



### FIRM OVERVIEW

Sterling Global Strategies (SGS) specializes in providing tactical managed solutions to institutions, broker dealers, trading platforms, retirement plans, registered investment advisors, and through insurance and annuity products. All of our tactical strategies are managed using a proprietary algorithm which consists of a risk management overlay that can invest 100% of assets in cash during broad market declines.

### COMPOSITE DESCRIPTION

The Sterling Emerging Markets composite was created to take advantage of the long-term growth prospects being enjoyed by Brazil, China, and India. We have added two developed countries (Germany and Australia) to lower the correlation of the portfolio components. The low correlation, coupled with our go-to-cash risk management process, is designed to capture the upside potential of these three high growth markets while lowering overall downside risk. The U.S. Dollar is the currency used to express performance. Non-fee-paying accounts are included in the composite.

### PERFORMANCE

#### QUARTERLY PERFORMANCE GROSS & NET OF FEES

Year	1Q		2Q		3Q		4Q		ANNUAL AND YEAR-TO-DATE PERFORMANCE			
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Sterling Emerging Markets Composite		MSCI EM (Net)	MSCI WORLD ex USA (Net)
2016	-9.31%	-9.62%	6.93%	6.62%	9.53%	9.22%	-0.90%	-1.20%	5.26%	3.98%	11.19%	2.75%
2015	1.63%	1.30%	-8.41%	-8.70%	-4.75%	-5.06%	-1.11%	-1.42%	-12.34%	-13.45%	-14.91%	-3.04%
2014	-0.31%	-0.63%	3.18%	2.86%	-9.01%	-9.30%	1.85%	1.55%	-4.67%	-5.86%	-2.19%	-4.32%
2013	-2.54%	-2.84%	-2.90%	-3.19%	5.64%	5.32%	0.19%	-0.11%	0.17%	-1.04%	-2.60%	21.02%
2012	1.95%	1.63%	-16.86%	-17.13%	4.07%	3.74%	9.33%	8.99%	-3.56%	-4.78%	18.23%	16.41%
2011							-1.67%	-1.99%	-1.68%	-1.99%	-10.80%	-6.87%

### RETURNS

#### ANNUALIZED RETURNS (as of December 31, 2016)

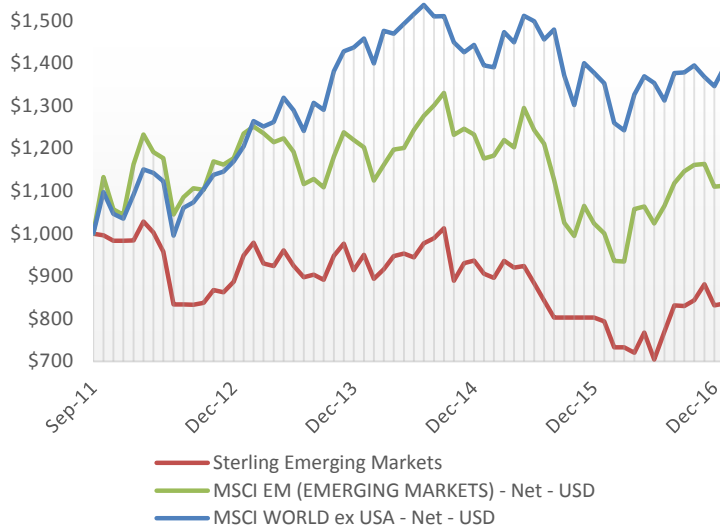
Time Period	Gross	Net	MSCI EM (Net)	MSCI WORLD ex USA (Net)
3-month	-0.90%	-1.20%	-4.16%	-0.36%
YTD	5.26%	3.98%	11.19%	2.75%
1-Year	5.26%	3.98%	11.19%	2.75%
3-Year	-4.18%	-5.38%	-2.55%	-1.59%
Since Inception (September 1, 2011)	-3.36%	-4.49%	2.05%	6.47%

### STATISTICS

Annualized Return	(3.36%)	2.05%	6.47%	R-squared	0.35	0.28
Annualized Std Dev	15.16%	17.06%	13.77%	Beta	0.52	0.58
Sharpe	(0.16)	0.20	0.52	Jensen Alpha	-0.53%	-0.71%
Sortino (5.00%)	(0.29)	(0.17)	(0.09)	Tracking Error	14.77%	14.34%
Max Drawdown	(31.52%)	(29.77%)	(19.18%)	Information Ratio	-0.37	-0.69
Max Drawdown Length	51	18	20	Up Capture	52.58%	32.10%
Months To Recover	0	18	0	Down Capture	93.72%	90.34%

### HISTORICAL PERFORMANCE

#### STERLING EMERGING MARKETS Growth of \$1000 (Gross of Fees)



All charts and key statistics shown above utilize gross returns to illustrate a pure reflection of the strategy, except when noted otherwise. Inception date of composite is 09/01/2011, and all data on this page is calculated from inception through 12/31/2016, unless noted otherwise. See additional disclosures on reverse side.

