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ITEM 1: Cover Page

STERLING INVESTMENT MANAGEMENT, LLC

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This brochure provides information about the qualifications and business practices of Sterling Investment Management, LLC (“SIM” “Firm,” or “Adviser”). If you have any questions about this brochure please contact:

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The information presented in this brochure was prepared by Sterling Investment Management, LLC which is solely responsible for the content. Neither the Commission nor any State securities regulator has approved or verified the information contained in this brochure, and the mere fact of registration with the Commission in no way implies that the Advisor has any particular level of skill or training to carry out its business. For specific questions about particular advisory services or products described in this brochure, you can find additional contact information at our website: www.Sterlingorganization.com

Additional information about Sterling Investment Management, LLC also is available on the SEC’s website at: www.adviserinfo.sec.gov

ITEM 2: Statement of Material Changes

None

IMPORTANT NOTE ABOUT THIS BROCHURE

This Brochure is not:

- **An offer or agreement to provide advisory services to any person;**
- **An offer to sell interests (or a solicitation of an offer to purchase interests) in any SIM Fund;**
- **A complete discussion of the features, risks or conflicts associated with any SIM or Advisory Service;**
- **To be relied on in determining whether to invest or establish an advisory relationship.**

As required by the Advisers Act, the Firm provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective Investors in a SIM Fund, together with other relevant Offering Materials (such as subscription agreements, offering memoranda, operating agreements or advisory contracts), prior to, or in connection with, such persons' establishment or consideration of an investment advisory relationship with SIM or an investment in a SIM Fund. Additionally, this Brochure is available through the Securities and Exchange Commission's ("SEC's") Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes investment advisory services and products of SIM, persons who receive this Brochure (whether or not from the Firm) should be aware that it is designed solely to provide information about SIM as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant Offering Materials. More complete information about each SIM Fund, as well as SIM's investment advisory services, is included in relevant Offering Materials, certain of which may be provided to current and eligible prospective clients or Investors only by the Firm or an Administrator or Placement Agent. To the extent that there is any conflict between discussions herein and similar or related discussions in any Offering Materials, the relevant Offering Materials shall govern and control.

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ITEM 4: Advisory Business

a) Background

Sterling Investment Management, LLC (“SIM”, “we”, “Adviser”, or “the Firm”), is a Delaware limited liability company founded in 2012 by Brian D. Kosoy and Greg Moross. SIM is the asset management arm of The Sterling Organization (TSO) founded in 2007 by Mr. Kosoy and Mr. Moross. SIM’s purpose is to provide asset management services to TSO’s institutional funds (the “Fund(s)” or “SIM Fund(s)”).

b) Advisory Services

SIM is a real estate private equity fund manager focused on investing in retail real estate and mixed-use properties with a significant retail component either through a direct investment in real property, the acquisition of debt or debt-like instruments secured by or relating to such real property, or the acquisition of equity securities issued by public or private companies that are primarily engaged in investing in and/or operating such assets in select major U.S. markets.

c) Tailored Advice and Client-Imposed Restrictions

Each Fund managed by SIM has its own investment objectives, strategies and restrictions. Certain Funds may focus on a narrow investment strategy while others may pursue a broader investment strategy. SIM prepares offering materials with respect to each Fund that contains more detailed information, including a description of the investment objective and strategy or strategies employed and related restrictions. None of the Funds are tailored to the individualized investment needs of any particular investor (“Investor”). An investment in a SIM Fund does not create a client-adviser relationship between SIM and an Investor.

Investors must consider whether a particular SIM fund or advisory relationship is appropriate to their own circumstances based on all relevant factors including, but not limited to, the Investor’s own investment objectives, liquidity requirements, tax situation and risk tolerance. Prospective Investors are strongly encouraged to undertake appropriate due diligence, including but not limited to a review of relevant offering materials for the Funds, investment policy statements, investment guidelines and the additional details about SIM’s investment strategies, methods of analysis and related risks in Item 8 of this Brochure, before making an investment decision.

d) Wrap Fee Disclosure

Not applicable.

e) Assets Under Management

As of December 31, 2019 SIM had approximately \$1,342,877,885 in regulatory assets under management (“AUM”).

