WHAT HAPPENED: THIRD QUARTER 2022

The Federal Reserve (the "Fed") largely downplayed increasingly high levels of inflation in late 2021 and early 2022, signaling markets that the Fed's approach to removing monetary policy accommodation would be gradual and data dependent. Several Fed members even suggested as recently as this spring that the central bank would be able to start reducing interest rates in 2023. Yet, continued high inflation levels forced the Fed to admit in June that they were far behind in curbing inflation. Since then, we have seen three consecutive 75-basis-point increases in the Fed Funds Rate and markets are forecasting year-end rates at or above four percent.

TREASURY YIELDS AND FEDERAL FUNDS RATE

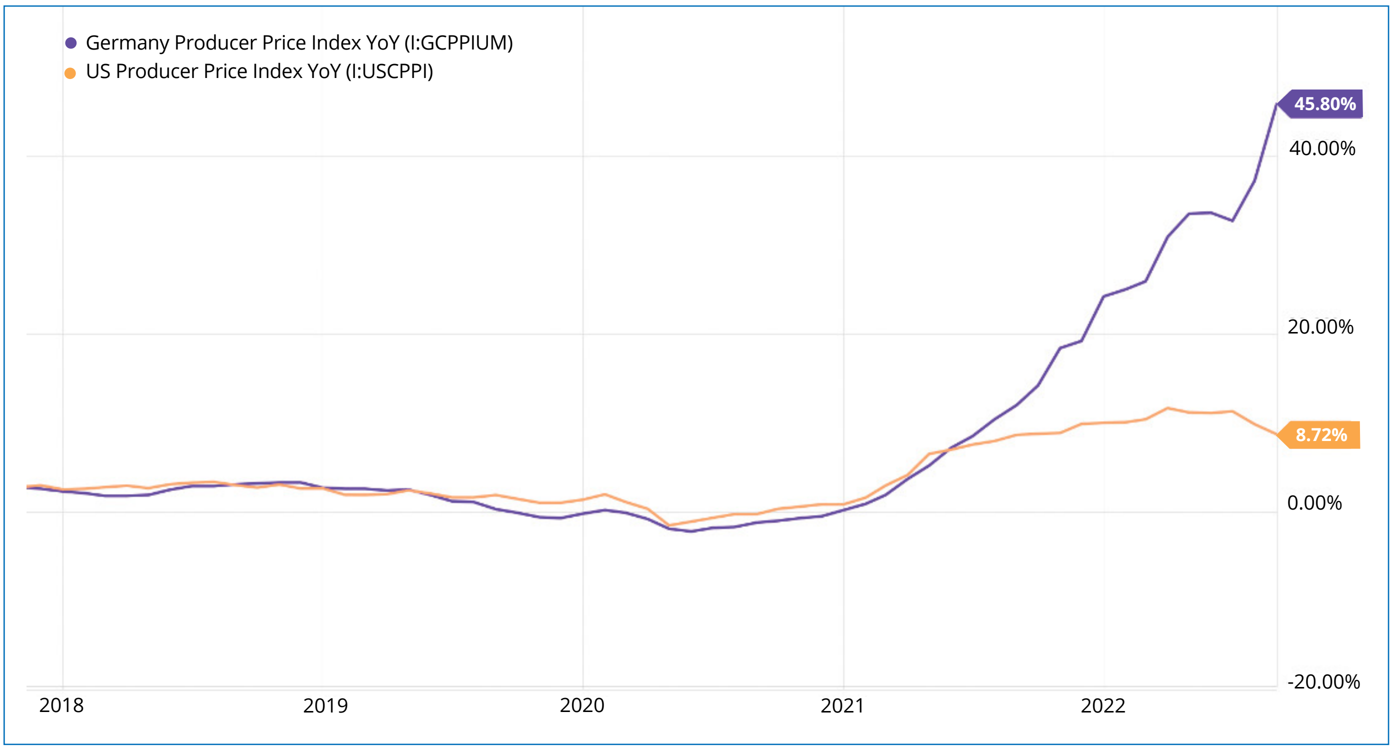
Federal Reserve Economic Database: September 30, 2022

Shortly after the onset of the pandemic, the Fed's aggressive injection of liquidity provided strong support for both the stock and fixed income markets. Unfortunately, the recent sudden reversal of this policy has had the opposite effect. Higher quality fixed income asset classes are often a 'safe haven' when equity markets decline out of fear of an economic growth slowdown. This has not been the case so far this year, as rising inflation has led to a sell-off in Treasury prices. Rising long-term rates have also affected home building, where new residential building permits fell 10% in August month-over-month, according to the U.S. Census Bureau. Current house prices fell in both July and

August according to mortgage data provider Black Knight. The monthly falls in house prices were the largest since 2009.

