OCEAN PARK
ASSET MANAGEMENT

Managing the Sequence of Returns in the Distribution Phase

Retirement is a Cash Flow Problem

Every day more than 10,000 Baby Boomers reach age 65. Attaining this important age milestone typically results in a change in investment objectives, as focus transitions from the accumulation phase to preparing for the distribution phase.

Investment Decisions Can Have a Meaningful Impact on the Sequence of Returns:

During the distribution phase, two retirees with identical accumulated assets can experience very different financial outcomes, even if the future long-term average returns are similar. The sequence of the future returns can significantly impact the nest egg's ability to generate sufficient cash flow during retirement.

Utilizing a truly-tactical rules-based process, the **Ocean Park High Yield Corporate Bond Strategy** is a sector-specific portfolio, with an expansive track record that prioritizes downside protection and long-term capital appreciation, so you can plan for a smoother ride and grow your nest egg over time.

		OPTION 1		OPTION 2		OPTION 3	
		OCEAN PARK HIGH YIELD CORPORATE BOND (after fees)[1]		ICE BOFA US HIGH YIELD MASTER II INDEX		70% S&P 500 INDEX 30% BLOOMBERG BC AGG INDEX	
	ANNUAL WITHDRAWAL	RETURN	ENDING PRINCIPAL	RETURN	ENDING PRINCIPAL	RETURN	ENDING PRINCIPAL
2000	($25,000)	2.20%	$486,000	-5.12%	$449,400	-2.88%	$460,600
2001	($25,500)	1.30%	$466,818	4.48%	$444,033	-5.79%	$408,431
2002	($26,010)	9.33%	$484,362	-1.89%	$409,631	-12.39%	$331,817
2003	($26,530)	30.11%	$603,673	28.15%	$498,412	21.31%	$375,997
2004	($27,061)	5.50%	$609,815	10.87%	$525,528	8.92%	$382,475
2005	($27,602)	3.65%	$604,471	2.74%	$512,326	4.17%	$370,822
2006	($28,154)	10.38%	$639,061	11.77%	$544,472	12.36%	$388,501
2007	($28,717)	3.97%	$635,714	2.19%	$527,679	5.94%	$382,681
2008	($29,291)	1.10%	$613,416	-26.39%	$359,133	-24.33%	$260,420
2009	($29,877)	34.08%	$792,591	57.51%	$535,793	20.30%	$283,407
2010	($30,475)	9.32%	$835,985	15.19%	$586,706	12.51%	$288,387
2011	($31,084)	2.33%	$824,379	4.38%	$581,319	3.83%	$268,348
2012	($31,706)	10.79%	$881,624	15.58%	$640,182	12.47%	$270,105
2013	($32,340)	6.33%	$905,090	7.42%	$655,344	22.06%	$297,349
2014	($32,987)	-0.52%	$864,397	2.50%	$638,740	11.37%	$298,171
2015	($33,647)	-3.18%	$806,167	-4.64%	$575,456	1.13%	$267,894
2016	($34,320)	10.74%	$858,430	17.49%	$641,784	9.17%	$258,140
2017	($35,006)	3.20%	$850,893	7.48%	$654,783	16.34%	$265,314
2018	($35,706)	-1.33%	$803,870	-2.26%	$604,279	-3.07%	$221,463
2019	($36,420)	9.67%	$845,184	14.41%	$654,935	24.66%	$239,655
2020	($37,149)	5.71%	$856,296	6.17%	$658,196	15.13%	$238,766
2021	($37,892)	1.03%	***$827,224***	5.36%	***$655,584***	19.64%	***$247,768***
TOTAL	***($682,475)***						

Insight: Periods of significant declines within market cycles can have a devastating impact on the principal.

Which outcome would you choose?

Recommended Action: Review investments over a full market cycle, with an emphasis on periods of significant declines, to evaluate the investments' ability to provide upside opportunity and downside protection.

The tables above illustrate a systematic withdrawal program started in 2000, which was a market top. The account began with a $500,000 investment and a $25,000 withdrawal in the first year, with 2% annual increases thereafter. Options 2 and 3 face a higher risk of depleting the nest egg, while Option 1 can provide some resilience and defense during periods of significant declines. No representation is made that client portfolios will achieve results similar to those shown, and actual results may differ materially from those shown.

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INVESTMENT OBJECTIVES & STRATEGY

The Ocean Park High Yield Corporate Bond Strategy seeks to produce satisfying long-term returns while limiting downside risk. Returns are created from interest income as well as increases in bond prices. The Strategy diversifies a client's account among at least four (often up to ten) high yield corporate bond mutual funds that are expected to generate returns superior to a simple high yield corporate bond benchmark. Each holding is monitored daily and during declines, a proprietary stop-loss discipline is implemented with the goal of limiting drawdowns. The Strategy will be fully invested when there are many Buy signals and will, at times, be fully in cash when the universe of high yield corporate bond mutual funds are showing Sell signals.

[1]The performance data shown is the performance which was achieved in the Ocean Park High Yield Corporate Bond Program of separate accounts managed in the same way as the Ocean Park High Yield Corporate Bond Strategy. The performance presented is net of an assumed total fee rate of 1.60% annually which is calculated and deducted monthly. U.S. Dollars are the currency used to express performance results.

Since 1/1/1999, the source of the performance data is from a marker SMA account invested in the same way as the Ocean Park High Yield Corporate Bond Strategy and managed by Ocean Park.

The net performance data shown reflects the reinvestment of dividends but will vary from the net results for each client due to different fee arrangements charged by the custodian platform, any brokerage firm involved and the financial adviser. Specific investments in the Strategy may be made at different times and into different holdings.

The performance data does represent the impact that material economic and market factors had on the investment manager's decision-making. The performance shown represents past performance. Past performance does not guarantee future results. All investments involve risk, including loss of principal.

The S&P 500® Index, a registered trademark of McGraw-Hill Co., Inc., is a market-capitalization-weighted index of 500 widely-held common stocks.

The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.

The primary benchmark for the Ocean Park High Yield Corporate Bond Strategy is the ICE Bank of America Merrill Lynch U.S. High Yield Master II Index, which tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market. The secondary benchmark is the Bloomberg Barclays U.S. Aggregate Bond Index, which is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated fixed-rate taxable bond market. One cannot invest directly in an index or category, and unmanaged index or category returns do not reflect any fees, expenses, or sales charges.

Ocean Park Asset Management, Inc. ("Ocean Park") is an SEC registered investment adviser. Registration does not imply a certain level of skill or training. For information pertaining to the registration status of Ocean Park, please call 1-844-727-1813 or refer to the Investment Adviser Public Disclosure website (www.adviserinfo.sec.gov).

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Invest Wisely. Rest Easy.

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