ITEM 5: Fees and Compensation

SIM is generally compensated for its services through the receipt of an Asset Management Fee. SIM's compensation, as well as other costs associated with management by SIM, is discussed generally below and in more detail in relevant offering materials.

a) Compensation

The investment advisory agreements entered into between SIM and each SIM Fund sets forth the compensation to be paid to SIM. The Funds under management pay an asset management fee to SIM (or another affiliate of the General Partner as designated by the General Partner) equal to (a) during the Investment Period, 1.00% - 1.50% per annum of the aggregate Commitments (other than Commitments attributable to Limited Partners that are the Sponsor and its affiliates, officers, partners, directors, employees and immediate family members and trusts and family partnerships of such persons), and (b) after the Investment Period, 1.00% - 1.50% of the aggregate Invested Capital of the Fund (other than Commitments attributable to Limited Partners that are the Sponsor and its affiliates, officers, partners, directors, employees and immediate family members and trusts and family partnerships of such persons). The specific fee charged by SIM to each Fund is based on factors such as the investment strategy of each Fund.

Each SIM Fund is also subject to performance based fees and more particularly described in Item 6 below.

b) Billing

The Asset Management Fee is payable quarterly in advance, and will be pro-rated for partial calendar quarters. Management fees are automatically deducted from Fund Investors' accounts.

c) Other Expenses

The Fund will bear all costs and expenses incurred in maintaining the operations of the Fund and its investments, including, but not limited to, (i) out-of-pocket expenses incurred with respect to identifying, evaluating, structuring, negotiating, and closing any potential investment (whether or not consummated); (ii) legal, auditing, consulting, due diligence, financing, administration, accounting, appraisal, environmental, engineering, licensing, and custodian fees and expenses; (iii) expenses associated with preparing financial statements, tax returns and any information to be provided to Fund investors similar to that provided in Schedule K-1s; (iv) expenses of the advisory committee and annual meetings of the Fund investors; (v) costs and expenses associated with obtaining and maintaining insurance and all costs and expenses associated with indemnification obligations of the Fund; (vi) asset management fees described above; (vii) other expenses associated with the acquisition, holding and disposition of investments, including brokerage commissions and other investment costs and any costs related to litigation and threatened litigation, arbitration, or other regulatory or tax proceedings, investigations or audits

and other extraordinary expenses; (viii) fees incurred in connection with the maintenance of bank or custodian accounts; (ix) travel, food and lodging expenses related to Fund business. Such expenses include SIM and its affiliated persons' coach or economy class airfare for domestic travel and for other longer duration flights, business or first class airfare. SIM's affiliated persons, only at the executive level, may also stay in hotels that are considered to be upscale or first class accommodations; and (x) any taxes, fees or other governmental charges levied against the Fund. Notwithstanding the foregoing, SIM will be responsible for the expenses of its own operations, including rent, salaries, furniture and fixtures, and other office equipment. For the avoidance of doubt, any costs or expenses that relate to the Fund as well as any other investment vehicles managed by SIM or affiliates (including, without limitation, directors and officers insurance premiums) shall be allocated in good faith to the Funds as is reasonably determined by SIM to reflect the relative benefits received or intended to be received by the Funds. It should be noted that SIM has adopted written expense allocation guidelines that are available for investor review upon request.

The SIM Funds retain third parties, primarily Sterling Retail Services, Inc. (SRS) for necessary services relating to the assets held by the Fund, including leasing, lease administration, financing, project/construction management and ongoing property management services. Any such third parties will be reimbursed for all reasonable out of pocket expenses incurred in performing their activities in connection with the Fund. It should be noted that SRS is an affiliate of SIM. When the Fund utilizes SRS, SRS will charge at rates as disclosed to the Fund investors.

d) Advance Billing

As discussed above, with respect to SIM, the Asset Management Fee is payable quarterly in advance. As outlined in a) above, if the client pre-paid the Asset Management Fee, and the advisory contract is terminated before the end of the billing period, any excess Asset Management Fee paid in advance will be returned to the Fund pro-rata based on the days billable in the period.

e) Sales-based Compensation

Not applicable. Neither the Firm nor any of its employees or affiliates accepts additional compensation for the sale of securities or other services. The Firm does not receive compensation for other services besides the investment advisory services SIM provides.