Uncomfortably high inflation has held back real GDP growth this year, not just in the U.S. but around the globe. And we are actually fortunate compared to some parts of the world.

The chart below shows that the U.S. and Germany had similar, low rates of producer price inflation from 2018 through 2020. Unfortunately, Germany and other European countries have seen runaway producer price inflation since then as energy prices soared. Russia's recent cutbacks on energy deliveries to Germany and other countries has led to a large spike in producer prices. Consumer price inflation in the Eurozone has not jumped as much, at least not yet, but is in line with the most recent U.S. consumer price inflation of about 9%, year-over-year.



YCharts: October 5, 2022

WHAT WE DID: DISCIPLINE MATTERS

Volatility in financial markets remained high in the third quarter as both equities and fixed income asset classes sustained negative returns for the third consecutive quarter.

The current market cycle is different from recent market cycles since high grade bonds have not been a safe harbor, as inflationary pressures led to rising interest rates. In this environment, central banks responded by reducing liquidity and pushing rates higher. In conjunction with raising Fed Funds rates, the Fed has also ended its program of buying longer-term U.S. government-backed bonds under the program known as quantitative easing and begun to allow holdings to mature without reinvestment. This is known as quantitative tightening. The resulting reduction in demand for bonds as well as high inflation have sent longer-term rates soaring, with the 10-year Treasury Note yield recently approaching 4% - the highest level since 2010. Fixed income volatility has also reflected this changing dynamic, as seen by the ICE BofA MOVE Index shown below. Recent implied volatility in U.S. Treasury markets has been the highest since the global financial crisis. Rising rates and widening credit spreads led to negative returns this quarter in almost all fixed income categories.

MOVE Index (Fixed Income Market Volatility)[1]

