

Sterling Investment Counsel, LLC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Sterling Investment Counsel, LLC. If you have any questions about the contents of this brochure, please contact us at (716) 783-7054 or by email at: cmarks@sterinv.com. 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 Investment Counsel, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Sterling Investment Counsel, LLC's CRD number is: 282624.

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

There are no material changes in this brochure from the last annual updating amendment of Sterling Investment Counsel, LLC (SIC) on March 21, 2018. Material changes relate to Sterling Investment Counsel, LLC' policies, practices or conflicts of interests only.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Sterling Investment Counsel, LLC (hereinafter "SIC") is a Limited Liability Company organized in the State of New York.

The firm was formed in February 2016, and the principal owners are Christopher Michael Marks, Cynthia Eileen Vance, Philip Kenneth Vance and John Lawrence Langer.

B. Types of Advisory Services

Portfolio Management Services

SIC offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

SIC evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. SIC will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Our clients are advised to promptly notify us if there are changes in their financial situations or investment objectives or if they wish to impose any reasonable restrictions upon our advisory services.

SIC seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of SIC's economic, investment or other financial interests. To meet its fiduciary obligations, SIC attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, SIC's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is SIC's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

We also offer investment management services through a managed account program provided by AssetMark, Inc., a registered investment adviser ("AssetMark Platform"). Portfolios that are developed and implemented using asset allocations composed by a group of independent investment strategists are offered through the AssetMark Platform,

with the portfolios and asset allocations designed to satisfy a gradient of risk/return objectives. After gathering information about your financial situation and objectives, we will make recommendations regarding the suitability of a strategist, and a proposed asset allocation approach and/or model, based on factors such as investment strategy, performance, and methods of analysis. We will periodically monitor the performance of your account to ensure the performance and investment style remains aligned with your investment goals and objectives. Clients will receive a separate disclosure brochure from AssetMark.

Financial Planning

Financial plans and financial planning may include but are not limited to: investment planning; life insurance; tax concerns; retirement planning and college planning.

Services Limited to Specific Types of Investments

SIC generally limits its investment advice to mutual funds, fixed income securities, real estate funds, equities, ETFs, treasury inflation protected/inflation linked bonds and non-U.S. securities. SIC may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

SIC offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client information and risk tolerance questionnaire, which outline each client's current situations (income, tax bracket, investment objectives, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent SIC from properly servicing the client account, or if the restrictions would require SIC to deviate from its standard suite of services, SIC reserves the right to end the relationship.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. SIC does not provide portfolio management services to any wrap fee programs.

E. Assets Under Management

SIC has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$326,789,041.00	\$2,598,942.00	December 2018

Item 5: Fees and Compensation

A. Fee Schedule

Asset-Based Fees for Portfolio Management

Total Assets Under Management	Annual Fee
\$0 - \$500,000	1.50%
\$500,001 - And Up	1.25%

These fees are generally negotiable and the final fee schedule is attached as Exhibit I of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of SIC's unearned fees immediately upon written notice.

SIC uses the value of the account as of the last business day of the prior billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

In addition to the fee charged by SIC, clients will pay a platform fee to AssetMark, Inc. This fee varies depending on the investment strategy selected for the client. The total fee (SIC fee plus platform fee) paid by the client on the account will be specified in the Client Service Agreement contained in the separate AssetMark Application Form signed by the client. The platform fees are also described in the AssetMark Platform Disclosure Brochure that is provided to the client. The platform fee is charged as a percentage of the client's assets on the platform and is a wrap fee which includes transaction costs.

Financial Planning Fees

Clients may terminate the agreement without penalty for a full refund of SIC's fees within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

Fixed Fees

The negotiated fixed rate for creating client financial plans is between \$500 and \$5,000. Fees are charged 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

Hourly Fees

The negotiated hourly fee for these services is between \$200 and \$400. Fees are charged 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

B. Payment of Fees

Payment of Asset-Based Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis, or on occasion, may be invoiced and billed directly to the client on a quarterly basis. Fees are paid in advance.

Payment of Financial Planning Fees

Financial planning fees are paid via check.

