

# Disciplined Risk **Management**

Outcomes Delivered by a Truly Tactical, Rules-Based Process



**SIERRA**  
MUTUAL FUNDS



**OCEAN PARK**  
ASSET MANAGEMENT

# Company Overview

Sierra Investment  
Management  
established in

**1987**

by  
David C. Wright, JD  
and  
Kenneth L. Sleeper,  
MBA, PhD

In 1987, Sierra's founders developed a differentiated approach to portfolio risk management. Today, the firm continues its aim of growing client wealth by focusing on the following objectives:

- 1 Participate opportunistically in global investment uptrends while
- 2 Using a tactical discipline to help limit downside risk.



Founded and  
located in  
**Santa Monica,  
California**

The firm's investment solutions can be accessed by advisors on behalf of their clients across the United States through **two primary entities**:



Ocean Park Asset Management, Inc. is an SEC registered<sup>†</sup> investment advisor that manages investment accounts for clients of unaffiliated financial advisors and broker dealers. As a model provider, Ocean Park also provides sub-advisory investment management services to other investment management firms.



**\$5.9B**

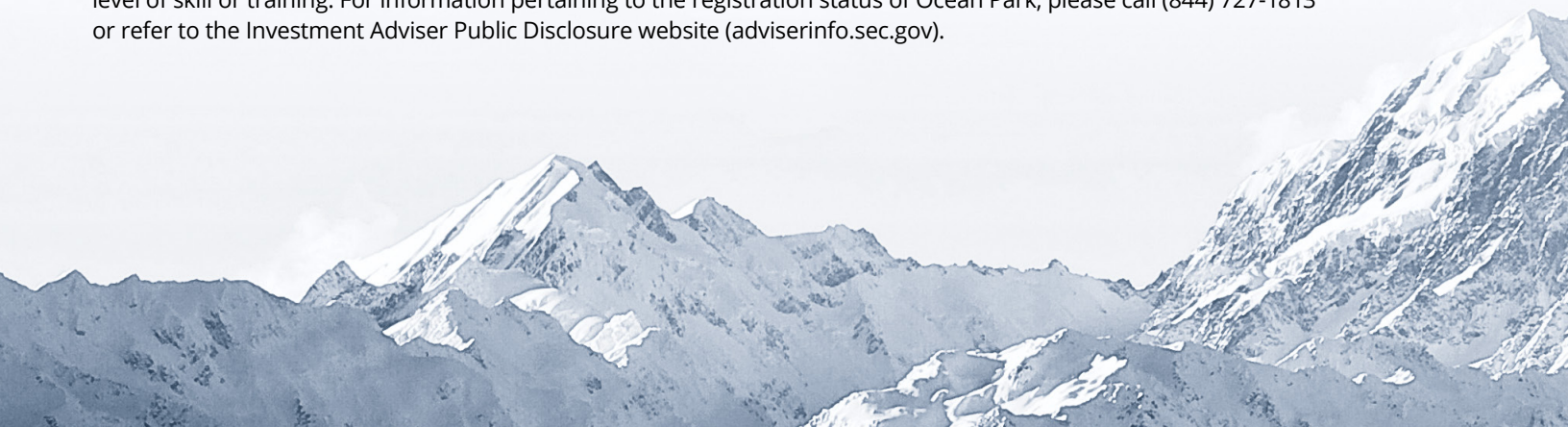
Assets Under  
Management  
across all affiliates\*  
as of 12/31/2022.



Sierra Mutual Funds is comprised of a series of mutual funds. Sierra Mutual Funds attempts to identify upward trends to participate in rising markets and utilizes a trailing stop discipline which attempts to limit downside risk.

\*inclusive of Reg AUM for  
Sierra Investment Management,  
Ocean Park Asset Management  
and Wright Fund Management.

<sup>†</sup>Ocean Park Asset Management, Inc. is an SEC registered investment advisor. Registration does not imply a certain level of skill or training. For information pertaining to the registration status of Ocean Park, please call (844) 727-1813 or refer to the Investment Adviser Public Disclosure website ([adviserinfo.sec.gov](http://adviserinfo.sec.gov)).





# Our Investment Philosophy

## ▶ A Tactical Approach

From day one, the intent of our tactical approach has not been aimed at beating “buy and hold.” We believe that many investors – and entire sides of portfolios – can appreciate and benefit from a layer of risk management via the daily, tactical management of assets.

## ▶ Consistency Through Discipline

We believe a manager’s process must be implemented consistently – not in frequent reaction to market news. We do not buy and sell on tips and hunches, nor do we make investment decisions on a case-by-case basis. A consistent investment process, rooted in disciplined risk management, is our hallmark.



