

## 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 Investor Behavior:

During the distribution phase, volatility doesn't benefit investors and can have a negative psychological impact, causing them to wonder if they need to change their plan. Additionally, 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 investment discipline, the **Ocean Park Conservative Allocation Strategy** is a broadly diversified portfolio with an expansive track record that prioritizes downside protection and long-term capital appreciation. The Strategy allows you to plan for a smoother ride and grow your nest egg over time.

	ANNUAL WITHDRAWAL	SCENARIO A				SCENARIO B			
		OCEAN PARK CONSERVATIVE ALLOCATION (net of fees) <sup>1</sup>				MORNINGSTAR ALLOCATION 15% TO 30% EQUITY CATEGORY			
		BEGINNING PRINCIPAL	RETURN	YEAR-END VALUE	ENDING PRINCIPAL	BEGINNING PRINCIPAL	RETURN	YEAR-END VALUE	ENDING PRINCIPAL
2004	(\$20,000)	\$500,000	9.88%	\$549,400	\$529,400	\$500,000	5.55%	\$527,750	\$507,750
2005	(\$20,400)	\$529,400	4.52%	\$553,329	\$532,929	\$507,750	2.80%	\$521,967	\$501,567
2006	(\$20,808)	\$532,929	7.13%	\$570,927	\$550,119	\$501,567	6.66%	\$534,971	\$514,163
2007	(\$21,224)	\$550,119	1.03%	\$555,785	\$534,561	\$514,163	4.96%	\$539,666	\$518,442
2008	(\$21,649)	\$534,561	-5.49%	\$505,213	\$483,565	\$518,442	-16.22%	\$434,350	\$412,702
2009	(\$22,082)	\$483,565	30.73%	\$632,164	\$610,083	\$412,702	19.26%	\$492,188	\$470,107
2010	(\$22,523)	\$610,083	7.65%	\$656,754	\$634,231	\$470,107	9.73%	\$515,848	\$493,325
2011	(\$22,974)	\$634,231	1.59%	\$644,315	\$621,341	\$493,325	2.01%	\$503,241	\$480,267
2012	(\$23,433)	\$621,341	6.94%	\$664,462	\$641,029	\$480,267	8.35%	\$520,369	\$496,936
2013	(\$23,902)	\$641,029	-0.77%	\$636,093	\$612,191	\$496,936	4.02%	\$516,913	\$493,011
2014	(\$24,380)	\$612,191	4.30%	\$638,516	\$614,136	\$493,011	3.54%	\$510,463	\$486,084
2015	(\$24,867)	\$614,136	-2.03%	\$601,669	\$576,801	\$486,084	-2.07%	\$476,022	\$451,154
2016	(\$25,365)	\$576,801	4.31%	\$601,661	\$576,297	\$451,154	5.55%	\$476,193	\$450,828
2017	(\$25,872)	\$576,297	5.12%	\$605,803	\$579,931	\$450,828	6.25%	\$479,005	\$453,133
2018	(\$26,390)	\$579,931	-4.47%	\$554,008	\$527,618	\$453,133	-3.14%	\$438,905	\$412,515
2019	(\$26,917)	\$527,618	6.42%	\$561,491	\$534,574	\$412,515	11.20%	\$458,717	\$431,799
2020	(\$27,456)	\$534,574	8.64%	\$580,761	\$553,305	\$431,799	7.29%	\$463,278	\$435,822
2021	(\$28,005)	\$553,305	0.37%	\$555,353	\$527,348	\$435,822	5.04%	\$457,787	\$429,782
2022	(\$28,565)	\$527,348	-6.91%	\$490,908	\$462,343	\$429,782	-10.84%	\$383,194	\$354,629
<b>TOTAL</b>	<b>(\$456,811)</b>				<b>\$462,343</b>				<b>\$354,629</b>

Scenario A Results in 36% More



#### Recommended Action:

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

The table above was created for illustrative purposes only and illustrates a systematic withdrawal program started in 2004. The account began with a \$500,000 investment and a \$20,000 withdrawal in the first year, with 2% annual increases thereafter. No representation is made that client portfolios will achieve results similar to those shown, and actual results may differ materially from those shown.

## INVESTMENT OBJECTIVES & STRATEGY

The Ocean Park Conservative Allocation Strategy has two investment objectives: to provide long-term total return and to limit volatility and downside risk. The Strategy's multi-asset diversification strategy employs unusually broad diversification across asset classes, markets, industries and issuers. A passive "buy and hold" strategy is not employed. As part of an integrated risk-management discipline, the Strategy monitors underlying holdings daily and applies a trailing stop discipline to each holding, based on a proprietary approach, to limit the impact of any sustained decline in a given asset class or holding. The overall asset allocation of the Strategy is not fixed. It can and does change significantly over time, re-allocating the portfolio in response to trend changes in the U.S. and global economy and in various investment markets.

The currency used to express performance is USD.

## DISCLOSURES

<sup>1</sup>Gross-of-fee returns are reduced by trading costs. Returns include the reinvestment of all income. Net-of-fee returns are calculated using a model fee of 1.60%. 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.

The source of performance is based on a composite inceptioned 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 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.

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..

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](http://www.adviserinfo.sec.gov)).

Invest Wisely. Rest Easy.

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