OCEAN PARK
ASSET MANAGEMENT

JUNE 2020

Available at Orion Portfolio Solutions

RULES-BASED PROCESS IN MOTION

Reflects how our investment process reacted, due to market movement.

Below highlights how our top allocations changed during the past two months.

4/30/2020		5/31/2020	
1 High Grade U.S. Bonds	23.3%	1 High Yield Corp Bonds	24.2%
2 Cash and Temporary Havens	17.7%	2 Preferreds	17.7%
3 Preferreds	17.1%	3 High Grade U.S. Bonds	10.3%

HOW THE PROCESS RESPONDED: Balanced Risk Model

For the month of May the SP500 was up 4.76%, the Bloomberg Barclays U.S. Aggregate Bond Index was up 0.47%, and the Morningstar Allocation – 15% to 30% Equity Category was up 2.27%.

We established a new 5% position in an International Bond (USD-Hedged) mutual fund.

Within the Sierra Mutual Funds positions we had the following activity in May:

Sierra Tactical Core Income Fund

Buys:

- **Emerging Markets Bonds** – 4 mutual funds
- **Multisector Bonds**
  1. Mutual fund with a focus on Non-Agency Residential Mortgage-Backed Securities
  2. Mutual fund seeking total return through a "diversified mix of global assets and strategies using a systematic, credit-oriented approach, which is expected to result in a portfolio with lower correlation to the equity and fixed-income markets."
- **High Yield Corporate Bonds** – 1 mutual fund
- **Intermediate-term Bonds** – 1 mutual fund that invests in Infrastructure Debt

Sells:

- **High Grade US Bonds**
  1. 20+ Year Treasury ETF
  2. Investment Grade Corporate Bond ETF
  3. 7 – 10 Year Treasury ETF (reduction)

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HOW THE PROCESS RESPONDED: Balanced Risk Model (cont'd)

Sierra Tactical All Asset Fund

Buys:

- **Emerging Markets Bonds** – 3 mutual funds
- **Preferred Stock** – 1 mutual fund
- **Tax Free Municipal Bonds** – 1 High Yield Muni mutual fund

Sells:

- **International Stocks** – a Hong Kong stock ETF
- **High Grade US Bonds** – a 20+ Year Treasury ETF

Sierra Tactical Bond Fund

As of 5/31/20, the fund was 86% High Yield Corp Bond funds and 14% cash & equivalents.

Sierra Municipal Fund

As of 5/31/20, the fund was 100% Municipal Bond funds.

DETAILED ASSET ALLOCATION

	BALANCED RISK MODEL			
	3/13/2020	3/31/2020	4/30/2020	5/31/2020
Cash and Temporary Havens	96.2%	45.0%	17.7%	7.2%
High Yield Corp Bonds	—	—	16.3%	24.2%
Preferreds	—	—	17.1%	17.7%
High Grade US Bonds	—	35.6%	23.3%	10.3%
Municipal Bonds	—	12.6%	7.0%	10.1%
International Bonds	0.9%	—	3.4%	8.3%
Domestic Equities	—	—	7.5%	7.6%
Emerging Markets Bonds	—	—	—	5.7%
Intermediate-Term Bonds	1.9%	3.8%	3.8%	4.0%
Multisector Bonds	1.0%	—	—	1.8%
Alternatives	—	1.7%	1.7%	1.7%
Managed Futures	—	0.7%	0.7%	0.7%
Floating Rate	—	—	0.6%	0.6%
Commodities	—	0.4%	0.4%	0.4%
International Equities	—	—	0.6%	—

RESOURCES: For further information and monthly Fact Sheet & Asset Allocation

oceanparkam.com | 1(844) 727-1813 | info@oceanparkam.com | LinkedIn

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