

STERLING PARTNERS EQUITY ADVISORS LLC

FORM ADV – PART 2A

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This Brochure provides information about the qualifications and business practices of Sterling Partners Equity Advisors LLC. If you have any questions about the contents of this Brochure, please contact us at (312)465-7000 or via email at compliance@sterlingpartners.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Sterling Partners Equity Advisors LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT STERLING PARTNERS EQUITY ADVISORS LLC, OR ANY OF THE PERSONNEL OR EMPLOYEES OF STERLING PARTNERS EQUITY ADVISORS LLC, POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.

Item 2 - Material Changes

As this is an initial filing there are no material changes.

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Item 4 - Advisory Business

Founded in 2017, Sterling Partners Equity Advisors LLC. ("SPEA" or "Firm"), is a Chicago-based investment adviser focusing on small capitalization public equity securities with a value orientation. SPEA is a limited liability company formed under the laws of the State of Delaware. The principal owner of SPEA is Sterling Partners Investment Group LLC. ("SPIG"), each of which is also a related person of Sterling Fund Management, LLC. ("SFM"), an investment advisor registered with the SEC. Other than SPIG, there are no individuals or entities who own 25% or more of SPEA directly. There are individuals who own 25% or more of SPEA indirectly through SPIG. SPEA endeavors to adhere to a disciplined process of intrinsic value investing. The Firm's goal is to deliver superior returns over the long term by combining an accomplished, stable and motivated investment team with a disciplined and repeatable process. There can be no assurance this objective will be achieved. The Firm offers investment management services to separately managed accounts and to other managers in a sub-advisory capacity.

SPEA concentrates its investment strategy on two composites of predominantly small-capitalization companies. One portfolio is a non-diversified, conviction style of investment, typically holding 25 to 35 publicly traded equity positions and cash of less than 10%. The other portfolio is a diversified style of investment, typically holding 50 to 60 equity positions and cash of less than 10%. In addition, SPEA may manage portfolios of separate large and mid-capitalization of publicly traded equities. Also, for select client portfolios, SPEA may utilize stock options or ETF's in an effort to enhance returns and/or reduce portfolio volatility. Upon a client's request, SPEA may customize composites of specific client mandates. In addition, for select clients, SPEA may utilize options strategies as described above. Due to the affiliation of SPEA with SPIG and SFM there may be securities on which SPEA is not able to advise clients due to conflicts of interest that would arise if SPEA were to advise on the security. SPEA will disclose the conflict of interest to any client as it arises and SPEA will refrain from recommending the securities while the conflict of interest remains.

SPEA does not participate in any wrap fee programs.

As this is an initial filing, SPEA does not currently manage any client assets. It is anticipated that all accounts in the future will be managed on a discretionary basis.

Item 5 - Fees and Compensation

Compensation and Fee Schedules

In consideration of the investment management services provided, SPEA charges management fees to its clients. Clients generally pay SPEA a management fee of 1% of assets under management per year, quarterly in advance. Management fees are generally deducted from individual client accounts and paid to SPEA by the custodian. SPEA may however, in its sole discretion, elect to reduce or waive all or a portion of the management fee. Such factors SPEA may consider in waiving or reducing all or a portion of the management fee include, but are not limited to, the size of an investor's account, an investor's relationship to SPEA and its employees and its affiliates, and strategic relationships. Advisory Fees are typically waived or reduced with respect

to SPEA or its related persons and/or certain business associates or other “friends and family” of SPEA.

Deduction of Fees; Timing of Payments; Termination

SPEA is authorized under the Investment Management Agreements in effect with each client from time to time (each, an “Investment Management Agreement”) to charge and deduct Management Fees directly from the assets in each account quarterly and in advance. Payment of Management Fees is generally made in the first month of each quarter and in accordance with the terms of the Investment Management Agreements with each client.

Investment Management Agreements generally may be terminated by SPEA on five (5) business days prior written notice and may be terminated by a client upon receipt of notice thereof. Upon termination of any advisory relationship with SPEA’s notice thereof, any prepaid, unearned Management Fees will be refunded to such account, and any earned, unpaid fees will be due and payable.

Other Fees and Expenses

In addition to the investment advisory services discussed above, clients may incur third-party investment management, brokerage, custodial, administration, reporting/performance measurement and other transaction fees in connection with the implementation of their investment management strategy. These additional fees are negotiated between the client and each third party directly. Generally, compensation received by the Firm only comes from its clients.

