Q4 2022

Disciplined Risk Management

WHAT HAPPENED: FOURTH QUARTER 2022

Financial markets rebounded in the fourth quarter but remained volatile to some degree. Equity and fixed income markets both rallied in the quarter but closed the year significantly lower after losses in each of the first three quarters of 2022.

The Federal Reserve's (the "Fed") campaign to fight surging inflation has been a focus of markets so far this year as investors have looked for signs of when the Fed will stop raising short-term rates and start to reduce them. For much of the fourth quarter many market forecasters believed that the Fed would start reducing short-term interest rates late in 2023. This view was supported by recent declines in month-over-month inflation, indicating inflation pressure may have peaked.

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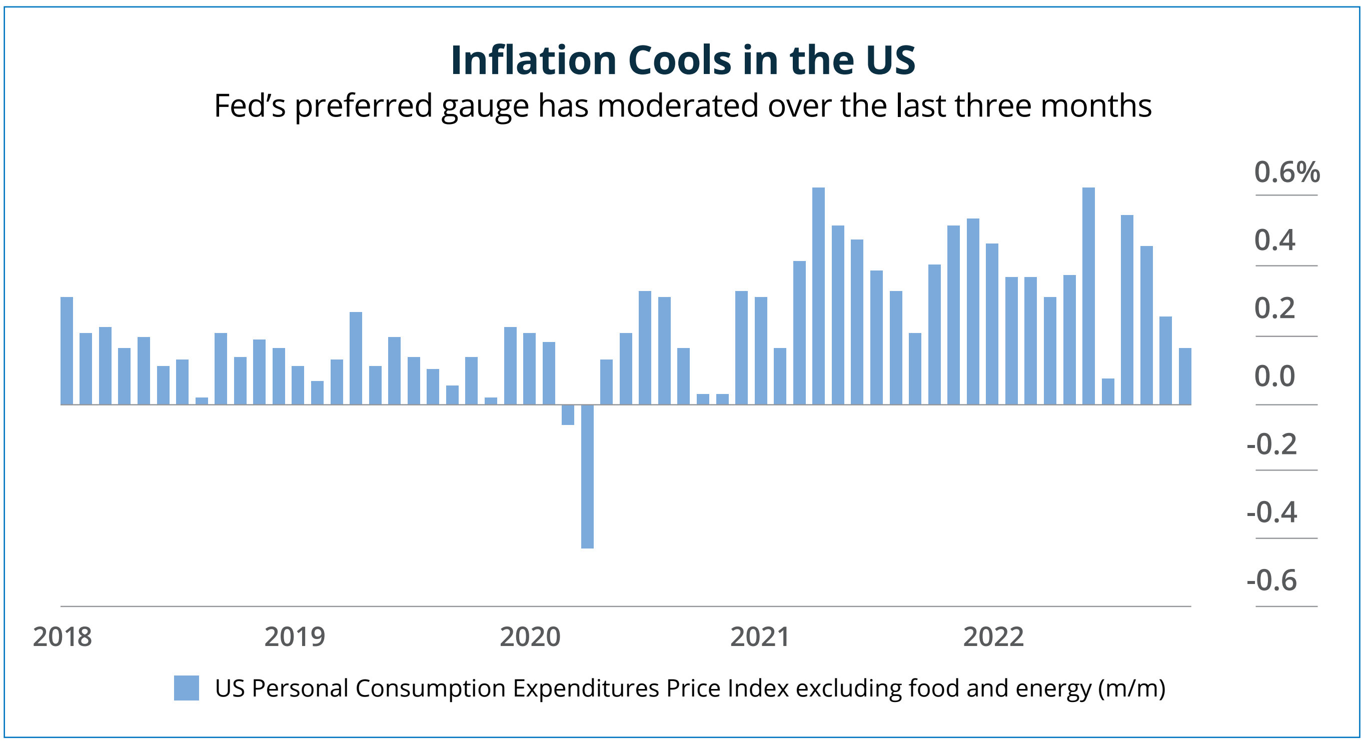
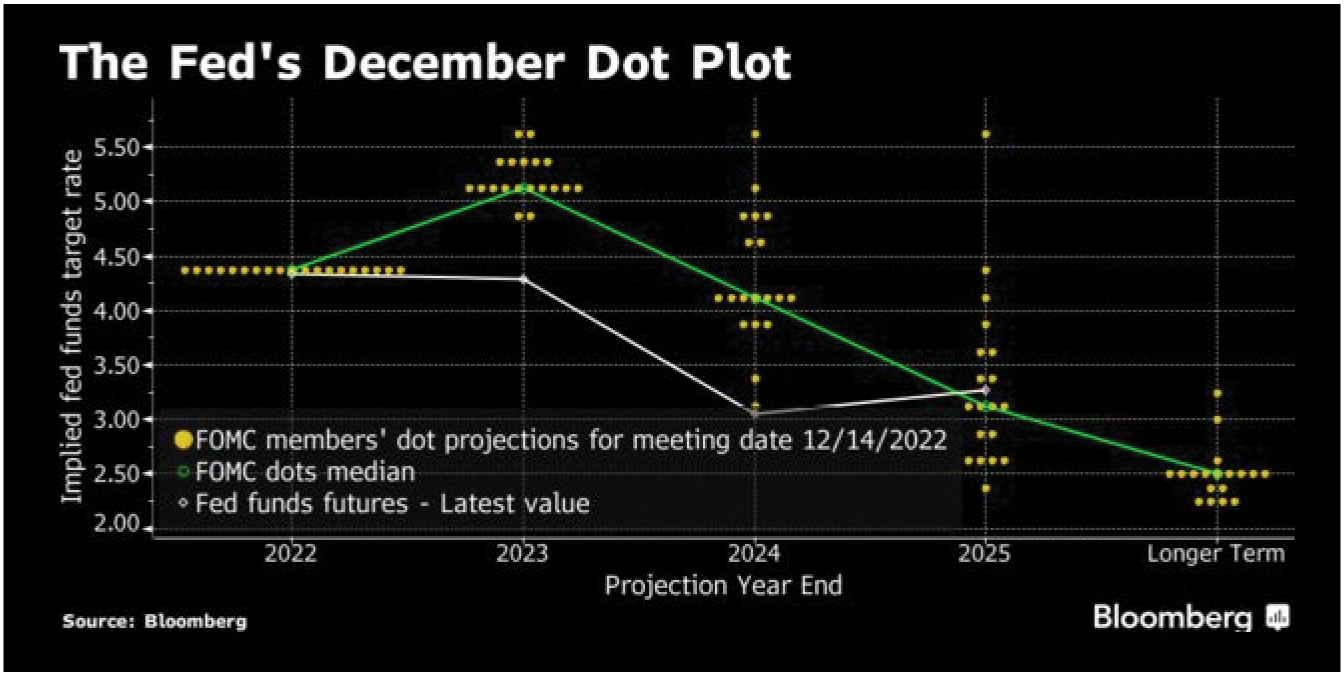


