

# Strategic Income Program



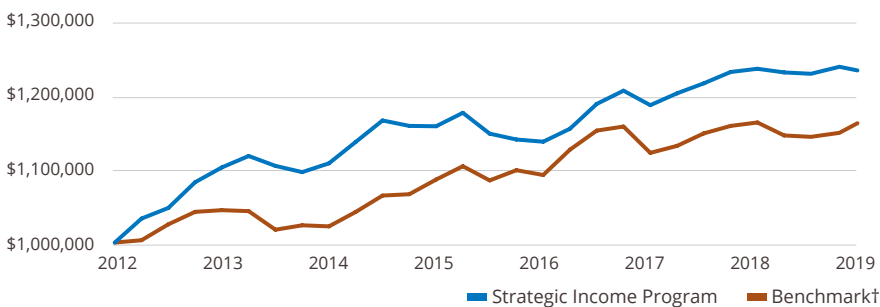
## PROGRAM DESCRIPTION

The Sierra Strategic Income Program seeks to achieve satisfactory Total Return – income and capital appreciation – over each market cycle, while limiting drawdowns, an approach that has in recent years been called absolute return. It is a globally diversified strategy, with asset allocation tactically adjusted to reflect changes in the economic and market cycles. The Program invests in a diverse selection of mutual funds to access a wide range of income-oriented asset classes. A stop is placed under each holding that rises as its price rises, and the holding is sold when price declines below the stop to limit drawdowns even during periods of severe market declines. There are no set proportions or limits for the Program's allocations.

## HOLDINGS

FUND	TICKER	WEIGHT
Sierra Tactical Core Income Fund	SSIRX	50.0%
Money Market Fund	N/A	24.2%
Semper MBS Total Return Fund	SEMMX	9.5%
PIMCO GNMA and Government Securities Fund	PDMIX	7.0%
PIMCO Long-Term U.S. Government Fund	PGOVX	3.5%
Baird Quality Intermediate Municipal Bond Fund	BMBIX	3.0%
PIMCO International Bond Fund (USD-Hedged)	PFORX	2.8%
<b>Total</b>		<b>100.0%</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>67.1%</b>
High Grade U.S. Bonds	22.7%
Tax Free Municipal Bonds	11.5%
Low-Duration Bonds	11.0%
Multisector Bond Funds	6.8%
International Bonds	5.6%
Emerging Markets Bonds	5.5%
Intermediate-Term Bonds	4.0%
<b>CASH</b>	<b>32.9%</b>
Cash & Equivalents	29.9%
Temporary Havens	3.0%
<b>Total</b>	<b>100.0%</b>



†The benchmark for the Sierra Strategic Income Program is the Bloomberg Barclays U.S. Aggregate Bond Index, which is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

## QUARTERLY PERFORMANCE – AFTER FEES‡

	STRATEGIC INCOME PROGRAM						BENCHMARK†	
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR	CUMULATIVE RETURN	FULL YEAR	CUMULATIVE RETURN
2012	3.12%	1.34%	3.20%	1.79%	9.79%	9.79%	4.21%	4.21%
2013	1.35%	-1.16%	-0.74%	1.05%	0.49%	10.32%	-2.02%	2.11%
2014	2.53%	2.47%	-0.61%	-0.04%	4.37%	15.14%	5.97%	8.20%
2015	1.52%	-2.32%	-0.67%	-0.25%	-1.75%	13.13%	0.55%	8.79%
2016	1.49%	2.82%	1.46%	-1.57%	4.21%	17.89%	2.65%	11.67%
2017	1.31%	1.09%	1.22%	0.34%	4.02%	22.63%	3.54%	15.63%
2018	-0.39%	-0.15%	0.73%	-1.26%	-1.07%	21.32%	0.01%	15.64%
Average annualized compounded returns:					2.80%		2.10%	

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‡The performance shown reflects a maximum annual fee rate of 1.80% through 12/31/2016, then 1.30% 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 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 Strategic Income Program is 12/31/2011. From 1/1/2012, the source of the performance data shown was from a composite of SMA accounts invested in the Strategic Income Program managed by Sierra.

The Sierra Strategic Income Program may be allocated up to 50% to a mutual fund managed by an affiliate of Sierra Investment Management, Inc. Allocations to this mutual fund began on 1/1/2017.

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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