

**ITEM 1: COVER PAGE FOR PART 2A OF  
FORM ADV: FIRM BROCHURE  
MARCH 2015**

**INSTITUTIONAL SERVICES**



This brochure provides information about the qualifications and business practices of Sterling Global Strategies LLC. Please note use of the term “registered investment adviser” and description of Sterling Global Strategies LLC and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firms’ associates who advise you for more information on the qualifications of our firm and its employees. 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.

Additional information about Sterling Global Strategies LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

If you have any questions about the contents of this brochure, please contact:

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## ITEM 2: MATERIAL CHANGES TO OUR PART 2A OF FORM ADV: FIRM BROCHURE

**Sterling Global Strategies LLC ("SGS")** is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note we do not have to provide this information to a client or prospective client who has not received a previous version of your brochure.

**Our last annual amendment filing was 03/18/2014.**

Since our last annual amendment update, we have the following material changes to disclose about this Brochure:

- We have updated our firm's name and organizational structure and our brochure has been updated to reflect these changes. Also, our firm has added Mark Eicker as a managing member. Please see Item 4 or contact us for more information regarding our new organizational structure.

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## ITEM 4: ADVISORY BUSINESS

We provide services to other investment advisers, financial professionals and their clients in our model-based sub-advisory programs. Sterling Global Strategies LLC ("SGS") is a limited liability company formed in the State of Delaware. We have been conducting business as a registered investment adviser since 2010.

### **Ownership Structure**

SGS is an independent firm owned by Sterling Wealth Management Group, Inc. ("SWMG") and Mark Eicker. Gregory Carroll and Michael Haig, executive officers of our firm, retain 2/3 of the equity interests in SGS through their ownership in SWMG. The remaining 1/3 equity interest is held directly by Mark Eicker.

### **Institutional Advisory Services**

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#### **Sub-Advisory Programs**

We provide management and consulting services to certain institutional clients based on our proprietary investment strategies. For institutional relationships, we provide ongoing portfolio management and signal provider services.

#### Model Portfolio Programs:

We will provide ongoing portfolio management services. SGS utilizes a proprietary tactical investment model that uses relative strength and moving-price averages to determine an investment's ability to achieve a positive return. We don't try to guess the market's direction or predict future economic events. Our strategies use a diversified mix of low-correlating asset classes chosen for the potential to achieve positive returns while mitigating market risk. The relative strength and moving-average components of the process will enable the team to identify the most attractive asset classes for investment options. In the end, our strategies are designed to outperform the domestic stock market while providing downside protection over a full market cycle. We analyze unique asset classes that display historically low correlation on a monthly basis. We then select equally weighted asset classes that demonstrate the most compelling positive movements in price. We then apply an overlay of each asset classes' moving average to verify whether or not a security should be bought or sold, generally near the end of the month. After we construct the portfolio it is held and reviewed until the next trading opportunity. Our portfolio structure is a fund of funds type of structure using SEC registered open-end mutual funds, exchange traded funds (ETFs), and money market accounts.

#### Signal Provider Services:

We provide trade signals to institutional investment managers for the implementation of our models. Assets placed under our advisement as part of these services are generally managed directly by other investment managers. We do not have trading authority with respect to these assets.

## **Tailoring of Advisory Services**

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In certain circumstance we can tailor an investment model to meet the client's needs. Generally, however, we do not offer individualized investment advice in our model programs.

We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account.

## **Participation in Wrap Fee Programs**

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We do not sponsor or offer any wrap fee programs to our clients but we may participate as a sub-advisor in wrap fee programs sponsored by other investment managers.

## **Assets under Management<sup>1</sup>**

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As of December 31, 2014, our firm manages a total of \$339,400,000, of which \$240,900,000 is on a discretionary basis and \$98,500,000 is on a non-discretionary basis.

## **ITEM 5: FEES & COMPENSATION**

### **Advisory Fees**

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We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for your advisory services. Our fees are negotiable in certain circumstances generally based on the scope of the engagement.

#### Model Portfolio Programs:

Fees are agreed upon at the time of engagement. Our fees are charged quarterly in advance and are based upon the market value of the portfolio, set forth by the custodian, as of the last market day of the relevant calendar month. Where services are initiated at any time other than the beginning of a calendar quarter, advisory fees will be pro-rated. Client's first payment will include the pro-rated amount for the remaining days of the first quarter as well as the fees for the second quarter. We reserve the right to modify fees (higher or lower) as outlined on the fee scale noted below, depending upon the nature of the engagement, complexity of services, time to be incurred, for pre-existing relationships, or other special situations and at our discretion.

<b>Portfolio Size</b>	<b>Annual Percentage Fee</b>
\$0 to \$5,000,000	0.85%
\$5,000,000 to \$20,000,000	0.80%
\$20,000,000 to \$40,000,000	0.70%
\$40,000,000 and over	0.65%

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<sup>1</sup> Please note that our method for computing the amount of "client assets we manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A of Form ADV. The amount of assets we manage may be disclosed by rounding to the nearest \$100,000. Our "as of" date must not be more than three months before the date we last updated our Brochure in response to Item 4.E of Form ADV Part 2A.

