



## INVESTMENT STRATEGY AND OBJECTIVES

The Core Fund has been designed to meet the needs of retirees and Boomers approaching retirement. The Fund's twin goals of limiting downside risk even during dangerous market episodes, and providing satisfying long-term returns makes the Fund a good fit for most retirees and other conservative investors. Although there can be no assurance that the Fund will succeed in achieving these two key goals, especially in the short term, the Portfolio Managers have an extended history of applying the same strategy to separate accounts with very good success. (See page 13 of the Prospectus.)

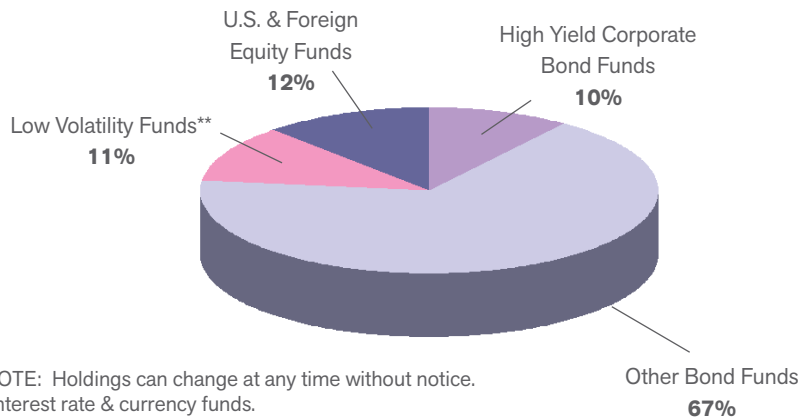
In seeking to reduce volatility and downside risk, the Portfolio Managers begin by employing uniquely broad diversification among a wide range of Asset Classes (investment categories). Next, within most Asset Classes they seek to identify leading mutual funds whose managers have outperformed their peers consistently over time. Then, each portfolio holding is monitored daily, and during significant declines the Portfolio Managers implement a defensive stop-loss discipline, with the goal being to limit overall drawdowns during difficult market episodes. Finally, from time to time the Portfolio Managers implement reallocations among Asset Classes in response to major trend changes in the global stock, bond, currency and commodity markets.

## PORTFOLIO MANAGEMENT

**David C. Wright** holds degrees in civil engineering and law. After 13 years with major Los Angeles law firms, Mr. Wright transitioned into investment analysis in the mid-1980s and served several years as Director of Technical Research for Bateman Eichler, Hill Richards, Inc. the largest investment banking firm west of Chicago, before co-founding Sierra Investment Management, Inc. in 1987.

**Kenneth L. Sleeper** earned his MBA in Finance and his PhD from the University of Southern California. Since 1987, Dr. Sleeper has managed investment capital with Mr. Wright as co-founders and principals of Sierra Investment Management, presently managing over \$640 million for retirees and other conservative investors.

## ASSET ALLOCATION AS OF DECEMBER 31, 2009\*



\*NOTE: Holdings can change at any time without notice.  
\*\*Interest rate & currency funds.

## INVESTMENT PROCESS

The Sierra Core Fund invests in a very broadly diversified portfolio, consisting of open-end mutual funds and exchange-traded funds (ETFs). The Fund invests in a wide range of Asset Classes, including from time to time domestic and foreign equity securities of various sized companies, domestic and foreign debt securities of corporate and government bond issuers, having varying maturities and credit qualities, including high-yield securities, funds that track the U.S. Dollar Index and its inverse, and ETFs and other funds that track physical commodity indices.

## PERFORMANCE SUMMARY (SIRRX)

	As of 01/31/2010				As of 12/31/2009			
	Year-to-Date	One Year	Since Inception 12/24/2007		Year-to-Date	One Year	Since Inception 12/24/2007	
			Annualized	Cumulative			Annualized	Cumulative
<b>Sierra Core Retirement Fund CI R</b>	<b>+1.40%</b>	<b>+33.96%</b>	<b>+12.86%</b>	<b>+29.00%</b>	<b>+30.81%</b>	<b>+30.81%</b>	<b>+12.66%</b>	<b>+27.22%</b>
<b>Benchmark*</b>	<b>-2.34%</b>	<b>+26.44%</b>	<b>-7.68%</b>	<b>-15.48%</b>	<b>+24.32%</b>	<b>+24.32%</b>	<b>-6.73%</b>	<b>-13.12%</b>