Source: US Department of Commerce , December 2022

Bloomberg

Chairman Powell and the other FOMC members disappointed investors in mid-December with their projection that the Fed Funds rate would peak above 5% and remain there for the duration of 2023.

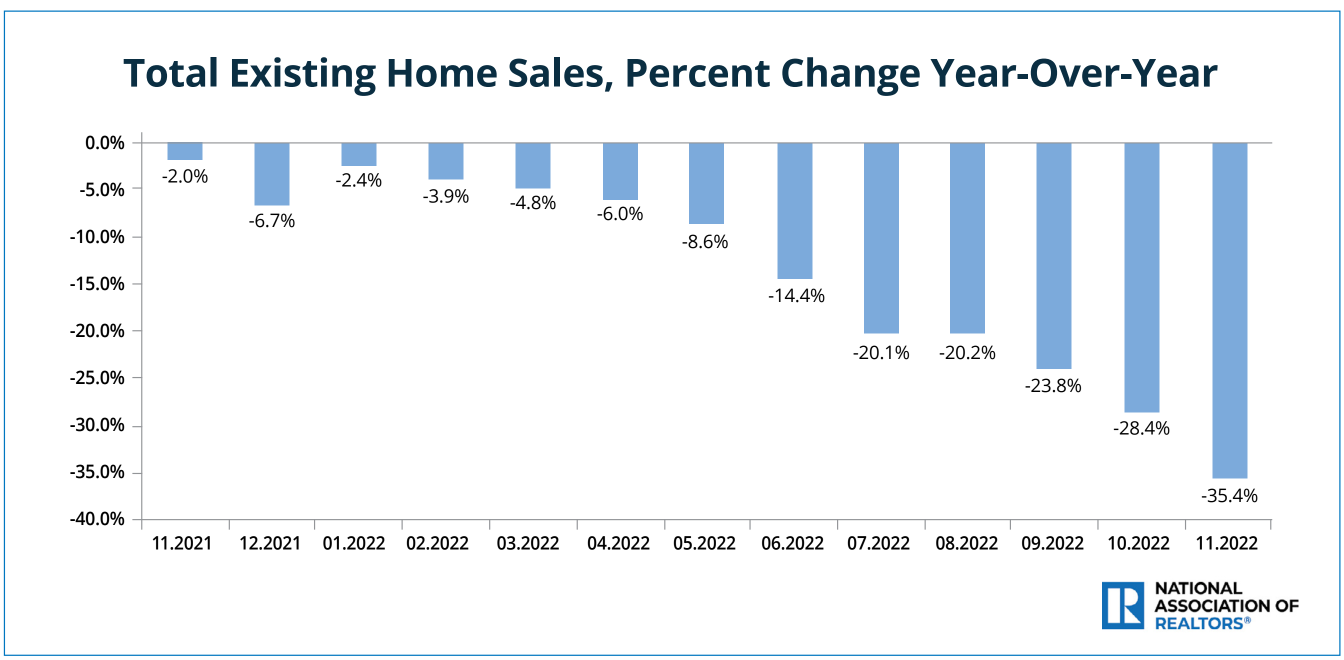
But despite this, investors continue to disagree with the Fed's guidance. This can be seen by the interest rate forecasts of FOMC members, shown in yellow dots, which are much higher at year end 2023 and 2024 than the rates implied by Fed Fund Futures. The futures market continues to price in Fed rate cuts sometime in late 2023.



Source: Federal Reserve, Bloomberg, 1/4/2023

The U.S. economy is still growing and the job market is strong, although mixed. The ADP National Employment Report for December showed that the private sector added 235,000 jobs in December alone. But significant portions of the economy lost jobs in December, including large companies and manufacturing.

Segments of the economy like real estate that are sensitive to interest rates are feeling the most immediate effects of rising rates. According to data from the National Association of Realtors, the number of homes sold each month has been falling year-over-year for the past year. The most recent data shows that more than one-third fewer existing homes sold in November 2022 versus November 2021.