ITEM 6: Performance based fees and Side-by-Side Management

The general partner of each SIM Fund will receive distributions of up to a stated percentage (typically between 20-30%) of the profits in excess of the “preferred rate” from the Fund. The existence of this performance incentive may create an incentive for the General Partner and SIM to make more speculative investments on behalf of the Fund than the Fund would otherwise make in the absence of such performance incentive.

Although the Sponsor together with its affiliates, officers, partners, directors, employees and their immediate family members are investing their own capital in the Fund, the interests of the General Partner and SIM may under some circumstances differ from those of the Fund and/or the Limited Partners. Such conflicting interests could potentially affect the decisions of the General Partner and SIM in purchasing, holding and disposing of the Fund’s investments.

In situations where the Fund does not have the requisite capital or is otherwise prohibited from investing all of the necessary capital in any investment, the General Partner may, in its reasonable discretion, offer to certain persons, including existing Fund investors, the opportunity to invest in such investment side-by-side with, and outside of, the Fund (a “co-investment”), provided that such investment will be in addition to such investors commitment in the Fund.

The General Partner, SIM or any of their affiliates may charge carried interest, management and other fees to co-investors, including without limitation Limited Partners and third parties, with respect to any co-investment, and may make an investment, or otherwise participate, in any vehicle formed to structure a co-investment in connection therewith.

Likewise, a SIM Fund may make an investment whereby an unaffiliated party is given a participation interest that is triggered once the Fund has achieved a specified return in the investment and the investment has been realized by the Fund. Such an interest may be offered to an unaffiliated party in the reasonable business judgment of SIM.

The performance incentive is charged by the Adviser in compliance with Rule 205-3 under the Investment Advisers Act of 1940.

SPECIFIC CONFLICTS OF INTEREST AND SIM’S PRACTICES DESIGNED TO MITIGATE SUCH CONFLICTS OF INTEREST

Like all investment advisers who advise multiple accounts or funds having different fee structures, SIM and its personnel face actual and potential conflicts of interest, including an incentive to favor those accounts in which SIM or its personnel have greater pecuniary interests over other accounts. Such conflicts of interest and SIM’s practices that are designed to mitigate such conflicts of interest are discussed below. As a general matter, SIM addresses such conflicts by following a thorough, detailed, and consistent investment decision-making process and by regular reviews of investments by the Adviser’s Investment Committee.

- **Allocation of Investments.** SIM may have an incentive to allocate investment opportunities based on pecuniary interest. SIM and its personnel will face a conflict of interest when considering how to allocate limited investment opportunities among accounts having different fee structures or pecuniary interests, including SIM Funds in which it is an investor. Through its relevant policies and procedures, SIM seeks to promote fair and equitable treatment of accounts (including the allocation of investment opportunities), over time, based on considerations that are unrelated to pecuniary interests.
- **Compensation of SIM and its Personnel.** SIM and its personnel have an incentive to take on more risk when compensation is based on performance: The receipt of performance-based compensation and the payment of bonuses relating to performance of client accounts creates an incentive to make riskier investments than might be made in the absence of performance-based compensation, as such compensation generally allows participation in gains in excess of exposure to losses. On the other hand, performance-based compensation encourages an alignment of long-term investment interests between the client and SIM. Moreover, performance-based compensation may be subject to mechanisms designed to ensure that prior losses are recouped and/or a certain level of gains is achieved before any performance-based compensation accrues, such as loss carry forwards, hurdle rates, and/or high water marks. Furthermore, as discussed in more detail in Item 13, SIM reviews the client accounts that it advises on a regular basis to monitor risk levels.
- **Performance-based Fees for Adviser and Valuations.** When SIM's compensation is based on the value or performance of investments, SIM has an incentive to value a position at a price higher than it might otherwise be valued or to accelerate or defer realizations. To the extent that performance allocations may be based on increases in the net assets of a SIM Fund, SIM's compensation would be based upon unrealized appreciation as well as realized appreciation. This means that SIM may be compensated on performance that is ultimately not realized if positions decrease in value and are subsequently sold at a loss. The potential for inflated valuation of positions is increased when such positions are illiquid or otherwise lack a readily ascertainable market value. SIM seeks to mitigate this conflict by valuing assets in accordance with its written Valuation Policy, which is reasonably designed to assure that valuations are performed in a consistent and thorough manner that insulates the conflict. In accordance with the Valuation Policy, SIM considers the views of outside experts, including third-party valuation firms, in determining the value of illiquid or other hard to value assets.
- **Cross-Transactions.** Should SIM engage in cross-transactions, it would have an incentive to favor accounts in which it has a greater pecuniary interest: SIM may, from time to time, enter into cross-transactions between the various accounts it advises. SIM will conduct such transactions in accordance with policies to promote fairness to all participating accounts (e.g., by assuring that an appropriate price is assigned to the security being crossed). Where required by law or the governing documents for a client account, cross transactions are subject to client consent prior to settlement and information about the transaction, including the nature of the rebalancing transaction, the