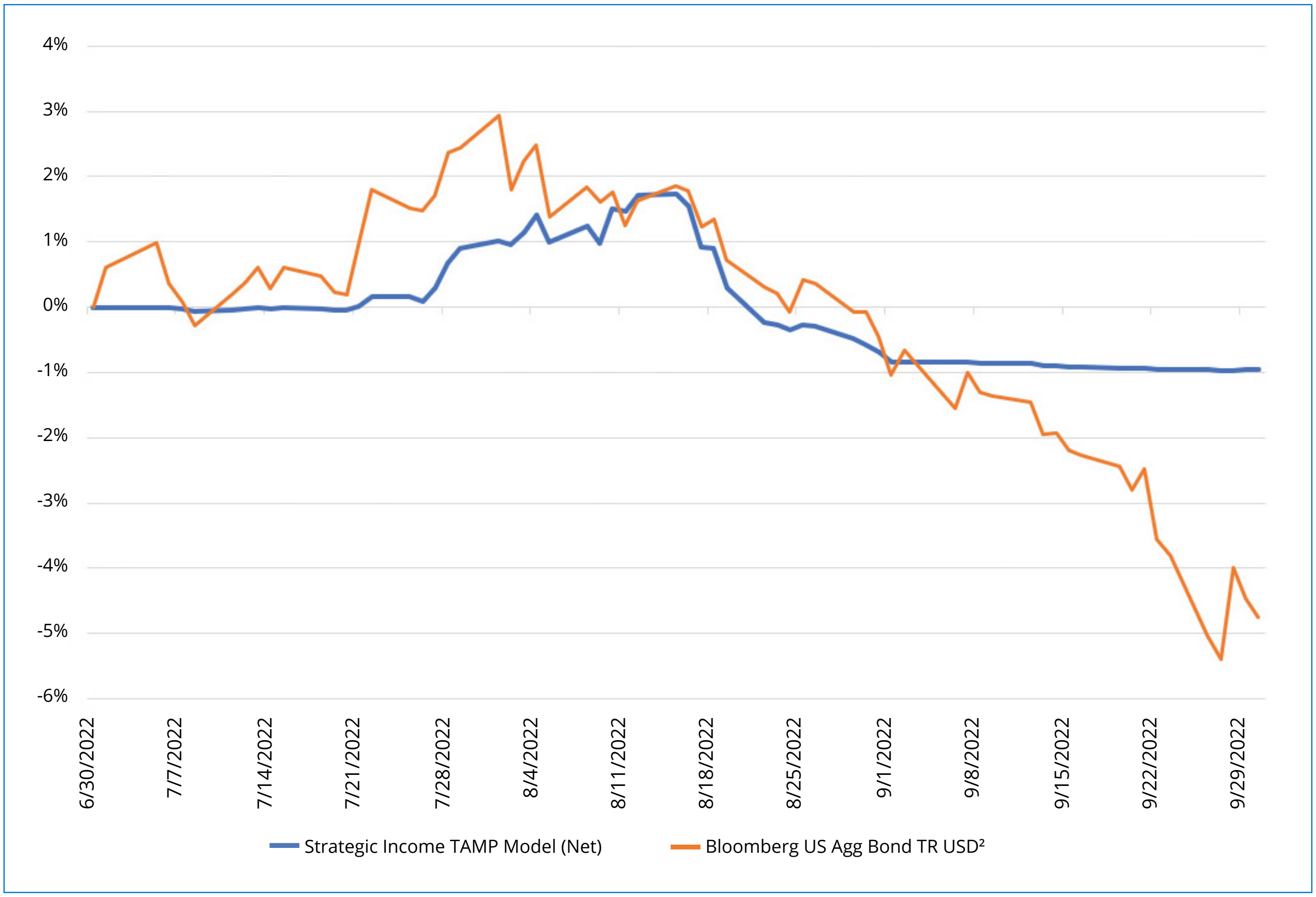
Financial Times: September 30, 2022

Indexes are unmanaged and have been provided for comparison purposes only. No fees or expenses are reflected. You cannot invest directly in an index.

[1]The ICE BofA Merrill Lynch Option Volatility Estimate or "MOVE" Index measures Treasury rate volatility through options pricing.

2022 has been a good test of managers' abilities to mitigate large drawdowns. Ocean Park's process did so in the first half of the year. And it continued to be successful in mitigating losses in the third quarter.

The chart below illustrates the third quarter performance of the Ocean Park ("OP") Strategic Income Strategy versus its benchmark, the Bloomberg U.S. Aggregate Bond Index.