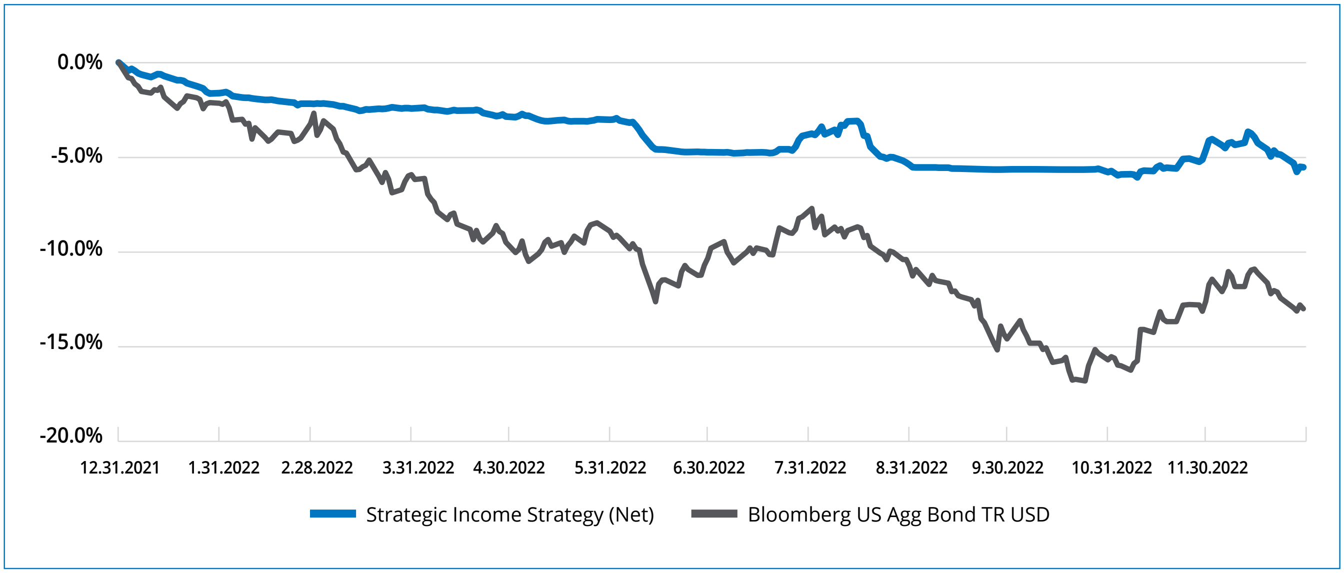


Source: National Association of Realtors, December 2022

NAVIGATING THE FOURTH QUARTER

Volatility in financial markets remained high in the fourth quarter after the first three quarters of 2022 had negative returns for both equities and fixed income.

The chart below illustrates performance of the Ocean Park ("OP") Strategic Income Strategy in 2022 versus its benchmark, the Bloomberg U.S. Aggregate Bond Index.