**METHODOLOGY**

SGS selects and overweights the two asset classes that are experiencing the most strength, while attempting to avoid those classes which are in downward trends. Asset classes are equally weighted 50/50 on or near the last trading day of every month. Cash is the only asset class that can be weighted 100%.

**ASSET CLASS**

China
Brazil
India
Australia
Germany
Cash

Year End	Total Assets (millions)		Number of Accounts	% of Non-Fee-Paying	Internal Composite Dispersion	Composite Performance		Benchmark Performance	3-Year Annualized Standard Deviation**	
	Firm	Composite				Gross	Net		Composite	MSCI
2016	76.6	<1	1	100%	N.A.	5.25%	3.98%	11.20%	15.49%	16.07%
2015	92.5	<1	1	100%	N.A.	(12.34%)	(13.45%)	(14.91%)	13.13%	14.05%
2014	102.5	<1	1	100%	N.A.	(4.67%)	(5.86%)	(2.19%)	15.48%	15.00%
2013	109.2	<1	1	100%	N.A.	0.17%	(1.04%)	(2.60%)	-	-
2012	83.3	<1	1	100%	N.A.	(3.56%)	(4.78%)	18.23%	-	-
2011*	64.9	<1	1	100%	N.A.	(1.68%)	(1.99%)	(10.80%)	-	-

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

\* Performance reflects the un-annualized performance from September 1, 2011 to December 31, 2011.

\*\*The 3-Year Annualized Standard Deviation is not shown for periods where 36 months of composites returns do not exist.

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**IMPORTANT DISCLOSURES**

Sterling Global Strategies LLC (SGS) is an independent registered investment advisor. For GIPS purposes, the firm includes all SGS discretionary assets, including assets previously managed by Sterling Wealth Management Group, Inc., with the exception of Comprehensive Financial Management advisory assets. The firm maintains a list of composite descriptions, which is available upon request.

The Sterling Emerging Markets Composite was created to take advantage of the long-term growth prospects being enjoyed by Brazil, China, and India. We have added two developed countries (Germany and Australia) to lower the correlation of the portfolio components. The low correlation, coupled with our go-to-cash risk management process, is designed to capture the upside potential of these three high growth markets while lowering overall downside risk. The U.S. Dollar is the currency used to express performance. Non-fee-paying accounts are included in the composite.

The investment management fee schedule begins at a 2.00% flat fee per annum, on all assets under management. Actual investment advisory fees incurred by clients are negotiable, and may vary. Further information regarding investment advisory fees is described in Part II of the firm's Form ADV.

The benchmark for the composite is the MSCI Emerging Markets (Net) Index. The MSCI World ex-USA (Net) Index is also shown as additional information. The MSCI Emerging Markets (Net) Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets, and which consists of 21 emerging market country indices. The MSCI World ex-USA Index captures large and mid cap representation across 22 of 23 developed markets - excluding the United States. With 1,003 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. One cannot invest directly in an index.

Past performance is not indicative of future results.

Performance shown represents total returns that include income, realized and unrealized gains and losses.

Gross performance is presented net of transaction costs as well as custodial fees. Net of fee performance shown is based on all actual fees paid by the portfolios in the composite. For all non-fee paying accounts, a hypothetical fee of 1.25% was applied to derive the net of fee performance. Composite performance is presented net of foreign withholding taxes that are implicit in the funds held in the portfolio. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The annual composite dispersion presented is an asset-weighted standard deviation calculated using accounts in the composite the entire year. The 3-Year Standard Deviation represents the annualized standard deviation of actual composite and benchmark returns, using the rolling 36-months ended each year-end.

Advisory services provided by Sterling Global Strategies LLC, an Investment Adviser with the SEC. Securities offered through Comprehensive Asset Management and Servicing, Inc., 2001 Route 46, Ste 506, Parsippany, NJ 07054, phone 800.637.3211, Member FINRA/SIPC/MSRB.

Sterling Global Strategies LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SGS has been independently verified for the periods October 24, 2008 through March 31, 2016. The verification report is available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis, and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

All performance results have been compiled solely by Cairn Investment Performance Consulting, LLC, an independent performance measurement firm that is not affiliated with Sterling. Results are unaudited, and have not been independently verified.