## ▶ Rules-Based Decisions

Rules – not predictions nor emotions – drive our investment decisions. We believe the key to successful, long-term outcomes is to manage money with as little personal input as possible, and our objective process is rooted in decades of research and quantitative analysis.

## ▶ Listening to Clients

Our firm’s early experience showed that clients cared most about avoiding large portfolio losses measured by maximum drawdown. We make it our priority to pursue the management of downside risk through our disciplined process.

## ▶ Seeking to Provide Stability in Downturns

We believe our clients trust us in times of high emotion and volatility to help them avoid portfolio-damaging decisions. We have served our clients through some of the most severe financial storms, including the 2008 Financial Crisis, the COVID-19 pandemic, and the 2022 market and bond sell-offs.



**The Outcomes We Achieve** are the result of a truly tactical, rules-based process.

**35+ years**

of implementing a proprietary, tactical, rules-based investment process to help minimize severe drawdowns.



**Doubled AUM  
in 3 years**

(2019-2022)

Source: Sierra Group of Companies 12/31/22

**Finalist**



**Fixed Income  
Allocation Category  
(2022)**

Although a finalist, Ocean Park Asset Management was not awarded the SmartX 2023 X Award for the Fixed Income Allocation Category when awards were announced on April 11, 2023. The SmartX X Awards are awarded by SmartX Advisory Solutions to recognize leading strategies within the model marketplace on the SMarTX platform. Finalists were announced in February, 2023. These awards are announced annually in April, based on achievements since the last award announcement. Ocean Park Asset Management did not directly compensate SmartX for inclusion in the award nomination process, however Ocean Park does provide sponsorship and other financial considerations to SmartX.

**Finalist**



**Multi Asset Strategist  
Category:  
Investnet Asset  
Manager Awards (2023)**

Although a finalist, Ocean Park Asset Management was not awarded Asset Manager of Year (for its Tactical Bond Strategy in the Multi-Asset Strategist Category) when awards were announced on April 26, 2023. The awards are provided by Investnet Asset Management, Inc. and its subsidiaries and affiliates. Finalists were announced in April 2023. These awards are announced annually in April, based on achievements since the last award announcement. Ocean Park did not directly compensate Investnet for inclusion in the award nomination process, however Ocean Park does provide sponsorship and other financial considerations to Investnet.

**Finalist**



**Asset Manager  
of the Year:  
<\$25B AUM  
(2023)**

Although a finalist, Sierra Mutual Funds and Ocean Park Asset Management were not awarded Asset Manager of Year (for asset managers with less than \$25B in AUM) when awards were announced on October 11, 2023. The MMI/Barron's Industry Awards are co-sponsored by the Money Management Institute (MMI) and Barron's. Finalists were announced in August, 2023. These awards are announced annually in October, based on achievements since the last award announcement. Sierra Mutual Funds and Ocean Park Asset Management did not directly compensate MMI or Barron's for inclusion in the award nomination process, however both are members of MMI and pay fees to MMI for their membership.



# Our Process:

## Rules-Based Buying and Selling

We believe every investment manager should be able to answer the questions “When do you buy?” “What do you buy?” and “When do you sell?” Our clear answers to these questions form the foundation of a tactical approach that has served our investors for more than 35 years.

### WHEN TO BUY



#### Trend Following

- We evaluate buying opportunities when our quantitative decision rules identify an uptrend in the price of a security.
- An uptrend is determined by a security's price rising above both the recent low of its upper band and a secondary moving average.
- A security's bands are related to 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 strong risk-adjusted returns during a recent uptrend.
- Additional metrics, such as strength of the recent uptrend, historical volatility, and correlation to existing holdings, are considered in portfolio construction.
- If there are multiple securities with buy signals in the same asset class, preference is towards buying securities with better, recent risk-adjusted performance.
- For multi-asset-class portfolios, if there are a number of securities with buy signals across different asset classes, risk and diversification are also considered, with the goal of preventing one asset class from having an outsized impact on the portfolio.

### WHEN TO SELL

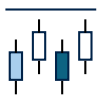


#### Trailing Stop Discipline

- We will sell a security when our quantitative decision rules identify a downtrend in the price of a security.
- A downtrend is determined by a security's price falling below the recent high of its lower band – an event which triggers a sell signal.
- Our Trailing Stop Discipline seeks to limit the impact of a further decline in value of a security on the overall portfolio.
- Our Trailing Stop Discipline is applied across positions in each of our managed portfolios and monitored daily.
- When a position is sold, we may keep the proceeds in cash or buy another security.