The performance data quoted here represents past performance for Class R shares (symbol SIRRX), and are net of the total annual operating expenses of the Class R shares (see below). For more current performance information, please call toll-free 877-275-5080 or visit our website, SierraCoreFund.com. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment in the Fund will fluctuate, so that investors' shares, when redeemed, may be worth more or less than their original cost. The Fund's investment adviser has contractually agreed to reduce its fees and/or absorb expenses until at least January 31, 2011, to ensure that net annual operating expenses of the Class R Shares will not exceed 2.25%, subject to possible recoupment from the Fund in future years. Without these waivers, the Class R total annual operating expenses would be 2.29%. Please review the Fund's prospectus for more information regarding the Fund's fees and expenses, including other share classes.

The Sierra Core Fund pays a quarterly dividend. Shares are available through TD Ameritrade, Charles Schwab & Co, Inc., Fidelity, Pershing and directly from the Fund.

**TOP TEN HOLDINGS - DECEMBER 31, 2009\***

Putnam Diversified Income Y	14.2%
Principal Preferred Securities	11.7%
John Hancock II Floating Rate I	10.2%
PIMCo Foreign Bond Institutional	9.6%
Pioneer Global High Yield A	9.6%
Managers Bond Fund	7.9%
Pioneer Strategic Income Y	7.8%
ProFunds Rising U.S. Dollar	5.8%
Fidelity Floating Rate High Income	5.7%
ProFunds Rising Rates Opportunity 10	4.8%
<b>Subtotal</b>	<b>87.3%</b>

\*NOTE: Holdings can change at any time without notice.

**COMMENTARY BY DAVID C. WRIGHT, LEAD PORTFOLIO MANAGER – JANUARY 11, 2010**

During its 24-month history, the Sierra Core Fund largely sidestepped the unprecedented volatility and harsh drops of the worldwide markets, then participated fully in the global bond, stock and commodity market rallies that began in mid-March 2009 before re-allocating to less volatile positions starting in late June. As a result, the Core Fund has strongly positive returns both for 2009 and from inception.

The two-year performance of the Sierra Core Fund is quite exceptional, especially compared with traditional management styles and philosophies – which tend to unduly emphasize U.S. stocks and thus resulted in very poor returns over the past two years and indeed the past ten years. For example, over the past two years the famous Fidelity Magellan Fund has lost 28.6% for its buy-and-hold investors.

Our very gratifying results can be attributed to the twin goals and resulting integrated strategies and disciplines with which Sierra has been managing separate accounts for over 22 years: In addition to seeking productive returns, we uniquely focus equal attention on risk management, including trailing stops under each holding of the Fund.

History tells us that there is a good probability that the impressive rebounds over the last ten months could prove to be just a typical Bear Market rally, and that the stock market may suffer another strong downward cycle this year. In that event, our very diversified Asset Allocation and the “Sell” disciplines that we have applied to our separate accounts over the past 22 years are designed to again limit the impact on the Core Fund.

**SHARE CLASSES**

CLASS	SYMBOL	12b-1 FEE	NET EXPENSE RATIO	MAX LOAD	MIN. INITIAL INVESTMENT
A	SIRAX	0.25%	1.75%	5.75%	\$10,000
C	SIRCX	1.00%	2.50%	NONE	\$10,000
I	SIRIX	0.25%	1.75%	NONE	\$10,000
R	SIRRX	NONE	1.50%	NONE	\$100,000

Inception Date: December 24, 2007

The Fund invests in mutual funds, closed-end funds and ETFs (“underlying funds”). The Fund indirectly bears investment management fees of the underlying funds in addition to the investment management fees and expenses of the Fund – all of which however are fully reflected in the above performance information. In some instances it may be less expensive for an investor to invest in the underlying funds directly. There is also a risk that investment advisers of those underlying funds may make investment decisions that are detrimental to the performance of the Fund. Investments in underlying funds that own small- and mid-capitalization companies may be more vulnerable than larger, more established organizations to adverse business or economic developments. Investments in underlying funds that invest in foreign equity and debt securities could subject the Fund to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards.

**Investors should carefully consider the investment objectives, risks, charges, and expenses of the Sierra Core Retirement Fund. This and other information about the Fund is contained in the prospectus and should be read carefully before investing. The prospectus can be obtained on our website, SierraCoreFund.com, or by calling toll free 1-866-738-4363 (1-866-RETI-FND). The Sierra Core Retirement Fund is distributed by Northern Lights Distributors, LLC, Member FINRA/SIPC.**