

# 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 both directly and indirectly among a number of HYCB 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.

## Top Holdings

FUND	TICKER	WEIGHT
Sierra Tactical Bond Instl	STBJX	49.8%
Rydex High Yield Strategy H	RYHGX	10.2%
BlackRock High Yield Bond Instl	BHYIX	10.0%
PIMCO High Yield Instl	PHIYX	10.0%
Principal High Yield Inst	PHYTX	10.0%
Osterweis Strategic Income	OSTIX	9.9%
<b>Total of Program</b>		<b>99.9%</b>

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

Primary Benchmark: Bloomberg Barclays U.S. Aggregate Bond Index

A broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Secondary Benchmark: ICE BofA US High Yield Master II Index

Tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one-year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$100 million. In addition, qualifying securities must have risk exposure to countries that are members of the FX-G10, Western Europe or territories of the US and Western Europe. Index constituents are capitalization-weighted based on their current amount outstanding times the market price plus accrued interest.

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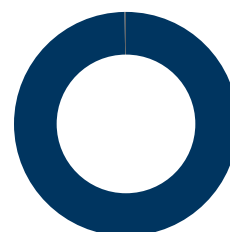
**Doug Loeffler, MBA, CFA, CAIA**  
Executive Vice President,  
Portfolio Manager  
Started in Industry: 1988



**Marshall Quan**  
Lead Portfolio Analyst,  
Portfolio Manager  
Started in Industry: 1999

## Asset Allocation

<b>Fixed Income</b>	<b>99.8%</b>
High Yield Corp. Bonds	99.8%
<b>Cash</b>	<b>0.2%</b>
Cash and Equivalents	0.2%



## QUARTERLY PERFORMANCE – AFTER FEES

TACTICAL BOND PROGRAM						PRIMARY BENCHMARK	SECONDARY BENCHMARK
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR	FULL YEAR	FULL YEAR
2023	0.90%	0.76%	-0.25%	4.38%	5.86%	5.53%	13.46%
2022	-2.29%	-3.26%	0.50%	0.07%	-4.93%	-13.01%	-11.22%
2021	-0.27%	1.87%	0.08%	-2.16%	-0.52%	-1.54%	5.36%
2020	3.74%	0.73%	2.57%	3.77%	11.22%	7.51%	6.17%
2019	4.66%	2.00%	1.01%	2.05%	10.04%	8.72%	14.41%
2018	-0.96%	-0.64%	1.70%	0.65%	0.73%	0.01%	-2.26%
Average annualized compounded returns:					3.57%	0.97%	3.91%

## 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	
Tactical Bond Program	4.38%	5.86%	5.86%	0.04%	4.15%	—	—	3.57%
Primary Benchmark	6.82%	5.53%	5.53%	-3.31%	1.10%	—	—	0.97%
Secondary Benchmark	7.06%	13.46%	13.46%	2.00%	5.21%	—	—	3.91%

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.

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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 Tactical 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)).