In the rare case where there is an absence of a portfolio value we will utilize at least one independent third party to assess the value of the particular holding. We reserve the right to modify the asset management fee for existing clients with 30 day's notice. This may occur when your circumstances or service needs have changed significantly. We may agree to waive fees at our discretion. You are welcome to terminate services at any time without a termination fee; however a pro-rated service fee may still apply.

Fees will generally be automatically deducted from the managed account. As part of this process, you understand and acknowledge the following:

- a) You provide written authorization permitting us to be paid directly from the managed account held by the independent custodian;
- b) Our firm sends an electronic request to the custodian indicating the amount of the fee to be paid from the client's managed account;
- c) Your independent custodian sends statements at least quarterly to the clients showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;

#### Signal Provider Services:

We charge an asset-based fee of up to 0.85% of the portfolio's market value. Billing arrangements are determined on a case-by-case basis and will be detailed in the signed engagement agreement.

#### **Other Fees**

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Clients will incur transaction charges for trades executing in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm trades are executed through. Also, clients will pay the following separately incurred expenses, of which we do not receive any part: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), and fees charged by variable annuity programs.

#### **Refunds following Termination**

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You need to contact us in writing if you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and, if fees were paid in advance, process a pro-rata refund of unearned advisory fees. If fees are charged in arrears, we will charge you a pro-rata advisory fee(s) for services rendered up to the point of termination.

#### **Commissionable Securities Sales**

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Our supervised persons are registered representatives of Comprehensive Asset Management and Servicing, Inc. (CAMAS), member FINRA/SIPC which clears and executed trades through Pershing LLC, member FINRA, NYSE and SIPC. As registered representatives our supervised persons may suggest that advisory clients purchase products and/or place transactions through CAMAS. Under such circumstances, these supervised persons may receive normal commissions, thus a conflict of interest exists between our interests and that of our clients since there is incentive to recommend investment products based on the compensation received, rather than on client's needs. Such conflicts are disclosed to clients prior to investing. Advisory fees are generally not reduced in

situations where commissions are charges. Clients are under no obligation to purchase products recommended through us, CAMAS, or insurance companies. Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with Sterling Global Strategies LLC.

#### **ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT**

We do not charge performance fees to our clients.

#### **ITEM 7: TYPES OF CLIENTS & ACCOUNT REQUIREMENTS**

We provide services for other investment advisers and financial professionals. We require minimum account balances ranging from \$50,000 to \$250,000 depending on the platform the end-client is using. Should you have more than one account with us; balances will be aggregated when determining fees. Generally, this minimum account balance requirement is not negotiable and would be required throughout the course of the client's relationship with our firm.

#### **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS**

Your participation and the client's delivery of accurate and complete information are critical to this process. Investment strategies may be based upon a number of factors determined by the type of investor. Sterling Global Strategies LLC provides advisory services for multiple portfolios designed to help meet the varying needs of investors. The primary adviser selects the strategy combination best suited to their individual needs after clients have defined their objectives, risk tolerance and time horizons.

Portfolio holdings are generally derived through methods associated with quantitative analysis. We place more emphasis on "technical" screens rather than "fundamental" screens. Investors should not expect to remain fully invested at all times as most of our advisory programs maintain the ability to move into "money market" or "defensive" positions. Additionally, some of the other advisory programs maintain the ability to invest in "inverse" or "leveraged" products which may carry a higher level of risk. Many of our strategies may utilize short-term trading strategies in an effort to capitalize upon market trends.

As part of our research, we often conduct quantitative back tested simulations to see how a particular model may have performed over different market periods. It is important to understand that hypothetical performance results have certain inherent limitations. Unlike an actual performance record, simulated trades do not represent actual trading. Also, since the trades have not actually been executed, the results may have over or under compensated for the impact, if any, of certain market factors such as lack of liquidity. You may have done better or worse than results derived from back testing. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown in any hypothetical research report.

Numerous publicly available sources of economic, financial and investment research are used by the Adviser to aid in investment decisions. Asset allocation software and historical performance modeling software may also be utilized. Our clients are encouraged to discuss any questions that may arise regarding investment policies throughout the course of our engagement.

We generally do not consider tax consequences when purchasing or selling a security. The sale of investments may cause taxable gains or losses to the client. You are welcome and encouraged to consult your independent personal tax adviser about tax consequences resulting from transactions or any particular investment held in your account. The majority of our programs trade frequently. Frequent trading of securities may affect investment performance through increased brokerage costs and through tax implications.

**Please note:**

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock/bond market may increase and your account(s) could enjoy a gain, it is also possible that the stock/bond market may decrease and your account(s) could suffer a loss. It is important you understand the risks associated with investing in the stock/bond market, are appropriately diversified in your investments and ask us any questions you may have.

