

# Municipal Bond Program



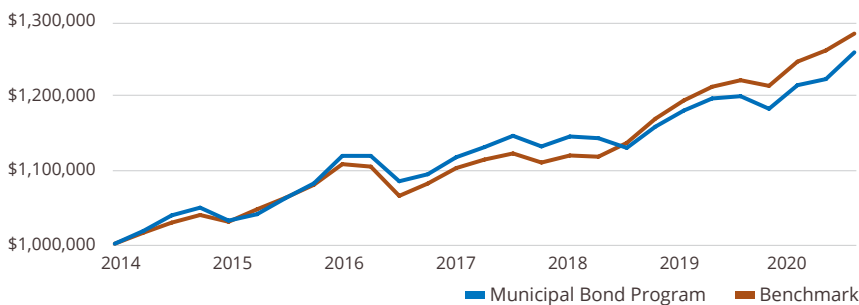
## PROGRAM DESCRIPTION

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

## HOLDINGS

FUND	TICKER	WEIGHT
Sierra Tactical Municipal Fund	STMEX	35.0%
Nuveen High Yield Municipal Bond Fund	NHMRX	25.6%
AMG GW&K Municipal Bond Fund	GWMIX	19.7%
Baird Quality Intermediate Municipal Bond Fund	BMBIX	19.7%
<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

The benchmark for the Sierra 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. One cannot invest directly in an index or category, and unmanaged index or category returns do not reflect any fees, expenses, or sales charges.

Invest wisely. Rest easy.

## QUARTERLY PERFORMANCE – AFTER FEES

MUNICIPAL BOND PROGRAM						BENCHMARK		
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR	CUMULATIVE RETURN	FULL YEAR	CUMULATIVE RETURN
2014*	—	—	1.73%	2.10%	3.87%	3.87%	2.88%	2.88%
2015	1.02%	-1.69%	0.85%	2.11%	2.27%	6.23%	3.30%	6.28%
2016	1.90%	3.47%	0.00%	-3.10%	2.18%	8.54%	0.25%	6.54%
2017	0.88%	2.13%	1.24%	1.36%	5.73%	14.76%	5.45%	12.34%
2018	-1.27%	1.20%	-0.20%	-1.16%	-1.44%	13.10%	1.28%	13.79%
2019	2.56%	1.90%	1.41%	0.26%	6.25%	20.17%	7.53%	22.36%
2020	-1.43%	2.73%	0.69%	2.99%	4.99%	26.17%	5.21%	28.74%
Average annualized compounded returns:					3.64%		3.96%	

NATIONAL TAXABLE-EQUIVALENT RETURNS <sup>1</sup>						
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR	CUMULATIVE RETURN
2014*	—	—	2.66%	3.16%	5.91%	5.91%
2015	1.97%	-0.79%	1.53%	3.18%	5.98%	12.24%
2016	2.87%	4.44%	0.90%	-2.65%	5.53%	18.45%
2017	1.53%	2.89%	2.03%	2.07%	8.79%	28.86%
2018	-0.76%	1.86%	0.50%	-0.70%	0.89%	30.01%
2019	3.03%	2.41%	1.89%	0.84%	8.41%	40.94%
2020	-1.06%	3.07%	1.20%	3.56%	6.87%	50.62%
Average annualized compounded returns:					6.50%	

Taxable-equivalent returns at 43.40% federal income tax rate  
Beginning in 2018, the highest federal income tax rate is 40.80%

\*Indicates a partial year from June 30, 2014 through December 31, 2014.

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The "Growth of \$1,000,000 – After Fees" graph and the "Quarterly Performance – After Fees" chart show the performance which was achieved in the Sierra Municipal Bond Program since the inception date of 7/1/2014. The performance presented is net of the annual fee rate of 1.80% through 12/31/2018 and 1.45% thereafter, which is calculated and deducted during the first month of each quarter. Fees are less for households with more than \$500,000 under management. U.S. Dollars are the currency used to express performance results.

Since 1/1/2019, the Sierra Municipal Bond Program has been allocated to a mutual fund managed by an affiliate of Sierra. The fee reduction represents the Sierra mutual funds fee offset credit for that fraction of the account invested in one or more of the Sierra mutual funds.

Since 7/1/2014, the source of the performance data is from a marker account invested in the Sierra Municipal Bond Program.

<sup>1</sup>For purposes of illustration, the National Taxable Equivalent Returns table assumes the highest federal income tax rate of 43.40% was in effect through 12/31/2017. Beginning 1/1/2018, the table assumes the highest federal tax rate of 40.80%. On that basis, the table shows the taxable return that an investor in the highest federal tax bracket would have needed in order to net the same return after federal tax. Contact your tax adviser to determine the specific impact of an investment in the Sierra Municipal Bond Program on your individual tax situation.

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.

Sierra Investment Management, Inc. ("Sierra") is an SEC registered investment adviser. 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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