

# 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 changes or fluctuations 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 trailing stop 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.

## Top Holdings

FUND	TICKER	WEIGHT
Nuveen CA High Yield Municipal Bond I	NCHRX	22.8%
Putnam CA Tax Exempt Income Y	PCIYX	20.2%
BlackRock California Muni Opps Instl	MACMX	19.7%
Schwab CA Tax-Free Bond	SWCAX	14.7%
PGIM California Muni Income Z	PCIZX	12.8%
JPMorgan California Tax Free Bond I	JPICX	9.8%
<b>Total of Program</b>		<b>100.0%</b>

Percentages have been rounded and may not total to 100%.

Benchmark: Bloomberg Barclays Municipal Bond Index

The Bloomberg Barclays Municipal Bond Index is considered representative of the broad market for investment grade, tax-exempt bonds with a maturity of at least one year.

## SENIOR INVESTMENT TEAM



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



**Ryan Harder, CFA**  
Chief Investment Strategist & Portfolio  
Manager  
Started in Industry: 1998



**Doug Loeffler, MBA, CFA, CAIA**  
Executive Vice President,  
Portfolio Manager  
Started in Industry: 1988

## Asset Allocation

■ Fixed Income	100.0%
Tax Free Municipal Bonds	100.0%

## QUARTERLY PERFORMANCE – AFTER FEES

CALIFORNIA MUNICIPAL BOND PROGRAM						BENCHMARK
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR	FULL YEAR
2023	0.79%	-1.23%	-2.79%	6.73%	3.30%	6.40%
2022	-2.19%	-4.19%	0.38%	1.64%	-4.39%	-8.53%
2021	-0.88%	1.41%	-0.89%	0.11%	-0.26%	1.52%
2020	-3.57%	3.51%	1.29%	2.79%	3.93%	5.21%
2019	2.43%	2.07%	1.41%	0.22%	6.26%	7.54%
2018	-1.85%	0.64%	-0.39%	-0.99%	-2.57%	1.28%
Average annualized compounded returns:					0.97%	2.09%

## AVERAGE ANNUAL RETURNS

ANNUALIZED RETURNS	QTD	YTD	1 YEAR	PERIODS OVER A YEAR ARE ANNUALIZED				SINCE INCEPTION
				3 YEARS	5 YEARS	10 YEARS	15 YEARS	
California Municipal Bond Program	6.73%	3.30%	3.30%	-0.50%	1.70%	—	—	0.97%
Benchmark	7.89%	6.40%	6.40%	-0.40%	2.25%	—	—	2.09%

Portfolio holdings and asset allocations are subject to change.

## DEFINITIONS

**Trailing Stop Discipline (“Discipline”).** This proprietary Discipline has the objective of limiting the magnitude for portfolio drawdowns. The Discipline is based on a manual process that defines sell levels/signals for security holdings in decline, as measured by its price falling below the recent high of its lower band. These are not market orders. Sierra Investment Management utilizes this Discipline directly in the management of non-affiliated holdings. Sierra Investment Management invests in its affiliated Sierra Mutual Funds (“Funds”) and the Discipline is applied at the Underlying Funds level, not on the Funds themselves. Please see our Form ADV Part 2A for information on conflicts of interest that exist as a result of Sierra Investment Management investing in affiliated Funds.

Benchmark: Bloomberg Barclays Municipal Bond Index

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Investors cannot invest directly in an index. These unmanaged indexes do not reflect management fees and transaction costs that are associated with some investments.

## IMPORTANT DISCLOSURES

The currency used to express performance is USD. Returns include the reinvestment of all income. Net-of-fee returns are calculated using the highest-tiered advisory fee rate of 1.8%. The annual advisory fee is applied on a monthly basis, by deducting 1/12th of the advisory fee rate from the monthly gross returns. The advisory fee includes transaction costs, investment management fees, and certain custodial costs. Because clients will have different fee arrangements and specific investments in the strategy may be made at different times, net performance for any individual client will vary from the net performance as stated herein.

## SOURCE OF PERFORMANCE:

The source of performance is based on a composite inceptioned on January 1, 2018. A portion of the California Municipal Bond Program may be allocated to proprietary mutual funds managed by an affiliate of Sierra Investment Management.

Past performance is not indicative of future results. All investments involve risk, including loss of principal.

Advisory Services are provided by Sierra Investment Management, Inc. (“Sierra”), 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)).