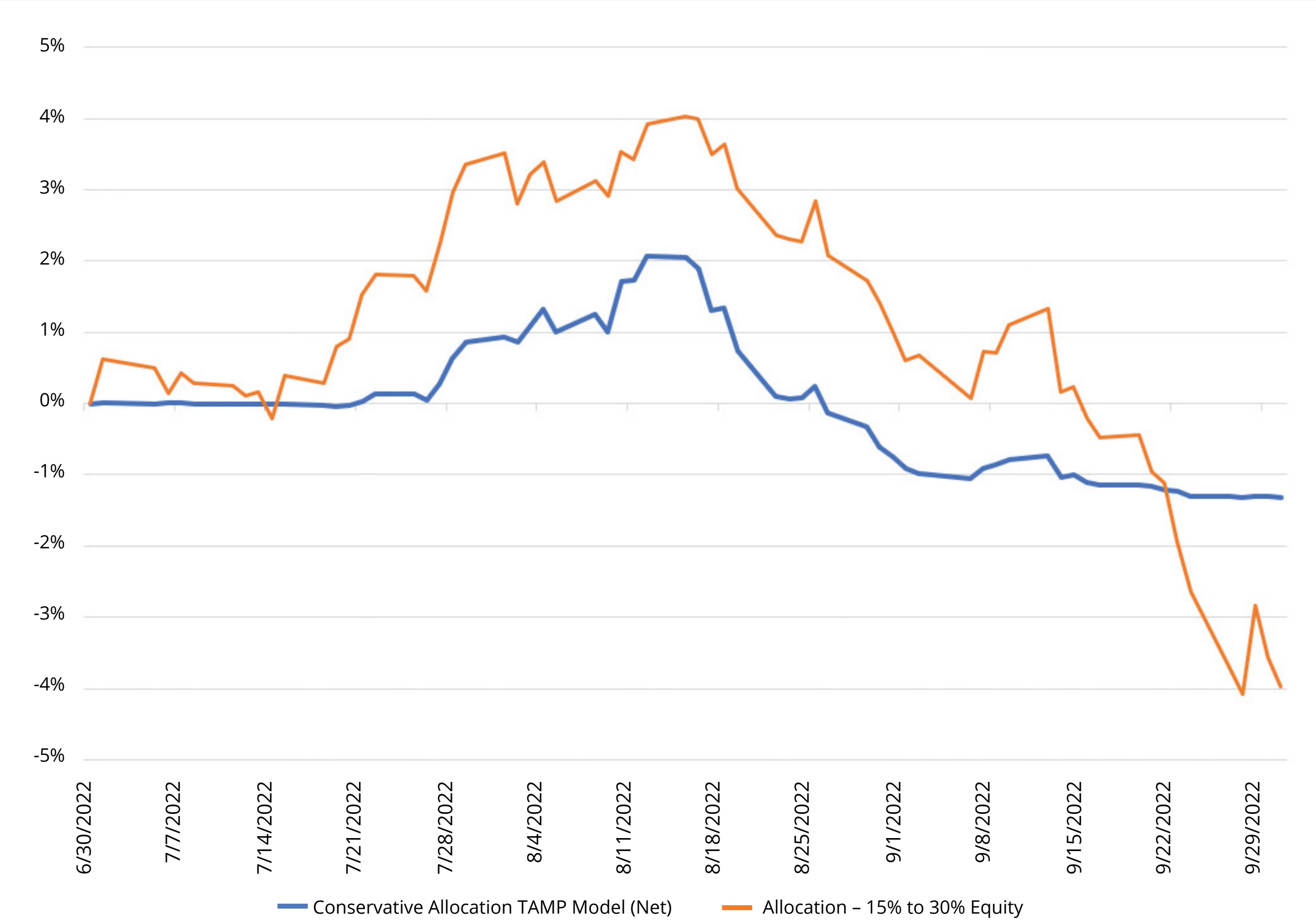
Source: Ocean Park, October 3, 2022

The OP Strategic Income Strategy started the third quarter almost fully in cash. Markets improved in July, as long-term Treasury rates and corporate bond spreads fell. As a result, the Strategy was two-thirds invested by month-end. Buy signals were seen first in municipal bonds, followed by high yield corporate bonds and preferred stock. Volatility returned to some degree again in August. Cash levels in the Strategy moved up during the month as high yield corporate bonds and municipal bonds had new Sell signals. 10-Year Treasury rates approached 4% at the end of the quarter. This pressured fixed income markets. As a result, the OP Strategic Income Strategy was largely de-risked in September, as seen by relatively flat performance throughout the month. This benefited the OP Strategic Income Strategy as it outperformed the primary index, which lost more than four percent in the quarter.

[2] The Bloomberg US Agg Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market.

Representative account is being used for illustrative purposes only.

The chart below illustrates the third quarter performance of the OP Conservative Allocation Strategy versus its benchmark, the Morningstar Allocation—15% to 30% Category.



Allocations are subject to change.

Source: Ocean Park, October 3, 2022

The OP Conservative Allocation Strategy also started the third quarter almost fully in cash. Markets improved in July, as long-term Treasury rates and corporate bond spreads fell. As a result, the OP Conservative Allocation Strategy was two-thirds invested by month-end. Buy signals were seen first in municipal bonds, followed by high yield corporate bonds, domestic equities and preferred stock. Volatility returned to some degree again in August. New Buy signals were seen in international equities and emerging market bonds. But unfortunately, high yield corporate bonds and municipal bonds again had new Sell signals. 10-Year Treasury rates approached 4% at the end of the quarter. This pressured fixed income markets. At the same time, equities fell as well in September. As a result, the OP Conservative Allocation Strategy was largely de-risked in September, as seen by relatively flat performance in the month. This benefited the OP Conservative Allocation Strategy as it outperformed the primary index, which lost four percent in the quarter. The first three quarters of 2022 have been a strong test of managers' ability to mitigate downside losses in volatile, declining markets. As seen in the examples above, Ocean Park's tactical, rules-based process mitigated investment losses during the very difficult investment environment in the third quarter.

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