



An Alternative Approach
to a Traditional Asset Class:
The Sierra Tactical Bond Fund

What Makes This Fund Different?

The Sierra Tactical Bond Fund may appeal to investors looking for a nontraditional bond holding that employs a disciplined risk management process. The Fund employs a tactical, rules-based approach to access two typically uncorrelated asset classes: high-yield corporate bonds and long-duration U.S. Treasury bonds.

Moving Among 3 Asset Classes



High-Yield Corporate Bonds (HYCB)

- Commonly referred to as junk bonds, this asset class tends to increase in value when the U.S. economy exhibits periods of expansion or growth.
- When economic conditions decline, due to emotional sentiment and/or increasing credit default risk, the asset class tends to decline.
- High-yield bonds tend to be less volatile than long-duration U.S. Treasury bonds.



Long-Duration U.S. Treasury Bonds

- Considered to have low from default risk because payment is backed by the full faith and credit of the U.S. government, this asset class tends to move inversely to interest rates.
- Treasury bonds often rise in value when the economy exhibits weakness or when the stock market experiences large losses, making them an attractive potential alternative when high-yield corporate bonds are trending negatively.



Ability to Move to 100% Cash

- Our strategies allow us to move to cash without hesitation in times of turbulence to help limit downside losses.
- We can hold up to 100% cash when there are no upward trends in HYCBs or long-duration U.S. Treasury bonds.

Our Process: Rules-Based Buying and Selling

We believe there are three questions every money manager should be able to answer: “When do you buy?”, “What do you buy?”, and “When do you sell?” For us, the answers to those questions form a tactical, rules-based decision framework for the construction and management of portfolios that has served investors for more than 35 years.

WHEN TO BUY



Trend Following

- We buy when our quantitative decision rules identify an uptrend.
- An uptrend is determined by a fund's price rising above both the recent low of its upper band and a secondary intermediate-term moving average.
- A fund's bands are generally defined by its historic volatility and are offset above and below a short-term exponential moving average.

WHAT TO BUY



Security Selection

- We seek to buy securities exhibiting the strongest risk-adjusted returns during the recent uptrend.
- When there are multiple securities in uptrends, preference is given to those that are not highly correlated to each other nor the overall portfolio.
- Quantitative analysis is used to rank which securities to buy, including:
 - annualized strength of the recent uptrend
 - historic volatility
 - recent correlation to existing holdings and major asset classes
 - additional quantitative metrics

WHEN TO SELL



Trailing Stop-Loss

- We monitor and review our trailing stop-loss discipline daily for every holding.
- We will sell any portfolio holding and move temporarily to cash when our quantitative decision rules identify a downtrend.
- A downtrend is determined by a fund's price falling below the recent high of its lower band, otherwise known as its trailing stop.
- Our trailing stop discipline applies to every fund holding and helps to limit the impact of further decline on the overall portfolio.

Our Process: Includes These Tenets

Broad Diversification

We believe diversification is the cornerstone of a sound investment process. We deploy diversification broadly throughout our investment solutions.

Limiting Sustained Declines

Our first priority is to mitigate significant downside losses. While we can't control the markets, we can help limit drawdowns. Our investment process applies a trailing stop discipline to each holding in the portfolio (other than the Sierra funds, which employ the same discipline internally), monitors each holding daily, and sells any holding that passes through the trailing stop level.