Item 6 - Performance-Based Fees and Side-by-Side Management

Performance-Based Fees

SPEA does not have any Performance-Based Fee Arrangements with its clients. In this regard, SPEA does not engage in side-by-side management (i.e., the management of client accounts pursuant to different fee structures).

Item 7 - Types of Clients

Types of Clients

SPEA will provide discretionary investment management services to institutional investors (such as corporate pension funds) and to individuals (including high net worth individuals) and may provide discretionary advice to estate planning trusts, families, family limited partnerships, family offices and related trustees, as well as the clients of brokers and registered investment advisers. SPEA may also act as a sub-adviser to other investment advisers. Generally these clients are “qualified purchasers” as defined in the Investment Company Act.

Minimum Investment Requirements

In general, the minimum investment commitment required of an investor to participate in a separately managed account is \$1,000,000; however, SPEA has discretion to increase or reduce the minimum investment commitment at any time. The minimum investment commitment may be waived or reduced with respect to SPEA's related persons and/or certain business associates or other "friends and family" of SPEA.

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

Methods of Analysis

In SPEA's primary strategies, the Firm generally employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis performed by SPEA is derived from numerous sources, including financial media companies, third-party research materials, internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

Fundamental accounting data and financial analysis utilizes economic and business information relevant to the investment selection process. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the company being analyzed. Investments are deemed suitable if they meet certain criteria to indicate that they are an attractive investment with a value discounted by the market. While this type of analysis helps the Firm in evaluating a potential investment, it does not guarantee that the investment will increase in value. Investments meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Firm regularly monitors these economic indicators to determine if adjustments to portfolio holdings are appropriate.

Material Risks Involved

All investors bear certain risks when investing their money, regardless of the instrument, sector, or asset class chosen. Securities or other financial instruments may fluctuate in value or lose value. SPEA seeks to manage such risks, but there is no guarantee that a client will not suffer losses. The task of identifying investment opportunities and managing such investments is difficult. There can be no assurance that SPEA will be able to make any particular investment or that it will be able to generate returns for its investors. Investors should carefully consider, among other factors, the following material risks involved with SPEA's investment strategies.

Risks in General

Domestic and foreign economic growth and market conditions, interest rate levels, and political events are among the factors affecting the securities markets of the Firm's investments. There is risk that these and other factors may adversely affect performance. An investor should consider their own investment goals, time horizon, and risk tolerance before investing with the Firm. An investment with SPEA may not be appropriate for all investors and is not intended to be a complete investment program. An investor may lose money by investing with the Firm.

Small Sized Companies Risk.

Because the Firm invests primarily in securities issued by small capitalization companies, it has the potential to be more volatile than an investment that focuses on securities issued by larger companies. The earnings and prospects of these companies can be more volatile than larger companies. Small sized companies may experience higher failure rates than do larger companies. The trading volume of securities of small sized companies is normally less than that of larger companies and, therefore, may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies. Small sized companies may have limited markets, product lines or financial resources and may lack management experience. Small-sized companies may have a less experienced management, narrower product lines, more limited financial resources, and less publicly available information than larger companies. In addition, smaller companies are typically more sensitive to changes in overall economic conditions and their securities may be difficult to trade.

Value Investing Risk

Value investing attempts to identify companies selling at a discount to their intrinsic value. Value investing is subject to the risk that a company's intrinsic value may never be fully realized by the market or that a company judged by SPEA to be undervalued may actually be appropriately priced.

Management Risk

Management risk is the risk that the investment process used by the portfolio manager could fail to achieve the investment goal and cause an investment to lose value. There is no assurance whatsoever that the Firm's investments will be profitable.

Operating History Risk

While the Principals of the Firm have extensive industry experience, and the two senior members of the investment team have worked together for more than 10 years, the Firm is new and has a limited history of operation. Accordingly, an investment with SPEA entails a high degree of risk. There can be no assurance that the Adviser will achieve its investment objective notwithstanding the performance of any or all of the foregoing or their respective affiliates or principals in other transactions.

