

# Conservative Allocation Program



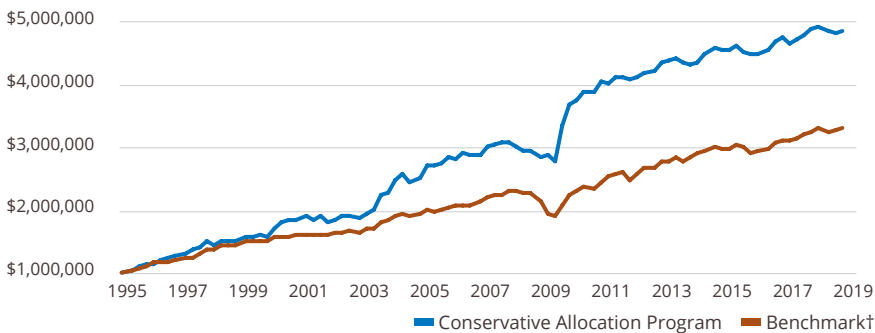
## PROGRAM DESCRIPTION

The Sierra Conservative Allocation Program has two investment objectives: to provide long-term total return and to limit volatility and downside risk. The Program's multi-asset diversification strategy employs unusually broad diversification across asset classes, markets, industries and issuers. A passive "buy and hold" strategy is not employed. As part of an integrated risk-management discipline, the Program monitors underlying holdings daily and applies a trailing stop discipline to each holding, based on a proprietary approach, to limit the impact of any sustained decline in a given asset class or holding. The overall asset allocation of the Program is not fixed. It can and does change significantly over time, re-allocating the portfolio in response to trend changes in the U.S. and global economy and in various investment markets.

## TOP TEN HOLDINGS

FUND	TICKER	WEIGHT
Sierra Tactical Core Income Fund	SSIRX	15.0%
Sierra Tactical All Asset Fund	SIRRX	14.9%
Oppenheimer Senior Floating Rate Fund	OOSYX	8.8%
Nuveen High Yield Municipal Bond Fund	NHMRX	8.0%
PIMCO CommoditiesPLUS Strategy Fund	PCLIX	7.6%
JPMorgan Hedged Equity Fund	JHEQX	6.1%
Oppenheimer Rochester High Yield Municipal Fund	ORNYX	5.6%
BlackRock High Yield Bond Fund	BHYIX	4.5%
Putnam Diversified Income Trust	PDVYX	4.2%
Rydex Health Care	RYHIX	4.1%
<b>Total</b>		<b>78.8%</b>

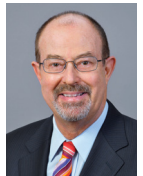
## GROWTH OF \$1,000,000 – AFTER FEES†



## PORTFOLIO MANAGERS



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



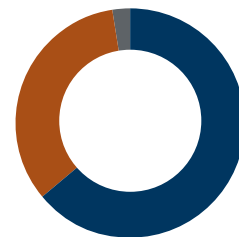
**David C. Wright, JD**  
Co-Founder, Portfolio Manager  
Started in Industry: 1985



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

## ASSET ALLOCATION

<b>FIXED INCOME</b>	<b>64.0%</b>
Tax Free Municipal Bonds	21.0%
Floating Rate Funds	11.8%
Multisector Bond Funds	11.4%
High Yield Corp. Bonds	11.1%
International Bonds	4.6%
Low-Duration Bonds	3.4%
Emerging Markets Bonds	0.7%
<b>STOCKS</b>	<b>33.6%</b>
Domestic Equities	25.2%
Preferred Stock	5.9%
International Equities	1.4%
Convertibles	1.1%
<b>ALTERNATIVES</b>	<b>2.4%</b>
Alternative Strategies	1.3%
Commodity Funds	1.1%
<b>Total</b>	<b>100.0%</b>



†The benchmark for the Sierra Conservative Allocation Program is the Morningstar "Allocation — 15% to 30% Equity" Category, which is comprised of portfolios which seek to provide both income and capital appreciation by investing in multiple asset classes, including stocks, bonds, and cash. These portfolios are dominated by domestic holdings and have equity exposures between 15% and 30%. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