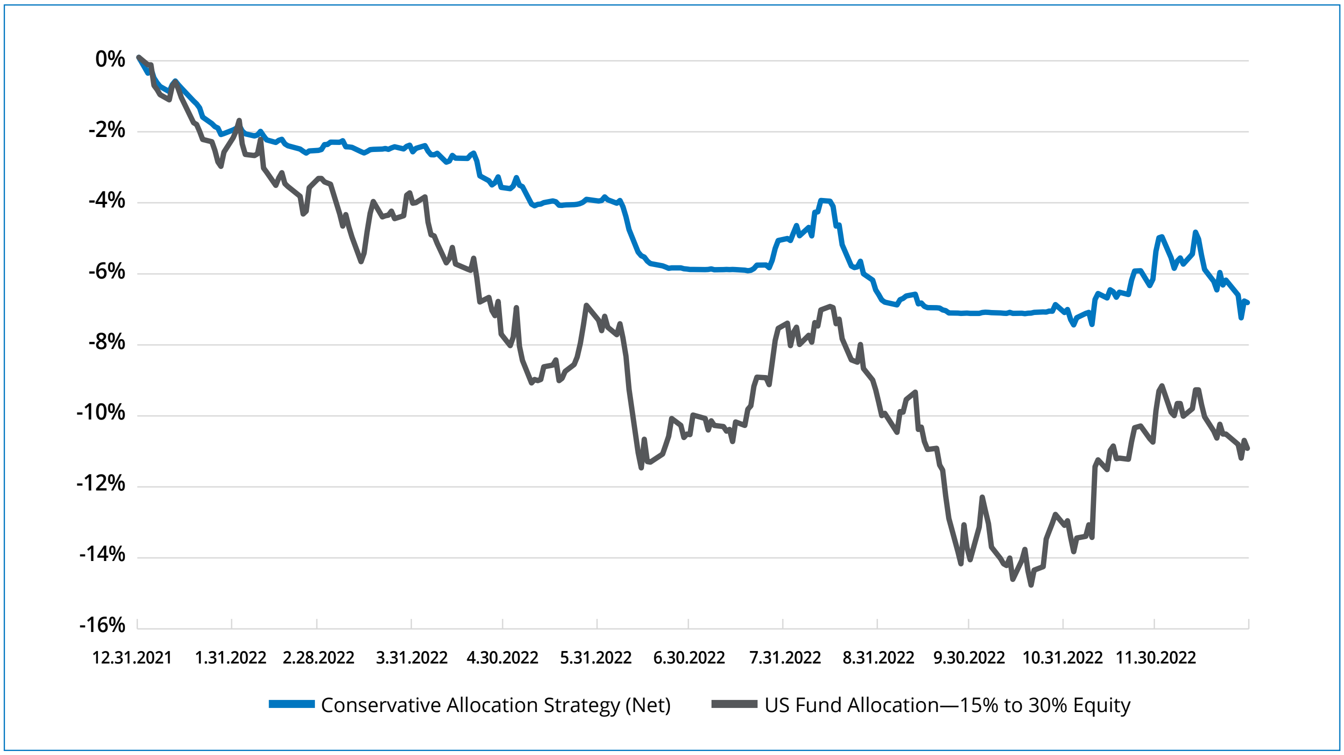


Source: YCharts, January 6, 2023

The OP Strategic Income Strategy started the fourth quarter fully in cash. Markets were difficult in October as long-term interest rates moved higher. But this was partly offset by lower credit spreads over Treasurys, which led to a number of new Buy signals in High Yield Corporate Bonds and a small purchase of Floating Rate Notes. Markets gained strength in November, with the result that the OP Strategic Income Strategy ended the month over 80% invested. The largest allocations were to High Yield Corporate Bonds, Municipal Bonds, Emerging Market Bonds, and Multi-Sector Bonds. Market performance was more volatile in December. The OP Strategic Income Strategy continued to put Cash to work in the first half of December. But long-term rates and corporate credit spreads reversed trend in late in December, moving higher. This led to a number of new Sell signals late in the year.

The OP Strategic Income Strategy significantly outperformed its benchmark in 2022.

The chart below illustrates the performance of the OP Conservative Allocation Strategy in 2022 versus its benchmark, the Morningstar Allocation—15% to 30% Category.



Source: YCharts, January 6, 2023

The OP Conservative Allocation Strategy also started the fourth quarter almost fully in Cash. Markets were difficult in October as long-term interest rates moved higher. But this was partly offset by lower credit spreads over Treasurys, which led to a number of new Buy signals in High Yield Corporate Bonds and Global Equities. Markets continued to improve in November, with the result that the OP Conservative Allocation Strategy was almost fully invested. High Yield Corporate Bonds and Global Equities continued to be the largest investments, accounting for approximately 60% of the Strategy. Municipal Bonds, High Grade US Bonds, and Preferreds were new purchases during November. However, rising long-term rates and credit spreads led to new Sell signals late in the year, particularly in High Quality Bonds and International Bonds.

The OP Conservative Allocation Strategy significantly outperformed its benchmark in 2022.

As we move through 2023 financial markets are likely to continue to be volatile. The Fed's strong focus on reducing inflation through high interest rates and the potential for slower economic growth may challenge financial markets.

Fortunately, Ocean Park has implemented its process consistently for more than thirty years, including periods of downturns, whether they are shallow or deep. We cannot control what will happen in 2023. But what we can control is our investment disciplines, which we will consistently implement in both rising and falling markets.

The **Bloomberg Aggregate Bond Index** is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency). The index does not take into account charges, fees and other expenses, and investors cannot invest directly in an index.

The **Morningstar® US Fund Allocation - 15% to 30% Equity Category** includes income-allocation portfolios that seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. These portfolios tend to hold larger positions in stocks than conservative-allocation portfolios. These portfolios typically have 15% to 30% of assets in equities and the remainder in fixed income and cash.

The currency used to express performance is USD.

Net-of-fee returns are calculated using a model fee of 1.6%. The annual model management fee is applied on a monthly basis, by deducting 1/12th of the model fee from the monthly gross returns. Because clients will have different fee arrangements and specific investments in the strategy may be made at different times, net performance for any individual client will vary from the net performance as stated herein. Returns include the reinvestment of all income.

The source of performance is based on a composite incepted January 2, 2004. A portion of the Conservative Allocation Strategy may be allocated to proprietary mutual funds managed by an affiliate of Ocean Park. As of January 1, 2017, the composite was redefined to include a change in the allocations of the proprietary mutual funds. All metrics are based on quarterly performance

The source of performance is based on a composite incepted on April 1, 2013. A portion of the Strategic Income Strategy may be allocated to proprietary mutual funds managed by an affiliate of Ocean Park.

Past performance is not indicative of future results. All investments involve risk, including loss of principal.

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