

# Disciplined Risk **Management**

Outcomes Delivered by a Truly Tactical, Rules-Based Process



# 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. As a model provider, Ocean Park also provides sub-advisory investment management services to other investment management firms.



\$5.1B

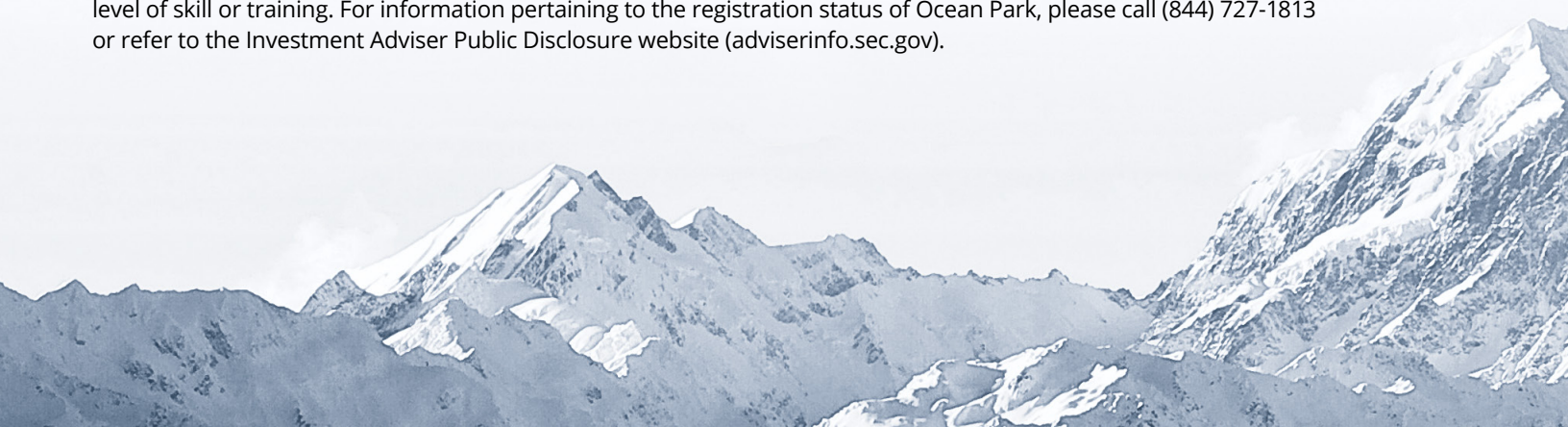
Assets Under Management across all affiliates\* as of 12/31/2023.

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



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.

<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).



# 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. Still today, we make it our priority to pursue the management of downside risk for our clients through a disciplined process.

## ▶ Seeking to Provide Stability in Downturns

In times of high emotion and volatility, we believe we can help clients avoid potentially damaging portfolio 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.

For more than 35 years, we've implemented a proprietary, tactical, rules-based investment process with the objective of helping minimize severe drawdowns for clients. We're proud to be recognized for our efforts by significant industry leaders.

### 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.

\*See award criteria

### 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.

\*See award criteria

### 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.

\*See award criteria



# 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 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 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 through a tactical, rules-based investment process that includes daily portfolio monitoring and a proprietary Trailing Stop Discipline.



## 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.

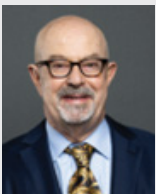


# Team-Based **Portfolio Management**

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

The Investment Team convenes **every day** to review **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 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., Ocean Park Asset Management LLC, and Ocean Park Asset Management, Inc. are not affiliated with Northern Lights Distributors, LLC.

Ocean Park Asset Management LLC is advisor to the Sierra Mutual Funds.

**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. Ocean Park utilizes this Discipline directly in the management of non-affiliated holdings. Ocean Park invests in its affiliated Sierra Mutual Funds ("Funds") and the Discipline is applied at the underlying funds level of each Fund, not on the Funds themselves. Certain strategies that contain exclusively affiliated holdings will only apply at the underlying holding level of the affiliated funds. 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, portfolios can have exposure to 100% cash and cash equivalent asset classes. Because our affiliated Funds utilize the same discipline, the Underlying Holdings of any Fund can also have cash exposure. Cash exposure in Ocean Park portfolios therefore considers both the direct cash exposure as well as the cash exposure within the affiliated Funds.

**\*Award Criteria:**

**MMI/Barrons Asset Manager <\$25B:** This category honors a smaller asset manager that exemplifies innovation in delivering better outcomes for investors and financial advisors. Nominations reflect product solutions, features, and capabilities launched (or significantly enhanced) since October 2022. Applicants were asked three questions: 1. Briefly describe the product solution or other programs for which the asset manager is being nominated (150 words or less); 2. Detail the specific achievements, innovations, and results that qualify the nominee for this award (250 words or less); 3. Describe why the nominee is deserving of this award as compared to industry peers (250 words or less).

**Please see Investnet.** To qualify for consideration, investment strategies must have existing research and due diligence coverage by Investnet | PMC's 28-member research and due diligence team. Nominees are sourced from a wide roster of SMAs, mutual funds, ETFs and model portfolios that are broadly accessible to financial advisors on the Investnet platform.

The finalists were selected from a pool of top-tier portfolio managers using Investnet's proprietary multi-factor evaluation methodology, which considers qualitative and quantitative criteria such as performance, investment process and style, composite, firm profile, tax efficiency, and customer service, among many other aspects of a manager's strategy and business.

**SmartX.** SMArtX Advisory Solutions ("SMArtX"), a leading innovator in unified managed accounts (UMA) technology and architect of the SMArtX turnkey asset management platform ("TAMP"), today announced the winners of the SMArtX 2023 X Awards (previously known as the SMArtX Virtual Awards). Now in its third year, the X Awards recognize leading strategies within the model marketplace on the SMArtX platform. Winners were selected across nine categories from among 1,111 eligible strategies, based on annual data collected for the period ending December 31, 2022. The nine awards categories were grouped by market cap, geographic focus, and investment type. The winning strategies were selected based on a four-step methodology looking at the ability to generate alpha over a peer group benchmark, a positively skewed risk and return profile distribution, downside and tail-risk management, and consistency of returns.

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Shareholder Services: 1-866-738-4363  
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