price at which it will be effected and SIM's position as principal, if applicable, are provided to allow the client to determine whether or not to consent.

- **Other Conflict Mitigation Practices.** Many of the conflicts resulting from performance-based fees and side-by side management are mitigated by SIM's relevant policies and procedures. As a general principle, SIM requires that potential conflicts of interest be addressed by placing client interests before personal or proprietary interests. SIM also has instituted trading policies to promote fair treatment of SIM Funds based on considerations unrelated to pecuniary interests to ensure that, wherever possible and over time, opportunities are allocated in a fair and equitable manner.

ITEM 7: Types of Clients

SIM, together with its affiliated entities, provides advisory and investment management services to a number of Funds. All of the Funds qualify for exemption from the definition of “investment company” under the Investment Company Act of 1940, as amended (the “Investment Company Act”) under Section 3(c) (1) or Section 3(c) (7) of the Investment Company Act. Only qualified and/or accredited investors may acquire interests in the Funds.

The minimum investment amount for each Fund ranges between \$250K - 5M and is disclosed in the Fund’s prospectus. Minimum investment amounts may be waived in the sole discretion of the General Partner for each Fund.

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

a) Methods of Analysis & Investment Strategies

As noted in Item 4 of this Brochure, SIM manages funds with similar investment strategies, each with related methods of analysis. Additionally, SIM is focused or concentrated on real estate type investments. The Fund will seek to invest in properties located in the United States that meet the investment criteria of the specific Fund. In general, assets targeted by the Fund will be located in sub-markets that possess one or more of the following characteristics: barriers to entry; in-fill locations; a constrained retail supply; high population density; above average household incomes; and high pedestrian or vehicular traffic. SIM believes that properties located within these markets are better-positioned to attract and retain retailer interest and increase in value through real estate cycles and in a continuously-evolving, competitive retailing environment.

All investments anticipate a risk of loss and there is no guarantee that any particular strategy will be effective or yield particular results or levels of return. As a result, SIM's products and services are not intended to represent a complete investment solution and it is expected that Investors maintain assets other than those advised by or invested through SIM. Investors are responsible for appropriately diversifying their assets to guard against any risk of loss.

b) Material Risks Associated with the Investment Strategies

Real property investments are subject to multiple risks. Real estate values are affected by a number of factors, including: changes in the general economic climate, local conditions (such as an oversupply of space or a reduction in demand for real estate in an area), the quality and philosophy of management, competition from other available space, the ability of the owner to provide adequate maintenance and insurance and to control variable operating costs. Shopping centers, in particular, may be affected by changing perceptions of retailers or shoppers regarding the safety, convenience and attractiveness of the shopping center and by the overall climate for the retail industry. Real estate values are also affected by such factors as government regulations, interest rate levels, the availability of financing and potential liability under, and changes in, environmental, zoning, tax and other laws. Each Fund has risks which are specific to its particular investment strategies. For more information about the risks of each Fund, please see the offering memorandum for that particular fund. While SIM seeks to manage investments so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to fully mitigate risks. SIM does not offer any products or services that guarantee rates of return on investments for any period to any client or Investor. All clients and Investors assume the risk that investment returns may be negative or below the rates of return of other investment advisers or products. Investors should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses.

