adviser's profitability (net income and ability to pay a bonus), the value and number of accounts/portfolios overseen by the portfolio manager, and new client account sales. The formula for determining these amounts may vary. This compensation structure creates an incentive for our portfolio managers to recommend that you hire us as your adviser and/or increase the size of your account with us.

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

No. For a free and simple search tool to research us and our financial professionals, please go to [investor.gov/CRS](http://investor.gov/CRS).

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

## **Additional Information**

For additional information regarding us (including an up-to-date copy of this statement), please contact us by telephone at (404) 870-0700 or visit our website at <https://www.cornercap.com>.

*"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?"*