

Tactical Bond Program



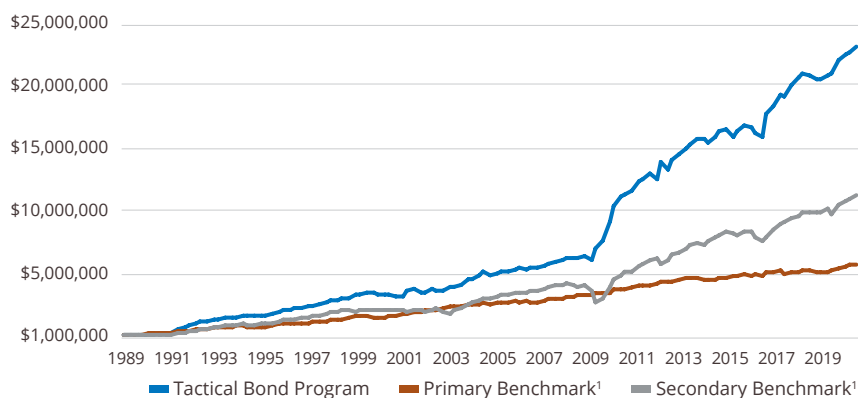
PROGRAM DESCRIPTION

The Sierra Tactical Bond Program seeks to produce satisfying long-term returns while limiting downside risk. It uses a tactical approach to move between three uncorrelated asset classes: High Yield Corporate Bonds (HYCB), U.S. Treasuries, or Cash. Tactical Bond Program accounts are diversified among typically eight or more High Yield Corporate Bond mutual funds. When each underlying HYCB mutual fund hits its proprietary Sell level, we will move the relevant assets temporarily into a long-term Treasury bond fund (provided the Treasury fund is in an uptrend) until the next set of Buy signals in the HYCB funds. If the Treasury fund is not in an uptrend, we will instead move temporarily into a money-market fund until either the HYCB funds or Treasury fund gives a new Buy signal.

HOLDINGS

FUND	TICKER	WEIGHT
Sierra Tactical Bond Fund	STBJX	35.0%
AB High Income Fund	AGDYX	10.1%
DWS High Income Fund	KHYIX	10.1%
Neuberger Berman High Income Bond Fund	NHILX	10.0%
BNY Mellon High Yield Fund	DLHRX	10.0%
Principal High Yield Fund	PHYTX	10.0%
Rydex High Yield Strategy	RYHGX	9.7%
PGIM High Yield Fund	PHYZX	5.1%
Total of Program		100.0%

GROWTH OF \$1,000,000 – AFTER FEES²



Actual performance on Growth of \$1,000,000 chart begins 10/1/2017. Data from 1/1/1989 - 9/30/2017 represents hypothetical performance.

¹The primary benchmark for the Sierra Tactical Bond 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. The secondary benchmark is the ICE Bank of America Merrill Lynch U.S. High Yield Master II Index, which tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

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

Invest wisely. Rest easy.

QUARTERLY PERFORMANCE – AFTER FEES² (See Actual and Hypothetical Performance explanations below.)