Economic and Market Risk

Securities in which SPEA invests may be sensitive to general downward swings in the overall economy or in the sectors in which such companies operate. Factors affecting economic conditions, including, for example, inflation rates, industry conditions, competition, technological developments, domestic and worldwide political, military and diplomatic events and trends, tax laws, credit market conditions and innumerable other factors, none of which will be within the control of SPEA, can affect substantially the accounts. A major recession or adverse developments in the securities or credit markets might have a material adverse impact on some or all of SPEA's investments.

Cyber Security Breaches and Identity Theft

SPEA and its service providers' information and technology systems are subject to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although SPEA has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, SPEA and/or a service provider thereof potentially would have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in SPEA and/or a service provider's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors. Such a failure could harm SPEA and/or a service provider's reputation, subject such entities and their respective affiliates to legal claims and otherwise adversely affect their business and financial performance.

Volatility and Concentrated Portfolio Risk

Concentrated portfolios are an aggressive and highly volatile approach to trading and investing and should be viewed as complementary to a stable, highly predictable investment approach. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic price swings. In addition, the rise or drop in price of any given holding in the portfolio is likely to have a larger impact on portfolio performance, than a more broadly diversified portfolio.

Restricted List Risk

SPEA may refrain from rendering any advice or services concerning securities of companies of which any of SPEA's, or affiliates of SPEA's (including SFM's) officers, directors, or employees are directors or officers, or companies in which SPEA or any of SPEA's affiliates or the officers, director and employees or any of them may have substantial economic interest.

Key Person Risk

SPEA relies on the Principals of the Firm to provide strategic direction for the Firm and the recommendations made by advisory persons of the Firm. In the case of loss of one or all of the Principals of the Firm, the strategies that are employed may be modified. SPEA has a dedicated plan in place to address the loss of the Principals of the Firm, which may include continuing to service clients with the remaining Principals or the transfer of Client accounts to another registered investment adviser with a similar investment philosophy that will maintain licenses to service the Client's accounts after consent has been obtained from the Client for the transfer. At present there is one key principal executing the investment strategy.

Item 9 - Disciplinary Information

SPEA and its management persons have not been the subject of any material legal or disciplinary proceeding required to be disclosed in response to this item.

Item 10 - Other Financial Industry Activities and Affiliations

SPEA's sole business is providing discretionary investment advisory services to its clients. SPEA is not engaged in any other business activities.

Registered Broker-Dealers

Neither SPEA nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors

SPEA's CEO is a Principal of Rabar Market Research, Inc., a commodity pool operator and commodity trading advisor registered as such with the Commodity Futures Trading Commission. SPEA does not conduct any business with Rabar. SPEA's CIO is an owner and executive officer of Falcon Capital Management, LLC ("Falcon"), and an investment adviser registered as such with the State of Illinois. Falcon's registration will be withdrawn after SPEA becomes registered as an investment adviser with the SEC. None of SPEA's other personnel is registered or has an application pending to register as a futures commission merchant, commodity pool operator, commodity-trading advisor, or associated person of the foregoing.

Affiliations with Private Funds

The principal indirect owners of SPEA also own SFM, which serves as an adviser to a number of private funds. Clients of SPEA may also be investors in one of the private funds that SFM advises on. There are overlapping personnel between SPEA and SFM and, as such, such employees are not dedicated exclusively to SPEA. SPEA will not earn ongoing investment advisory fees on investments in private funds on which SFM advises on.

Potential Conflicts

SPEA has and will continue to develop relationships with professionals who provide services it does not provide, including legal, accounting, banking, tax preparation, insurance brokerage, trading and related services, software services, and other professional services. None of the above relationships are expected to create a material conflict of interest with SPEA or its investors. There is no assurance that this will always be the case.

From time to time, SPEA may receive training, information, promotional material, meals, gifts or prize drawings from vendors and others with whom it may do business or to whom it may make referrals. At no time will SPEA accept any benefits, gifts or other arrangements that are conditioned on directing individual client transactions to a specific security, product or provider.