Fixed financial planning fees are paid 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

Hourly financial planning fees are paid 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

C. Client Responsibility For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by SIC. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

SIC collects fees in advance. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate* times the number of days elapsed in the billing period up to and including the day of termination. (*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

E. Outside Compensation For the Sale of Securities to Clients

SIC or its supervised persons may accept compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

Supervised persons of SIC are registered representatives of a broker-dealer. Supervised persons of SIC are also insurance agents. In these roles, they accept compensation for the sale of securities and other products to SIC clients.

1. This is a Conflict of Interest

Supervised persons may accept compensation for the sale of securities or other investment products, including asset based sales charges or service fees from the sale of mutual funds to SIC's clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which the supervised persons receives compensation, SIC will document the conflict of interest in the client file and inform the client of the conflict of interest.

2. Clients Have the Option to Purchase Recommended Products From Other Brokers

Clients always have the option to purchase SIC recommended products through other brokers or agents that are not affiliated with SIC.

3. Commissions are not SIC's primary source of compensation for advisory services

Commissions are not SIC's primary source of compensation for advisory services.

4. Advisory Fees in Addition to Commissions or Markups

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

Item 6: Performance-Based Fees and Side-By-Side Management

SIC does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

SIC generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Corporations or Business Entities
- ❖ Trusts
- ❖ Estates
- ❖ Charitable Organizations
- ❖

Minimum Account Size

There is no account minimum for any of SIC's services.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

SIC's methods of analysis include charting analysis, fundamental analysis and modern portfolio theory.

Charting analysis involves the use of patterns in performance charts. SIC uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset classes.

Investment Strategies

SIC uses long term trading and short term trading.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Modern Portfolio Theory assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability and inflation, in addition to the long term trading risks listed above. Frequent trading, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

Real Estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Non-U.S. securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Supervised persons of SIC are also registered representatives of LPL Financial, LLC, and, in that capacity, they accept compensation for the sale of securities.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither SIC nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Supervised persons of SIC which include Christopher Michael Marks, Cynthia Eileen Vance, John Lawrence Langer, Phillip Kenneth Vance, and Chelsea Lynn Blasch, are registered representatives of LPL Financial, LLC and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. SIC always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of SIC in such individual's capacity as a registered representative.

Supervised persons of SIC are independent licensed insurance agents, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. SIC always acts in the best interest of the client; including in the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of SIC in connection with such individual's activities outside of SIC.

Christopher Michael Marks and Cynthia Eileen Vance are lawyers and from time to time, may offer clients advice or services from those activities and clients should be aware that these services may involve a conflict of interest. SIC always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of SIC in connection with such individual's activities outside of SIC.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

As described above, SIC has a relationship with AssetMark, Inc., a registered investment adviser, to use the asset allocation and individual account management platform sponsored by AssetMark.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

SIC has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. SIC's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

SIC does not recommend that clients buy or sell any security in which a related person to SIC or SIC has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of SIC may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of SIC to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SIC will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of SIC may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of SIC to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, SIC will never engage in trading that operates to the client's disadvantage if representatives of SIC buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on SIC's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and SIC may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in SIC's research efforts. SIC will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

SIC will require clients to use Fidelity Brokerage Services LLC as custodian.

1. Research and Other Soft Dollar Benefits

While SIC has no formal soft dollars program in which soft dollars are used to pay for third party services, SIC may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). SIC may enter into soft-dollar arrangements consistent with (and not

outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and SIC does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. SIC benefits by not having to produce or pay for the research, products or services, and SIC will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that SIC's acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. *Brokerage for Client Referrals*

SIC receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. *Clients Directing Which Broker/Dealer/Custodian to Use*

SIC will require clients to use a specific custodian; however, SIC does not have discretion over the broker-dealer to be used nor the commission rate to be paid for any transaction.

B. Aggregating (Block) Trading for Multiple Client Accounts

If SIC buys or sells the same securities on behalf of more than one client, it might, but would be under no obligation to, aggregate or bunch, to the extent permitted by applicable law and regulations, the securities to be purchased or sold for multiple Clients in order to seek more favorable prices, lower brokerage commissions or more efficient execution. In such case, SIC would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy.