TACTICAL BOND PROGRAM							PRIMARY BENCHMARK ¹		SECONDARY BENCHMARK ¹	
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR	CUMULATIVE RETURN	FULL YEAR	CUMULATIVE RETURN	FULL YEAR	CUMULATIVE RETURN
1989	1.72%	4.26%	-1.07%	-0.50%	4.39%	4.39%	14.53%	14.53%	2.31%	2.31%
1990	1.71%	5.73%	1.15%	5.29%	14.53%	19.55%	8.96%	24.79%	-4.36%	-2.15%
1991	26.24%	9.68%	8.61%	5.87%	59.20%	90.33%	16.00%	44.76%	39.17%	36.17%
1992	8.12%	2.31%	3.21%	0.06%	14.23%	117.42%	7.40%	55.48%	17.44%	59.93%
1993	6.48%	3.23%	-0.05%	4.96%	15.32%	150.72%	9.75%	70.63%	16.69%	86.62%
1994	0.96%	0.43%	-0.02%	-1.13%	0.25%	151.34%	-2.92%	65.66%	-1.03%	84.69%
1995	5.00%	4.64%	3.13%	3.16%	16.88%	193.77%	18.47%	96.26%	20.46%	122.49%
1996	1.57%	0.56%	5.16%	3.33%	10.98%	226.03%	3.63%	103.38%	11.27%	147.56%
1997	1.03%	4.26%	4.58%	1.32%	11.61%	263.87%	9.65%	123.02%	13.27%	180.40%
1998	3.06%	-0.15%	6.79%	0.58%	10.53%	302.21%	8.69%	142.39%	2.95%	188.68%
1999	2.84%	0.37%	-1.08%	-1.30%	0.79%	305.37%	-0.82%	140.40%	2.51%	195.93%
2000	0.63%	-2.58%	0.14%	7.48%	5.52%	327.76%	11.63%	168.35%	-5.12%	180.79%
2001	3.47%	-5.93%	2.66%	3.68%	3.60%	343.15%	8.44%	191.00%	4.48%	193.36%
2002	-3.32%	1.05%	5.49%	0.11%	3.17%	357.18%	10.25%	220.85%	-1.89%	187.80%
2003	4.94%	7.74%	1.68%	4.92%	20.62%	451.45%	4.10%	234.02%	28.15%	268.81%
2004	3.60%	-4.67%	3.54%	3.39%	5.72%	482.99%	4.34%	248.51%	10.87%	308.90%
2005	-0.81%	3.48%	0.76%	-1.06%	2.32%	496.54%	2.43%	256.97%	2.74%	320.09%
2006	1.95%	-0.57%	2.42%	3.50%	7.45%	540.97%	4.33%	272.44%	11.77%	369.52%
2007	2.48%	0.02%	3.73%	-0.19%	6.12%	580.18%	6.97%	298.39%	2.19%	379.82%
2008	-1.10%	2.28%	-2.66%	13.05%	11.31%	657.14%	5.24%	319.26%	-26.39%	253.20%
2009	6.17%	18.49%	12.35%	5.83%	49.57%	1,032.50%	5.93%	344.12%	57.51%	456.33%
2010	1.72%	2.90%	5.38%	1.24%	11.67%	1,164.68%	6.54%	373.17%	15.19%	540.83%
2011	2.99%	-2.51%	9.78%	-3.59%	6.26%	1,243.87%	7.84%	410.28%	4.38%	568.92%
2012	4.95%	2.99%	3.19%	1.98%	13.75%	1,428.64%	4.21%	431.78%	15.58%	673.16%
2013	2.32%	0.20%	-1.62%	2.64%	3.54%	1,482.70%	-2.02%	421.02%	7.42%	730.51%
2014	2.27%	1.19%	-3.21%	2.77%	2.94%	1,529.20%	5.97%	452.10%	2.50%	751.30%
2015	2.02%	-0.56%	-2.52%	-1.75%	-2.83%	1,483.01%	0.55%	455.14%	-4.64%	711.78%
2016	10.56%	3.76%	4.42%	-0.52%	19.16%	1,786.33%	2.65%	469.84%	17.49%	853.74%
2017	4.37%	3.02%	1.07%	-0.55%	8.07%	1,938.58%	3.54%	490.02%	7.48%	925.11%
2018	-0.96%	-0.64%	1.70%	0.65%	0.73%	1,953.44%	0.01%	490.09%	-2.26%	901.89%
2019	4.66%	2.00%	1.01%	2.14%	10.14%	2,161.57%	8.72%	541.52%	14.41%	1,046.27%
Average annualized compounded returns:					10.58%		6.18%		8.18%	

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

¹The primary benchmark for the Sierra Tactical Bond 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. The secondary benchmark is the ICE Bank of America Merrill Lynch U.S. High Yield Master II Index, which tracks the performance of U.S. dollar-denominated below investment grade corporate debt publicly issued in the U.S. domestic market. One cannot invest directly in an index or category, and unmanaged index or category returns do not reflect any fees, expenses or sales charges.

Actual Performance

²The “Growth of \$1,000,000 – After Fees” graph and the “Quarterly Performance – After Fees” chart, show the performance which was achieved in the Sierra Tactical Bond Program marker or composite of accounts since the inception date of 10/1/2017. The performance presented is net of the maximum annual fee rate of 1.80% which is calculated and deducted quarterly. Fees are less for households with more than \$500,000 under management. U.S. Dollars are the currency used to express performance.

The net performance data shown reflects the reinvestment of dividends.

The performance data does represent the impact that material economic and market factors had on the investment manager’s decision-making. The performance shown represents past performance. Past performance does not guarantee future results. All investments involve risk, including loss of principal.

Hypothetical Performance

²The “Growth of \$1,000,000 – After Fees” graph and the “Quarterly Performance – After Fees” chart, from 1/1/1989 to 9/30/2017, show the performance data derived from the retroactive application of a model, with the benefit of hindsight, and do not represent actual trading as a portfolio. While there are inherent limitations of such data retroactively derived, the strategies were independently available during the period shown. The performance presented is net of the maximum annual fee rate of 1.80% which is calculated and deducted quarterly. U.S. dollars are the currency used to express performance.

The back-test was conducted using a high yield corporate bond (HYCB) fund and a long-duration Treasury bond fund which have been used from time to time in client accounts during the period shown and that generated average performance relative to their respective peer groups. The same funds were used for the entire period of the back-test using the same Buy and Sell signal disciplines that we have implemented for such funds in client accounts historically. In addition, we back-tested several other HYCB funds that have been used from time-to-time in client accounts, using the same Buy and Sell signal disciplines, with comparable results.

Please note the following cautions (based on SEC requirements): (a) back-tested data does not represent actual account performance and should not be interpreted as an indication of such performance; (b) there is no assurance that the back-tested result could, or would have, been achieved during the years shown; and (c) the back-tested portion of the performance data does not represent the impact that material economic and market factors might have on an investment manager’s decision-making if the manager were actually managing client money.

In addition, the SEC mandates that we state: The investment strategy that the back-tested data were based upon can (theoretically) be changed at any time with the benefit of hindsight in order to show better back-tested performance, and (theoretically) the strategy can continue to be tested and adjusted until the desired results are achieved. Please note that at Sierra we have actually implemented the same Buy and Sell signals for High Yield Corporate Bond funds in client accounts since 1987, and no such “data fitting” adjustments have in fact been made in the data shown here.

The net hypothetical performance data shown reflects the reinvestment of dividends.

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