

# Conservative Allocation Program



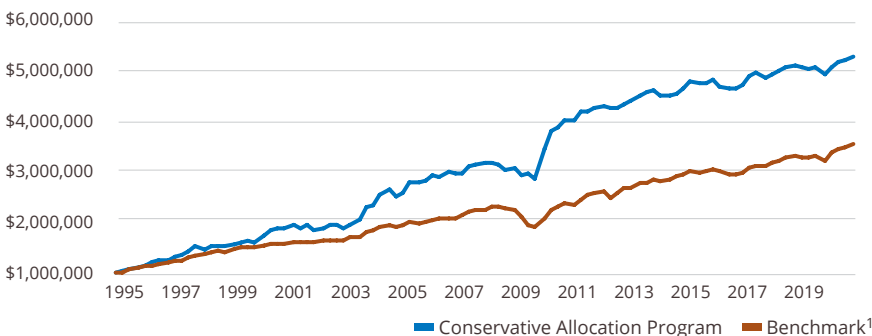
## PROGRAM DESCRIPTION

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 All Asset Fund	SIRRX	15.0%
Sierra Tactical Core Income Fund	SSIRX	15.0%
AB High Income Fund	AGDYX	7.3%
MainStay MacKay High Yield Corporate Bond Fund	MHYIX	7.1%
PIMCO Emerging Markets Bond Fund	PEBIX	6.5%
Baird Quality Intermediate Municipal Bond Fund	BMBIX	5.1%
Sierra Tactical Bond Fund	STBJX	5.0%
Sierra Tactical Municipal Fund	STMEX	5.0%
American Century Intermediate-Term Tax-Free Bond Fund	AXBIX	4.5%
Orinda Income Opportunities Fund	OIOIX	4.4%
<b>Total of Program</b>		<b>74.9%</b>

## GROWTH OF \$1,000,000 – AFTER FEES<sup>2</sup>



## PORTFOLIO MANAGERS



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

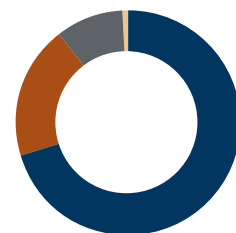
**David C. Wright, JD**  
Co-Founder, Portfolio Manager  
Started in Industry: 1985



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

## ASSET ALLOCATION

<b>FIXED INCOME</b>	<b>70.5%</b>
High Yield Corp. Bonds	22.5%
Tax Free Municipal Bonds	20.2%
Emerging Markets Bonds	12.9%
Intermediate-Term Bond Funds	5.6%
International Bonds	3.9%
Multisector Bond Funds	3.5%
High Grade U.S. Bonds	1.2%
Low-Duration Bonds	0.6%
Floating Rate Bond Funds	0.1%
<b>STOCKS</b>	<b>19.1%</b>
Preferred Stock	12.9%
International Equities	5.6%
Domestic Equities	0.6%
<b>ALTERNATIVES</b>	<b>9.6%</b>
Alternative Strategies	9.6%
<b>CASH</b>	<b>0.8%</b>
Cash & Equivalents	0.8%
<b>Total</b>	<b>100.0%</b>



<sup>1</sup>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<sup>2</sup>

CONSERVATIVE ALLOCATION PROGRAM							BENCHMARK <sup>1</sup>	
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR	CUMULATIVE RETURN	FULL YEAR	CUMULATIVE RETURN
1995	3.55%	5.27%	2.74%	2.87%	15.20%	15.20%	15.51%	15.51%
1996	5.24%	2.51%	1.04%	5.25%	14.74%	32.18%	8.21%	24.99%
1997	2.83%	4.74%	5.83%	-4.02%	9.39%	44.59%	10.21%	37.75%
1998	4.48%	-0.05%	0.40%	3.07%	8.06%	56.24%	8.48%	49.44%
1999	1.08%	2.67%	-2.19%	7.97%	9.59%	71.24%	4.54%	56.22%
2000	6.28%	1.03%	0.81%	2.77%	11.25%	90.49%	3.32%	61.41%
2001	-2.73%	2.75%	-4.18%	1.96%	-2.36%	85.99%	2.30%	65.12%
2002	2.62%	0.21%	-2.34%	3.54%	3.98%	93.39%	3.26%	70.51%
2003	4.91%	10.61%	1.94%	8.04%	27.80%	147.15%	11.96%	90.90%
2004	4.43%	-5.07%	2.73%	7.66%	9.64%	170.97%	5.41%	101.24%
2005	0.84%	0.42%	4.55%	-1.59%	4.18%	182.30%	2.82%	106.90%
2006	3.62%	-1.08%	0.38%	4.24%	7.25%	202.77%	6.79%	120.96%
2007	0.90%	1.03%	0.00%	-1.38%	0.54%	204.41%	5.05%	132.11%
2008	-2.55%	0.29%	-3.75%	0.52%	-5.44%	187.85%	-16.26%	94.37%
2009	-3.47%	20.62%	10.02%	2.01%	30.68%	276.18%	19.19%	131.68%
2010	3.40%	0.19%	4.32%	-0.26%	7.79%	305.49%	9.62%	153.97%
2011	2.06%	0.44%	-0.98%	0.30%	1.82%	312.86%	1.78%	158.48%
2012	1.92%	0.98%	2.79%	1.09%	6.94%	341.52%	8.34%	180.04%
2013	0.80%	-1.68%	-0.67%	0.92%	-0.66%	338.63%	3.95%	191.09%
2014	2.57%	2.57%	-0.75%	0.06%	4.49%	358.31%	3.38%	200.94%
2015	1.59%	-2.48%	-0.95%	-0.03%	-1.90%	349.61%	-2.09%	194.65%
2016	1.75%	3.14%	1.48%	-2.02%	4.35%	369.15%	5.67%	211.37%
2017	1.48%	1.34%	1.79%	0.60%	5.30%	394.03%	6.48%	231.55%
2018	-1.23%	-0.41%	0.72%	-3.00%	-3.91%	374.73%	-3.09%	221.32%
2019	2.98%	1.91%	1.00%	1.42%	7.50%	410.32%	10.89%	256.31%
<b>Average annualized compounded returns:</b>					<b>6.73%</b>		<b>5.21%</b>	

Shaded cells in the table above represent performance during periods of heightened market volatility.

<sup>1</sup>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.

<sup>2</sup>The performance shown 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 net performance data shown reflects the reinvestment of dividends.

The inception date of the Sierra Conservative Allocation Program is 1/1/1995. From 1/1/1995 to 12/31/1999, the source of the data shown was from a 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 accounts invested in the Conservative Allocation Program managed by Sierra.

The Sierra Conservative Allocation Program may be allocated up to 40% to the Sierra mutual funds, managed by an affiliate of Sierra Investment Management, Inc. Allocations to these mutual funds began on 1/1/2008. The quarterly Sierra Investment Management fee is offset by either the mutual fund's management fee or the net expense ratio.

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

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