There are risks inherent in the investment strategies pursued, and the financial instruments used by SIM. Key risks of loss which apply to the principal investment strategies employed by SIM are to be found in detailed descriptions and explanations in relevant Offering Materials.

ITEM 9: Disciplinary Information

The Firm and its supervised persons have not been involved in any legal or disciplinary events that are material to a client's or potential client's evaluation of our advisory business or the integrity of the Firm's management.

a) Criminal or civil action

None

b) Administrative proceeding

None

c) Self-regulatory organization (SRO) proceeding

None

ITEM 10: Other Financial Industry Activities and Affiliations.

a) Registered Broker-Dealer or Registered Representative

Not applicable.

b) FCM, CPO, CTA or Associated Person

Not applicable.

c) Material Business Relationships with Certain Related Persons

SIM Fund underlying assets are managed via a property management services agreement with Sterling Retail Services Inc.

d) Recommendation and Selection of Other Investment Advisers

Not applicable.

ITEM 11: COE, Participation or Interest in Client Transactions and Personal Trading

a) Code of Ethics ("Code")

SIM believes that (i) high ethical standards are essential for its success and to maintain the confidence of its clients; (ii) its long-term business interests are best served by adherence to the principle that the interests of clients come first; and (iii) it has a fiduciary duty to its clients to act solely for their benefit. The Code describes SIM's policies regarding confidential client information and regulates personal trading activity. Securities holdings and transactions of all employees and their immediate family members are reviewed to determine compliance with the requirements of the Code. The Code also contains other restrictions and reporting requirements designed to limit personal conflicts of interest. These provisions apply to all employees of the Firm. All personnel are also required to comply with applicable federal securities laws. All personnel of the Firm must put the interests of the Firm's clients before their own personal interests and must act honestly and fairly in all respects in dealings with clients.

Clients or prospective clients may obtain a copy of the Code of Ethics by contacting us by e-mail at info@sterlingorganization.com or by telephone at (561) 835-1810.

b) Participation or Interests in Client Transactions

SIM's officers, members and employees ("Supervised Persons") may invest in any Fund for which the Firm serves as investment manager or adviser and in other investment opportunities such as an IPO, in which the Funds are participating. All such deals require prior authorization. The Firm will maintain records of all securities bought or sold by the Funds, the Firm, its associated persons and related entities. Files of securities transactions affected for related persons of the Firm will be maintained for review to detect and resolve any conflicts. The Chief Compliance Officer of the Firm will review all securities transactions of related persons of the Firm to ensure no conflicts exist with the Funds. Besides owning interests in the same Funds, however, no person related with the Firm is permitted to buy from, sell to, borrow from or lend to any client.

The Firm also retains the discretion to invest for its own account in such investment vehicles, including the Funds, as it may choose.

c) Investment in Securities Recommended to Clients

SIM's Supervised Persons are specifically prohibited from using their knowledge about pending transactions or investments currently being considered for personal profit, including by purchasing or selling such securities directly or indirectly. Employees are prohibited from investing in an investment in which the firm has invested in or is considering investing. The Firm has adopted a Code of Ethics imposing on each employee a duty to place the interests of the Funds first, to report to the Firm any actual or potential conflict of interest. The Code of Ethics

requires each officer and employee of the Firm with access to the investments or portfolio information of the Funds (each an “Access Person”) to report quarterly theirs and their immediate family member's securities holdings and transactions to the Firm's Chief Compliance Officer. In addition, each Access Person must pre-clear any personal trades with the Chief Compliance Officer. The Code of Ethics also imposes restrictions and safeguards on the use of material nonpublic information.

d) Investment in Securities at or about the Same Time Recommended to Clients

See Part 11 C. above.