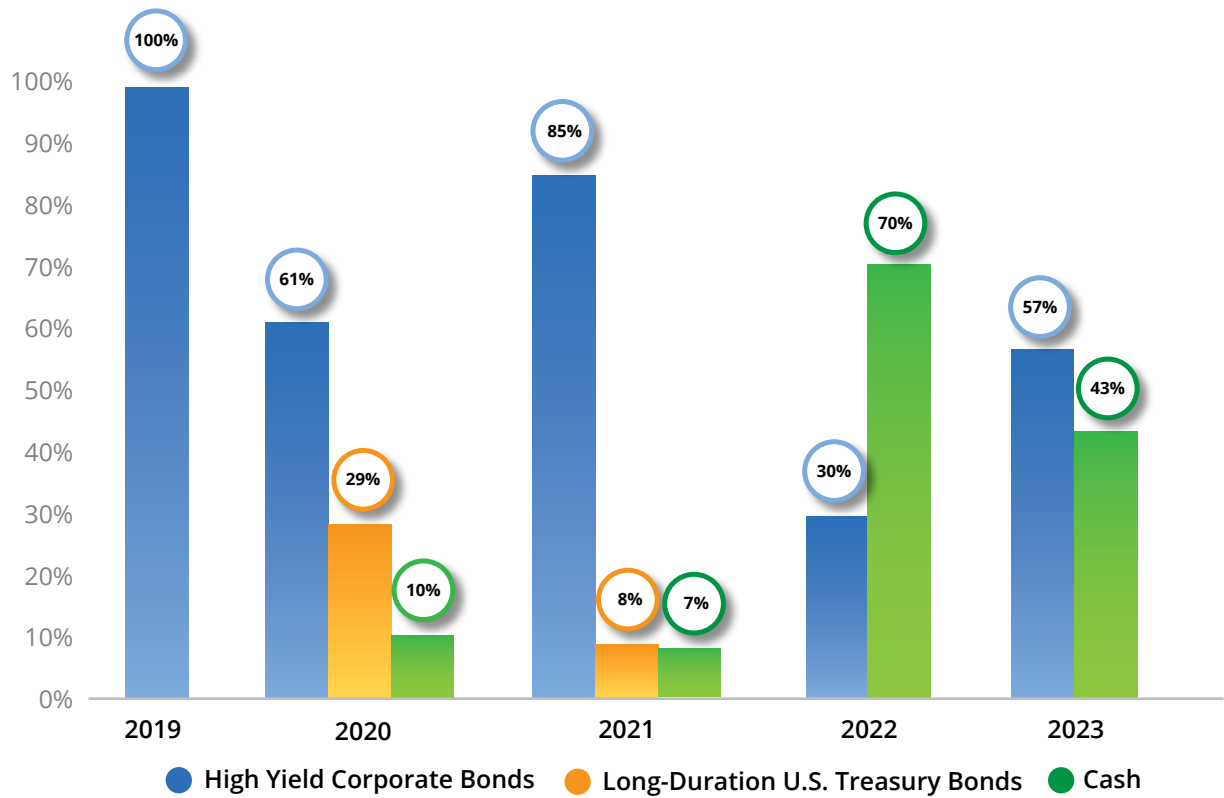
Ability to Move to 100% Cash

Our strategies allow us to move to cash without hesitation in times of turbulence to help limit downside losses. We can hold up to 100% cash in the absence of uptrends across our target investment opportunity set.

Investing in Pooled Vehicles

Investing in pooled vehicles, such as mutual funds and ETFs, helps give us the ability to quickly and efficiently make adjustments to our portfolios. Traditional managers, especially in the fixed income markets, can often be disadvantaged by illiquidity when trying to buy or sell individual bonds.

Tactical Bond Fund Allocations: 2019 - 2023



Source: Sierra Mutual Funds 3/31/23

INVESTMENT OBJECTIVES

The Fund seeks total return. Our Portfolio Managers analyze and allocate portions of the fund's portfolio to high yield corporate bonds, also known as junk bonds, and U.S. Treasury Securities. Each decision must serve one or both of the fund's two goals: to enhance total return and/or to reduce the overall volatility and downside risk of the portfolio.

IMPORTANT FUND RISKS

The Sierra Tactical Bond Fund has fixed income risk as a rise in interest rates causes a decline in the value of the underlying funds owned by the fund. Other risk factors impacting fixed income securities include credit risk, maturity risk, market risk, extension risk, illiquid security risks, foreign securities risk and prepayment risk. These risks could affect the value of a particular investment by the Fund possibly causing the Fund's share price and total return to be reduced and fluctuate more than other types of investments. In addition, some of the underlying funds in which the Fund will from time to time invest in are sometimes referred to as high-yield or junk bonds. Because the Fund will seldom hold an underlying fund for 12 months or more, investors who own the Fund in taxable accounts will be subject to federal income tax at short-term rates.

Shares of ETFs may trade at a discount or a premium in market price if there is a limited market in such shares and are also subject to brokerage and other trading costs, which could result in greater expenses to the Fund.

Diversification and asset allocation do not ensure a profit or guarantee against loss.

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Investors should carefully consider the investment objectives, risks, charges and expenses of the Sierra Mutual Funds. This and other information about the Funds is contained in their prospectuses and should be read carefully before investing. The prospectuses can be obtained by visiting sierramutualfunds.com or by calling toll free 1-866-738-4363 (1-866-RETI-FND).

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