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

Code of Ethics

SPEA has adopted a code of ethics (“Code of Ethics”) under Rule 204A-1 of the Advisers Act, expressing the Firm’s commitment to ethical conduct. SPEA’s Code of Ethics describes its fiduciary duties and responsibilities to its advisory clients, is designed to attempt to detect and seek to manage potential conflicts of interest and sets forth, among other things, SPEA’s (1) policies on receipt of gifts by employees and the making of political campaign contributions, (2) practice of obtaining periodic reports on and monitoring the personal securities transactions of its supervised persons with access to client investment recommendations, (3) pre-clearance requirements for certain personal securities transactions by such supervised persons, and (4) pre-clearance requirements for political contributions. Under SPEA’s Code of Ethics, all of its supervised persons have a duty to act only in the best interests of its clients and are required to promptly report all violations of the Code of Ethics to SPEA’s CCO. All supervised persons must acknowledge receipt of the Code of Ethics and any amendments thereto as well as to the general principles that guide the Code.

SPEA will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

In certain situations, SPEA and/or its Supervised Persons may purchase or sell the same securities that may be recommended to and purchased on behalf of its clients either directly or as owned through one or more private funds. All such transactions are subject to compliance with Sterling Partners Equity Advisors’ Code of Ethics. SPEA does not act as principal in any transactions. In addition, SPEA does not act as the general partner of a fund, or advise an investment company. However, an affiliate of SPEA acts as a general partner of various private equity funds and, as such, SPEA has adopted policies to govern access to the information in the possess of SPEA affiliates. SPEA does not have a material interest in any securities traded in Client accounts.

Personal Trading in Same Securities as Clients

SPEA allows its Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of clients. Owning the same securities SPEA recommends (purchase or sell) to its clients presents a conflict of interest that, as fiduciaries, SPEA must disclose to its clients and mitigate through policies and procedures. As noted above, SPEA has adopted the Code of Ethics to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its clients can potentially be violated if personal trades are made with more advantageous terms than client trades, or by trading based on material non-public information. This risk is mitigated by SPEA requiring reporting of personal securities trades and by conducting a coordinated review of personal accounts and the

accounts of the clients. SPEA has also adopted written policies and procedures to detect the misuse of material, non-public information.

Personal Trading at Same Time as Client

While SPEA allows its Supervised Persons to purchase or sell the same securities, through client accounts that may be recommended to and purchased on behalf of clients, such trades are typically aggregated with client orders or traded afterwards. At no time will SPEA, or any Supervised Person of SPEA, transact in any security to the detriment of any client.

Item 12 - Brokerage Practices

Discretionary Brokerage

SPEA does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. SPEA seeks to satisfy its best execution obligation when recommending a broker/dealer by considering relevant facts and circumstances, including, but not limited to, the broker's service and responsiveness, the price and size of the order, the trading characteristics of the securities involved, the value of research provided by the broker, the broker's execution abilities, commission rates, and the broker's financial responsibility. SPEA will not necessarily recommend the broker-dealer offering the lowest commission cost.

Research and Soft Dollar Benefits

SPEA does not engage in soft dollar arrangements with respect to securities transactions for its clients.

SPEA does not select broker-dealers or bank custodians for its clients. However, the Firm does recommend that some clients use a specific custodian to make more efficient the execution of trades for such clients. SPEA does not receive any consideration in exchange for this recommendation. Rather, SPEA researched various bank custodians and broker-dealers and found its selected custodian to offer competitive costs, excellent services and a combination of services well suited for its clients.

The Firm does not derive any soft dollar benefits. In recommending brokers or dealers to execute transactions, SPEA will consider the following factors, among others: the financial stability and reputation of the broker, the Firm's and its Principals' experience with the broker, the quality of the investment research, investment strategies, special execution capabilities, clearance, settlement, custody, recordkeeping and other services provided by such broker.

Brokerage for Client Referrals

SPEA does not select broker-dealers for clients, nor does the Firm receive client referrals from broker-dealers or third parties. Clients may select their own broker-dealer for trade execution.

Directed Brokerage

SPEA does not recommend, request or require clients to execute transactions through a specified broker-dealer. SPEA does permit clients to direct brokerage. In such cases, SPEA may be unable to achieve the most favorable execution of client transactions and the client may perceive less favorable prices and may pay higher brokerage commissions, as SPEA may not be able to aggregate orders to reduce transaction costs.

Trade Aggregation

SPEA will, to the extent possible, generally aggregate purchase and sale orders for client accounts when it believes such aggregation can result in lower commission rates or more favorable transaction prices, and to maintain consistent buy and sell prices across all accounts.

