

# Strategic Income Program



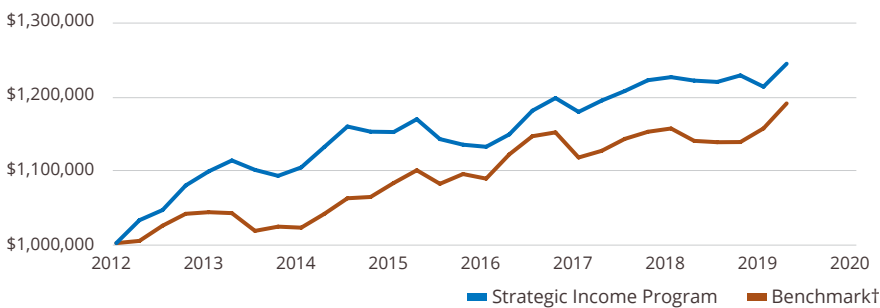
## PROGRAM DESCRIPTION

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	49.9%
Semper MBS Total Return Fund	SEMMX	9.0%
PIMCO GNMA and Government Securities Fund	PDMIX	7.0%
PIMCO Emerging Markets Bond Fund	PEBIX	7.0%
Baird Quality Intermediate Municipal Bond Fund	BMBIX	6.5%
American Century Intermediate-Term Tax-Free Bond Fund	AXBIX	6.0%
TIAA-CREF High-Yield Fund	TIHYX	5.5%
PIMCO Long-Term U.S. Government Fund	PGOVX	3.6%
PIMCO International Bond Fund (USD-Hedged)	PFORX	3.0%
MainStay MacKay High Yield Corporate Bond Fund	MHYIX	2.5%
<b>Total of Program</b>		<b>100.0%</b>

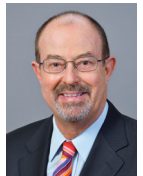
## GROWTH OF \$1,000,000 – AFTER FEES‡



## PORTFOLIO MANAGERS



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



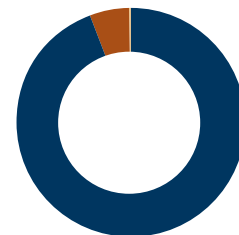
**David C. Wright, JD**  
*Co-Founder, Portfolio Manager*  
 Started in Industry: 1985



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

## ASSET ALLOCATION

<b>FIXED INCOME</b>	<b>94.4%</b>
Tax Free Municipal Bonds	21.8%
High Yield Corp. Bonds	16.4%
High Grade U.S. Bonds	16.0%
Emerging Markets Bonds	14.3%
Low-Duration Bonds	9.0%
International Bonds	7.0%
Multisector Bond Funds	6.0%
Intermediate-Term Bonds	3.9%
<b>STOCKS</b>	<b>5.5%</b>
Preferred Stock	5.5%
<b>CASH</b>	<b>0.1%</b>
Cash and Equivalents	0.1%
<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%
2019	2.58%	—	—	—	2.58%	24.46%	2.94%	19.04%
<b>Average annualized compounded returns:</b>					<b>3.06%</b>		<b>2.43%</b>	

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‡The performance shown reflects a maximum annual fee rate of 1.80% 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 the Sierra mutual funds, managed by an affiliate of Sierra Investment Management, Inc. Allocations to the Sierra mutual funds began on 1/1/2017. The quarterly Sierra investment management fee is offset by either the mutual fund's management fee or the total expense ratio.

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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