ITEM 12: Brokerage Practices

a) Selecting or Recommending Broker-Dealers

As described in Item 4, above, SIM is the investment adviser to private real estate funds that invest in retail real estate and mixed-use properties with a significant retail component either through a direct investment in real property, the acquisition of debt or debt-like instruments secured by or relating to such real property, or the acquisition of equity securities issued by public or private companies that are primarily engaged in investing in and/or operating such assets. Although SIM has the ability to invest in equity securities on behalf of the Funds, SIM has not done so to date. Therefore, due to the nature of the Funds' investments, SIM and its affiliates do not select or recommend broker-dealers for Fund transactions. If in the future it is contemplated that SIM will invest in equity securities on behalf of the Funds, the Adviser will adopt appropriate policies and procedures.

In addition, SIM does not utilize "soft dollars."

SIM recognizes that, as a fiduciary, it has a duty to allocate investment opportunities among its private funds in a fair and equitable manner. It should be noted that, generally, the SIM is restricted to raising and investing only one fund for a given investment strategy at a time. However, from time to time certain funds may have overlapping investment periods. If SIM determines that it would be appropriate for more than one fund to participate in an investment opportunity, SIM will seek to allocate the investment opportunity to all of the participating funds on a fair and equitable basis, taking multiple factors into account.

b) Aggregation of Trades

Not applicable

ITEM 13: Review of Accounts

a) *Periodic Account Reviews*

The Advisor periodically reviews client accounts at a minimum on a monthly basis. The client accounts, including books and records, are reviewed by management as part of the quarterly close. In the event other factors warrant a review (i.e. as a result of new/extended investments) a client account may be reviewed in addition to the periodic monthly and quarterly review process.

b) *Client Reports*

The responsibility of reporting to clients on their accounts is with SIM. Clients are provided with unaudited interim financial statements related to their investments on a quarterly basis. Additionally, within 120 days after each year end clients are provided with an annual set of audited financial statements reviewed by an independent CPA firm as of December 31 of the preceding year.

ITEM 14: Client Referrals and Other Compensation

The Firm has entered, and may in the future enter, into written solicitation agreements with third parties (each a “Solicitor”). Under the solicitation agreements, the Firm may pay a referral fee to a Solicitor when the Solicitor successfully introduces a fund investor to the Firm. The amount of compensation is based on a negotiated percentage of the management and incentive fees received by the Firm from each fund investor. The solicitation arrangement does not affect the amount of fees paid by each investor. The agreements comply with the conditions and requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940.

ITEM 15: Custody

Due to certain arrangements, SIM is deemed to have “custody” of managed Fund cash and securities within the meaning of Rule 206(4)-2 under the Advisers Act.

SIM sends quarterly account statements directly to the investors. SIM also provides (or causes to be provided) to each Investor in the Fund a copy of the Fund’s audited financial statements within 120 days following the relevant Fund’s fiscal year end. Investors who do not receive audited financial statements timely should contact the Firm immediately.

ITEM 16: Investment Discretion

The Advisor generally manages Fund assets in a discretionary basis with the authority to determine for each Fund what investments are made, as well as when and how they are made. The Advisor acts in the authority to manage investments on behalf of the Funds it manages. The Advisor acts in conformity with the Fund agreements, and with the instructions and directions of the General Partner, including compliance with all applicable laws and regulations.

ITEM 17: Voting of Client Securities

(a) Proxy Voting Authority

Based upon the Funds' investment strategy and current lack of involvement in publicly-traded equities, SIM does not vote proxies. If in the future it is contemplated that SIM may exercise voting authority with respect to any client securities, SIM will adopt proxy policies and procedures that are consistent with Rule 206(4)-6.

(b) Client Proxy Voting Authority

Refer to the answer to (a) previously stated.

ITEM 18: Financial Information

No financial events have occurred to SIM that would negatively affect the financial viability of SIM. There is no financial condition of SIM that is reasonably likely to impair SIM's ability to meet contractual commitments to clients.

a) Financial Disclosures

Not Applicable.

b) Material Financial Impairment

Not Applicable.

c) Bankruptcy Petitions

Not Applicable.

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