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Investment portfolios are monitored as part of an ongoing process, and client accounts for SIC's advisory services provided on an ongoing basis are reviewed at least quarterly by James T Goede, Chief Operating Office/Chief Investment Officer, or his designee with regard to clients' respective investments, needs, goals, objectives and risk tolerance levels. All accounts at SIC are assigned to this reviewer. All investment advisory clients are encouraged to keep SIC informed of any changes to these needs, goals, and objectives and risk tolerance levels.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by James T Goede, Chief Operating Office/Chief Investment Officer. There is only one level of review for financial planning, and that is the total review conducted to create the financial plan.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, SIC's services will generally conclude upon delivery of the financial plan.

C. Content and Frequency of Regular Reports Provided to Clients

Each client of SIC's advisory services provided on an ongoing basis will receive a monthly or quarterly report detailing the client's account, including assets held, asset values, and other charges assessed against the account. This written report will come from the custodian. SIC or AssetMark will also provide at least quarterly a separate written statement to the client providing account performance and fee calculation information.

Each financial planning client will receive the financial plan upon completion.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

LPL Financial provides benefits and compensation to representatives of SIC who are registered representatives of LPL. These include but are not limited to bonus payments, repayable and forgivable loans, stock awards and other benefits (collectively referred to as "Transition Assistance").

The Transition Assistance is used to assist the representatives with the costs (including foregone revenues during account transition) associated with transitioning his or her separate brokerage business to LPL [accurate?]. The amount of Transition Assistance is often significant in relation to the overall revenue earned or compensation received by representatives at their prior firm. The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the representative's business, satisfying any outstanding debt owed to the representative's prior firm, offsetting account transfer

fees (ACATs) payable to the broker-dealer/custodian as a result of the representative's clients transitioning to the broker-dealer/custodian's platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts. Such payments are generally based on the size of the representative's business established at the prior firm and/or assets under custody at the broker-dealer/custodian. The representatives are not required to recommend LPL as a custodian for assets of advisory clients nor are the representatives required to conduct a minimum level of transactions in the accounts of brokerage clients.

With respect to the AssetMark Platform, Assetmark will provide our firm with an allowance for reimbursement for qualified marketing/practice management expenses incurred by our firm. The allowance is based upon a percentage of the value of new or existing account assets of clients referred to AssetMark by our firm.

B. Compensation to Non – Advisory Personnel for Client Referrals

SIC does not directly or indirectly compensate non-advisory personnel for client referrals.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, SIC will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

SIC provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client outlines the discretionary authority for trading. Where investment discretion has been granted, SIC generally manages the client's account and makes investment decisions without consultation with the client as to what securities to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, or the price per share. In some instances, SIC's discretionary authority in making these determinations may be limited by conditions imposed by a client in investment guidelines or objectives, or client instructions otherwise provided to SIC.

Item 17: Voting Client Securities (Proxy Voting)

SIC acknowledges its fiduciary obligation to vote proxies on behalf of those clients that have delegated to it, or for which it is deemed to have, proxy voting authority. SIC will vote proxies on behalf of a client solely in the best interest of the relevant client. SIC has established general guidelines for voting proxies. SIC may also abstain from voting if, based on factors such as

expense or difficulty of exercise, it determines that a client's interests are better served by abstaining. Further, because proxy proposals and individual company facts and circumstances may vary, SIC may vote in a manner that is contrary to the general guidelines if it believes that it would be in a client's best interest to do so. If a proxy proposal presents a conflict of interest between SIC and a client, then SIC will disclose the conflict of interest to the client prior to the proxy vote and, if participating in the vote, will vote in accordance with the client's wishes.

Clients may obtain a complete copy of the proxy voting policies and procedures by contacting SIC in writing and requesting such information. Each client may also request, by contacting SIC in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period. Clients can send written requests to the Chief Compliance Officer at cmarks@sterinv.com.

Item 18: Financial Information

A. Balance Sheet

SIC neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither SIC nor its management has any financial condition that is likely to reasonably impair SIC's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

SIC has never been the subject of a bankruptcy petition.