QUARTERLY PERFORMANCE – AFTER FEES‡

CONSERVATIVE ALLOCATION PROGRAM

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR	CUMULATIVE RETURN
1995	3.55%	5.27%	2.74%	2.87%	15.20%	15.20%
1996	5.24%	2.51%	1.04%	5.25%	14.74%	32.18%
1997	2.83%	4.74%	5.83%	-4.02%	9.39%	44.59%
1998	4.48%	-0.05%	0.40%	3.07%	8.06%	56.25%
1999	1.08%	2.67%	-2.19%	7.97%	9.59%	71.24%
2000	6.28%	1.03%	0.81%	2.77%	11.25%	90.49%
2001	-2.73%	2.75%	-4.18%	1.96%	-2.36%	85.99%
2002	2.62%	0.21%	-2.34%	3.54%	3.98%	93.39%
2003	4.91%	10.61%	1.94%	8.04%	27.80%	147.15%
2004	4.43%	-5.07%	2.73%	7.66%	9.64%	170.98%
2005	0.84%	0.42%	4.55%	-1.59%	4.18%	182.30%
2006	3.62%	-1.08%	0.38%	4.24%	7.25%	202.78%
2007	0.90%	1.03%	0.00%	-1.38%	0.54%	204.42%
2008	-2.55%	0.29%	-3.75%	0.52%	-5.44%	187.86%
2009	-3.47%	20.62%	10.02%	2.01%	30.68%	276.19%
2010	3.40%	0.19%	4.32%	-0.26%	7.79%	305.49%
2011	2.06%	0.44%	-0.98%	0.30%	1.82%	312.87%
2012	1.93%	0.98%	2.79%	1.09%	6.95%	341.56%
2013	0.80%	-1.68%	-0.67%	0.92%	-0.65%	338.69%
2014	2.57%	2.57%	-0.74%	0.06%	4.49%	358.41%
2015	1.59%	-2.48%	-0.94%	-0.03%	-1.89%	349.73%
2016	1.76%	3.14%	1.48%	-2.02%	4.35%	369.29%
2017	1.48%	1.34%	1.79%	0.60%	5.30%	394.18%
2018	-1.23%	-0.41%	0.72%	—	-0.93%	389.57%
<b>Average annualized compounded returns:</b>					<b>6.91%</b>	

BENCHMARK†

FULL YEAR	CUMULATIVE RETURN
15.51%	15.51%
8.21%	24.99%
10.21%	37.75%
8.48%	49.44%
4.54%	56.22%
3.32%	61.41%
2.30%	65.12%
3.26%	70.51%
11.96%	90.91%
5.41%	101.24%
2.82%	106.91%
6.80%	120.97%
5.05%	132.12%
-16.26%	94.38%
19.19%	131.68%
9.62%	153.97%
1.78%	158.49%
8.34%	180.05%
3.95%	191.10%
3.38%	200.95%
-2.09%	194.67%
5.67%	211.38%
6.48%	231.57%
0.14%	232.03%
<b>5.18%</b>	

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‡The performance shown reflects a maximum annual fee rate of 1.80% through 12/31/2007, then 1.35% per year from 1/1/2008 through 12/31/2011, then 1.43% from 12/1/2012 to 12/1/2016, then 1.50% thereafter. The fee reduction represents a fee offset credit which equals the management fees paid to an affiliate of Sierra for that fraction of the Sierra account invested in the Sierra Mutual Funds. The performance shown above 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 Conservative Allocation Program is 12/31/1994. From 1/1/1995 to 12/31/1999, the source of the data shown was from an SMA marker account invested in the Conservative Allocation Program managed by Sierra. From 1/1/2000, the source of the data shown was from a composite of SMA accounts invested in the Conservative Allocation Program managed by Sierra.

The Sierra Conservative Allocation Program may be allocated up to 40% to mutual funds managed by an affiliate of Sierra Investment Management, Inc. Allocations to these mutual funds began on 1/1/2008 and 1/1/2012, respectively.

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

Sierra Investment Management, Inc. (“Sierra”) is an SEC registered investment adviser located in the State of California. Registration does not imply a certain level of skill or training. For information pertaining to the registration status of Sierra, please call 1-800-729-1467 or refer to the Investment Adviser Public Disclosure website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

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