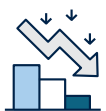


# Our Process Includes These Tenets



## Broad Diversification

We offer solutions that can address a range of investor goals across the risk spectrum and have the ability to invest in a wide range of investment categories. We seek opportunities across global equity and fixed income markets, as well as alternative investments. We also offer targeted asset class solutions using diversified holdings with the goal of meeting specific targeted objectives.



## An Objective of Limiting Drawdowns

While we can't control the markets, we can seek to manage the risk of drawdowns. Our investment process is based upon our proprietary Trailing Stop Discipline, and we monitor each portfolio daily, reacting to our Buy and Sell signals.



## Ability to Move to 100% Cash Exposure

In times of turbulence and in absence of uptrends across our target investment opportunity set, our strategies can have up to 100% in cash exposure.



## Investing in Pooled Vehicles

We believe that utilizing pooled vehicles, such as mutual funds, in our portfolios helps provide us with an efficient means for quickly entering and exiting the market when we receive our Buy or Sell Signals. Pooled vehicles can also help provide broader diversification across a smaller number of holdings.



# Team-Based **Portfolio Management**

The Investment Team is comprised of professionals with extensive experience in asset allocation, portfolio construction, analysis, trading, and manager research.

**The Investment Management Team** convenes **Every Day** to review **All Portfolios** and **All Buy and Sell Signals.**

## **Our Investment Management Team** 160+ Years of Combined Experience



**David C. Wright**  
*Co-Founder, Managing Director*  
JD, University of Chicago BS,  
Civil Engineering, Swarthmore  
College



**Dr. Kenneth L. Sleeper**  
*Co-Founder, Managing Director,  
and Co-Portfolio Manager*  
MBA and PhD, University of  
Southern California



## **Let Us Demonstrate How We Can Complement Your Portfolios**

Our strategies address a full range of investor goals. Whether you are looking for a complete outsourced solution or wish to combine us with an existing manager, any number of our solutions may be an ideal fit for your portfolios. Please contact us at the number below for an initial consultation.

National Sales Desk | 844-727-1813

Shareholder Services | 866-738-4363

[sierramutualfunds.com](http://sierramutualfunds.com) | [oceanparkam.com](http://oceanparkam.com)

Past performance does not guarantee future results and there is no guarantee that any investment strategy will achieve its objectives, generate profits, or avoid losses. Diversification does not ensure a profit or protect against a loss in a declining market.

*Investors should carefully consider the investment objectives, risks, charges, and expenses of the Sierra Mutual Funds. This and other information about the Fund are contained in the prospectus and should be read carefully before investing. The prospectus can be obtained by calling toll free 1-866-738-4363 (1-866-RETI-FND). The Sierra Mutual Funds are distributed by Northern Lights Distributors, LLC, member FINRA/SIPC.*

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Sierra Investment Management, Inc., Wright Fund Management, and Ocean Park Asset Management, Inc. are not affiliated with Northern Lights Distributors, LLC.

Wright Fund Management is advisor to Sierra Mutual Funds.

**Trailing Stop Discipline.** Ocean Park Asset Management, Inc. ("Ocean Park") and Sierra Mutual Funds ("Funds") apply its proprietary Trailing Stop Discipline with the objective of limiting the magnitude for portfolio drawdowns. This Trailing Stop Discipline is based on a process that defines sell levels/signals for security holdings in decline, as measured by a security's price falling below the recent high of its lower band. Ocean Park utilizes this Discipline directly in the management of non-affiliated holdings. Where Ocean Park invests in its affiliated Sierra Mutual Funds ("Funds"), this Discipline is applied at the underlying funds level, not on the Funds themselves. The Funds are managed by Wright Fund Management, LLC, an affiliate of Ocean Park. Please see our Form ADV Part 2A for information on conflicts of interest that exist as a result of Ocean Park investing in affiliated Funds.

**Cash Exposure.** In the absence of buy signals, and/or temporarily following a sell signal, our portfolios can have cash exposure to cash and cash equivalent asset classes. Furthermore, because our affiliated Funds utilize the same discipline, the underlying holdings of any Fund can also have cash exposure via cash and cash equivalent holdings. At any time, this cash exposure could extend up to 100% of a portfolio, or the portfolio of any affiliated Fund. Investors should be aware that since Ocean Park does not apply its Trailing Stop Discipline at the affiliated Fund holding level, cash exposure in Ocean Park models/strategies/SMAs would be accessed through the underlying holdings of the affiliated Funds.

[sierramutualfunds.com](http://sierramutualfunds.com) | [oceanparkam.com](http://oceanparkam.com)

Shareholder Services: 1-866-738-4363

National Sales Desk: 1-844-727-1813

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