Pursuant to SPEA's policy, the proposed allocation of any such combined order placed on behalf of more than one client account will be determined and recorded in writing prior to placing the order. If all such orders are not filled at the same price, then SPEA will use reasonable measures to cause each account to pay or receive the average of the prices at which the orders were filled for all accounts. If all orders placed for a client account cannot be fully executed under prevailing market conditions, then SPEA will use reasonable measures to ensure that the securities purchased or sold are allocated among the applicable client accounts on a pro rata basis or in some other equitable manner, taking into account the size of the order placed for each client account and any other relevant factors.

Trade Errors

Under SPEA's Trade Errors Policy, to the extent trade errors occur, SPEA will seek to ensure that its client's best interests are served. SPEA's policy is to resolve all trade errors as quickly as possible, while ensuring the client is not disadvantaged, consistent with the orderly disposition (and/or acquisition) of the securities in question. Actual losses suffered by a client account as a result of a trade error caused by the gross negligence of the Firm will be reimbursed by SPEA. However, as a general matter, SPEA does not compensate clients for lost investment opportunities.

Item 13 - Review of Accounts

Review of Client Accounts

Senior investment professionals at SPEA will review client accounts at least quarterly. SPEA also regularly monitors risk. Reviews are conducted by the portfolio managers along with other firm analyst when necessary. In addition to the quarterly client account reviews, the Firm may review client accounts when any of the following occur: any major change in the investment environment; any major change in reported investment performance that is inconsistent with the investment environment and the client's risk parameters; any major change in a client's investment objectives or liquidity; or any major change in client assets under management.

Reports to Clients

SPEA distributes quarterly written reports to its clients setting out the general performance of each client's account and the Firm's view of current market conditions.

Item 14 - Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

Only clients provide an economic benefit to the Firm in exchange for providing investment advice.

Third Party Compensation for Investor Referrals

Neither SPEA nor a related person directly or indirectly compensates any person who is not a supervised person for client referrals. It is possible the Firm may engage solicitors in the future and all such solicitor relationships will be structured and conducted strictly in accordance with SEC rules and regulations and the Firm's policies and practices related to such matters.

Item 15 - Custody

SPEA does not maintain custody over client accounts. Clients have established their own, independent relationships with a qualified custodian and receive statements directly from such chosen custodian. Advisory fees owed to SPEA are deducted directly from each client account. Qualified custodians distribute account statements directly to each client. The Firm urges clients to compare the statements they receive from their qualified custodians with any statements they receive from the Firm. SPEA will not maintain custody over accounts managed in a sub-advisory capacity.

Item 16 - Investment Discretion

SPEA generally will be retained on a fully discretionary basis and will be authorized to determine and direct execution of portfolio transactions pursuant to the terms of the Investment Management Agreement and other documents executed between SPEA and each investor. In these documents, SPEA and its clients may place limitations on discretionary authority, such as specific securities or types of securities SPEA is not authorized to purchase for the account. The terms upon which the Firm serves as an investment manager are established at the time each client retains the Firm as their investment manager.

Once a client executes an Investment Management Agreement or similar document with SPEA, the Firm is not required to contact the client prior to transacting any business, unless otherwise specified. Clients who have granted discretionary trading authority to SPEA are required to grant a "limited power of attorney" over clients' custodial account for purposes of trading and fee deduction.

Item 17 - Voting Client Securities

SPEA has, and will accept, authority to vote client securities. SPEA has adopted policies and procedures (“the Proxy Voting Policies and Procedures”) which has been designed to ensure that SPEA complies with the requirements of Rule 206(4)-6 under the Advisers Act to vote its clients' proxies. SPEA generally votes for proposals that it believes will maximize the value of the client's security. The factors SPEA considers will vary according to the security and client, and may include market information, the company's financial situation and the industry. The Firm has retained a proxy service to vote and manage all proxies in its discretion. The proxy service firm will retain all proxy voting records in accordance with SEC Rule 206(4)-6. In general, investors are not permitted to direct the vote of SPEA with respect to the securities held by such account.

If the client has not given discretion to vote proxies in its Investment Management Agreement, the client will be in receipt of proxies or other solicitations directly from its custodian or transfer agent. However, the client is free to contact SPEA to discuss or answer any questions it may have pertaining to a particular solicitation.

Item 18 - Financial Information

SPEA has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy proceeding. SPEA is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.