

California Municipal Bond Program



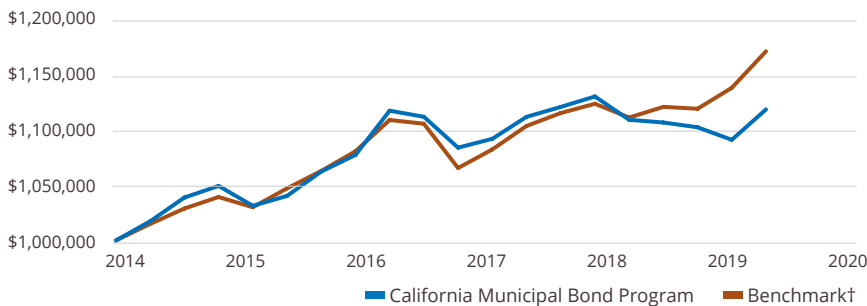
PROGRAM DESCRIPTION

The Sierra California Municipal Bond Program seeks to produce satisfying long-term returns while limiting downside risk. Returns are created from interest income and increases in bond prices. The interest income from municipal bonds is tax-free at the federal level. California municipal bond interest is also tax-free at the state level, providing a valuable benefit for California clients. The Program diversifies a client's account among at least four (often up to ten) California (and sometimes national) municipal bond mutual funds. Each holding is monitored daily. 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 municipal bond mutual funds are showing sell signals.

HOLDINGS

FUND	TICKER	WEIGHT
Sierra Tactical Municipal Fund	STMEX	35.0%
American Century California High-Yield Municipal Fund	BCHIX	20.4%
BlackRock California Municipal Opportunities Fund	MACMX	19.9%
Franklin California Tax-Free Income Fund	FCAVX	19.7%
DWS California Tax-Free Income Fund	SDCSX	5.0%
Total of Program		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	100.0%
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‡

CALIFORNIA MUNICIPAL BOND PROGRAM

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR	CUMULATIVE RETURN
2014*	—	—	1.73%	2.11%	3.88%	3.88%
2015	1.01%	-1.71%	0.86%	2.12%	2.26%	6.22%
2016	1.41%	3.71%	-0.49%	-2.51%	2.03%	8.38%
2017	0.73%	1.82%	0.80%	0.84%	4.27%	13.01%
2018	-1.86%	-0.22%	-0.39%	-1.03%	-3.46%	9.09%
2019	2.52%	—	—	—	2.52%	11.83%
Average annualized compounded returns:					2.38%	

BENCHMARK†

FULL YEAR	CUMULATIVE RETURN
2.88%	2.88%
3.30%	6.28%
0.25%	6.54%
5.45%	12.35%
1.28%	13.79%
2.90%	17.08%
3.38%	

TAXABLE-EQUIVALENT RETURNS

	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%	-0.43%	-1.21%	22.82%
2019	2.99%	—	—	—	2.99%	26.50%
Average annualized compounded returns:					5.07%	

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%

CALIFORNIA TAXABLE-EQUIVALENT RETURNS

	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%	-0.20%	-0.36%	28.24%
2019	3.18%	—	—	—	3.18%	32.31%
Average annualized compounded returns:					6.07%	

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

*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.

The Sierra California Municipal Bond Program may be allocated up to 35% to the Sierra mutual funds, managed by an affiliate of Sierra Investment Management, Inc. Allocations to the Sierra mutual funds began on 12/27/2018. The quarterly Sierra investment management fee is offset by the mutual fund's total expense ratio.

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.

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).

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