

California Municipal Bond Program



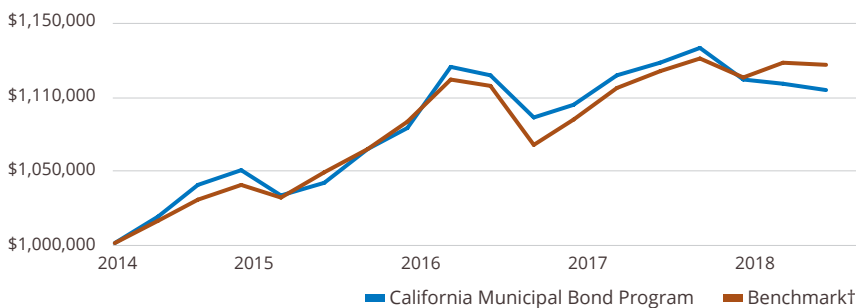
PROGRAM DESCRIPTION

The Sierra California Municipal Bond Program seeks to produce satisfying long-term returns while limiting downside risk. The interest income from California municipal bonds is tax-free at the federal and state level, providing a valuable benefit for California clients in relatively high-income tax brackets. Returns are created from interest income as well as increases in bond prices. The Program diversifies a client's account among at least four (often up to ten) municipal bond mutual funds. Each holding is monitored daily and during declines, a proprietary stop-loss discipline is implemented with the goal of limiting drawdowns. The Program will be fully invested when there are many Buy signals and will, at times, be fully in cash when the universe of California municipal bond mutual funds are showing Sell signals.

HOLDINGS

FUND	TICKER	WEIGHT
Oppenheimer Rochester California Municipal Fund	OCAIX	20.4%
American Century California High-Yield Municipal Fund	BCHIX	20.1%
BlackRock California Municipal Opportunities Fund	MACMX	20.0%
Dreyfus California AMT-Free Municipal Bond Fund	DRCAX	19.9%
Nuveen California High Yield Municipal Bond Fund	NCHRX	19.6%
Total		100.0%

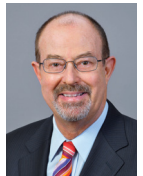
GROWTH OF \$1,000,000 – AFTER FEES‡



PORTFOLIO MANAGERS



Kenneth L. Sleeper MBA, PhD
Co-Founder, Portfolio Manager
Started in Industry: 1984



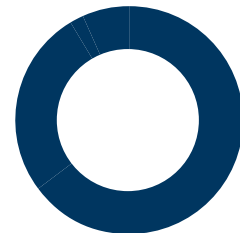
David C. Wright, JD
Co-Founder, Portfolio Manager
Started in Industry: 1985



Terri Spath, CFA, CFP®
CIO, Portfolio Manager
Started in Industry: 1989

ASSET ALLOCATION

■ FIXED INCOME	
Tax Free Municipal Bonds	100.0%
Total	100.0%



‡The benchmark for the Sierra California Municipal Bond Program is the Bloomberg Barclays Municipal Bond Index, which is an unmanaged index that is considered representative of the broad market for investment grade, tax-exempt bonds with a maturity of at least one year. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

QUARTERLY PERFORMANCE – AFTER FEES‡

Nominal Performance

	CALIFORNIA MUNICIPAL BOND PROGRAM						BENCHMARK†	
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR	CUMULATIVE RETURN	FULL YEAR	CUMULATIVE RETURN
2014*	—	—	1.73%	2.11%	3.88%	3.88%	2.88%	2.88%
2015	1.01%	-1.71%	0.86%	2.12%	2.26%	6.22%	3.30%	6.28%
2016	1.41%	3.71%	-0.49%	-2.51%	2.03%	8.38%	0.25%	6.54%
2017	0.73%	1.82%	0.80%	0.84%	4.27%	13.01%	5.45%	12.35%
2018	-1.86%	-0.22%	-0.39%	—	-2.46%	10.22%	-0.40%	11.90%
Average annualized compounded returns:					2.32%		2.68%	

Taxable-Equivalent Returns at 43.40% Federal Income Tax Rate

Beginning in 2018, the Highest Federal Income Tax Rate Is Expected to Be 40.80%

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR	CUMULATIVE RETURN
2014*	—	—	2.65%	3.15%	5.89%	5.89%
2015	1.97%	-0.83%	1.56%	3.02%	5.80%	12.03%
2016	2.03%	4.42%	0.18%	-2.57%	3.99%	16.50%
2017	1.34%	2.28%	1.47%	1.47%	6.72%	24.33%
2018	-1.45%	0.47%	0.20%	—	-0.79%	23.36%
Average annualized compounded returns:					5.06%	

For California Residents - Taxable-Equivalent Returns at 50.93% Federal & CA Combined Maximum Tax Rate

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR	CUMULATIVE RETURN
2014*	—	—	2.97%	3.52%	6.60%	6.60%
2015	2.30%	-0.52%	1.80%	3.34%	7.07%	14.14%
2016	2.25%	4.67%	0.42%	-2.50%	4.79%	19.61%
2017	1.56%	2.45%	1.70%	1.68%	7.60%	28.70%
2018	-1.30%	0.74%	0.42%	—	-0.15%	28.50%
Average annualized compounded returns:					6.07%	

*Indicates a partial year from June 30, 2014 through December 31, 2014.

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‡The performance shown above reflects a maximum annual fee rate of 1.80% which applies to household relationships below \$500,000; fees are discounted for household relationships larger than \$500,000, so for such accounts, the net returns would be slightly higher.

The inception date of the Sierra California Municipal Bond Program is 6/30/2014. From 6/30/2014, the source of the performance data shown was from an SMA marker account invested in the California Municipal Bond Program managed by Sierra.

For purposes of illustration, the Taxable-Equivalent Returns shown in this and any accompanying graphs assumes that the current highest federal and California state income tax rate of 50.93% was in effect for the entire period shown. On that basis, the table shows the returns that an investor in the highest federal and California state tax bracket would have needed to achieve in order to net the same returns after federal and California state taxes. Beginning in 2018, the highest federal income tax rate is expected to be 40.80%. Contact your tax advisor to determine the specific impact of an investment in our Sierra California Municipal Bond Program on your individual tax situation.

The performance quoted herein represents past performance. Past performance does not guarantee future results.

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