### **Cash Balances in Client Accounts**

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We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to comprehensive financial management and asset management, as applicable.

## **ITEM 9: DISCIPLINARY INFORMATION**

We have determined that our firm and management have nothing to disclose under the aforementioned standard.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS**

### **Other Financial Industry Activities**

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Our managed persons are registered representatives of Comprehensive Asset Management and Servicing, Inc. (CAMAS), an unaffiliated broker-dealer and member FINRA/SIPC which clears and executed trades through Pershing, LLC, a member FINRA, NYSE and SIPC. Mr. Carroll, Mr. Haig, Ms. Thorp and Mr. Paladino are a registered representative of CAMAS. In their separate capacity as registered representatives, they may earn commissions from securities sales. These sales would be executed through CAMAS.

Our managed persons are also licensed insurance agents/brokers. They may offer insurance products and receive customary fees as a result of insurance sales. A conflict of interest may arise as these insurance sales may create an incentive to recommend products based on the compensation adviser and/or our supervised persons may earn.



## ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>2</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

### **Personal Securities Transactions**

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Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize these conflicts of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Employees may trade at the same time as client accounts only when consistent with our duty to obtain best execution. It is the expressed policy of SGS that no person employed by SGS may buy or sell for their own accounts the same securities they recommend to clients unless included in a block trade (which is allocated equally as to price among block trade participants).

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<sup>2</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

## ITEM 12: BROKERAGE PRACTICES

We have no custodial relationships for institutional clients' accounts and do not recommend any broker-dealer for client transactions and have no soft dollar arrangements with custodians for these accounts.

Investors through their primary advisers must have established relationships for the custody of their asset prior to primary advisers engaging us to provide advisory services.

### ***Special Considerations for ERISA Clients:***

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

### **Trade Aggregation and Allocation**

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There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are effected only when we believe that to do so will be in the best interest of the affected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

## ITEM 13: REVIEW OF ACCOUNTS OR FINANCIAL PLANS

As third party money managers we do not perform reviews of client accounts. We do not provide written or verbal updated reports. Please review the disclosure brochures of the primary adviser for more information on review of accounts and written or verbal reports.

The Sterling Global Strategies LLC services provided will be based upon the investor's primary advisers data-gathering with their client and the directives provided to us. Investors utilizing these services must understand that they are accessing the investment management services of Sterling Global Strategies LLC through an unaffiliated personal investment adviser or financial intermediary who will provide the investor with ongoing discretionary or non-discretionary advisory services. The investor's personal adviser or intermediary is responsible for evaluating Investor's situation, gaining an understanding of investor's objectives, time horizon and risk tolerance; providing the investor with education on investment concepts; recommending an appropriate portfolio to investor; communicating necessary directions relating to the portfolio management and changes desired within investor's accounts to Sterling Global Strategies LLC; and consulting with the

investor periodically to ensure that the recommended portfolio is suitable for the investor based on information Investor provides. The investors' personal adviser or financial intermediary is also responsible for the performance reviews of the investor's account, Sterling Global Strategies LLC's performance of services, for explaining portfolio strategies and transactions, and to remain available to answer investor questions.

In providing these independent investment management services, we will manage investor funds in accordance with a model portfolio or other investment plan selected by the investor and the investor's personal investment adviser or financial intermediary. Thereafter, we will provide ongoing monitoring and rebalancing of the portfolio in accordance with the directives provided.

Every investor is obligated to promptly notify their personal investment adviser or financial intermediary of any changes of a personal or financial nature that may materially affect investor's risk profile and consequently, the investment strategy and/or decisions employed in the managed portfolio. The investor's personal investment adviser or financial intermediary will evaluate such information and is obligated to promptly communicate directions to us in accordance with the terms of the agreement between Sterling Global Strategies LLC and the investor's personal investment adviser or financial intermediary.

## **ITEM 14: CLIENT REFERRALS & OTHER COMPENSATION**

### **Client Referrals**

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We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) in regard to our institutional and financial professional clients. However, we may pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of retail clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to you. In this regard, we maintain Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, we ensure that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If we are paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

## **ITEM 15: CUSTODY**

We do not have custody of client funds or securities. Please refer to the primary adviser's disclosure brochures for information about statements from the clients' qualified custodian.

#### **ITEM 16: INVESTMENT DISCRETION**

We may accept discretionary authority over client accounts, pursuant to the sub-advisory agreement with the primary adviser. The primary adviser will generally be required to have a signed discretionary investment advisory agreement with the client in order for us to manage these accounts.

#### **ITEM 17: VOTING CLIENT SECURITIES**

Our firm does not vote proxies as a part of our sub-advisory programs.

#### **ITEM 18: FINANCIAL INFORMATION**

We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than \$1,200 in fees and six or more months in advance.
- We do not take custody of client funds or securities.
- We do not have a financial condition or commitment that impairs its ability to meet contractual and fiduciary obligations to clients.
- We have never been the subject of a bankruptcy proceeding.