

# HIGH YIELD CORPORATE BOND PROGRAM

AS OF DECEMBER 31, 2023



AFTER FEES

Separate Accounts

## INVESTMENT OBJECTIVES & STRATEGY

The Ocean Park High Yield Corporate Bond Program seeks to produce satisfying long-term returns while limiting downside risk. Returns are created from interest income as well as fluctuations in bond prices. The Program 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 trailing stop discipline is implemented with the goal of limiting drawdowns. The Program 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.

## TOP HOLDINGS

FUND	WEIGHT
Rydex High Yield Strategy H	20.1%
BlackRock High Yield Bond Instl	20.0%
PIMCO High Yield Instl	20.0%
Access Flex High Yield ProFund Inv	15.1%
Payden High Income	13.9%
PIMCO High Yield Spectrum Instl	6.0%
Credit Suisse Strategic Income I	5.0%
<b>Total</b>	<b>100.1%</b>

*Holdings and Asset Allocation are subject to change.*

## ASSET ALLOCATION

■ High Yield Corp. Bonds	100.0%
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*Percentages have been rounded and may not total to 100%.*

† **ICE BofA US High Yield Index** tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one-year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$100 million. In addition, qualifying securities must have risk exposure to countries that are members of the FX-G10, Western Europe or territories of the US and Western Europe. Index constituents are capitalization-weighted based on their current amount outstanding times the market price plus accrued interest.

^ **The Bloomberg US 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.

## QUARTERLY AND ANNUAL RETURNS

	Q1	Q2	Q3	Q4	FULL YEAR			MAXIMUM DRAWDOWN		
	Net	Net	Net	Net	Net	Primary Benchmark†	Secondary Benchmark^	Net	Primary Benchmark†	Secondary Benchmark^
2023	1.31%	0.58%	-0.65%	4.85%	6.15%	13.46%	5.53%	-3.92%	-2.39%	-6.13%
2022	-2.23%	-3.91%	1.02%	0.54%	-4.59%	-11.22%	-13.01%	-6.06%	-14.62%	-15.72%
2021	0.18%	1.89%	0.08%	-1.54%	0.59%	5.36%	-1.54%	-1.70%	-1.20%	-3.37%
2020	-2.26%	1.46%	1.88%	4.09%	5.16%	6.17%	7.51%	-4.59%	-13.13%	-1.30%
2019	4.18%	1.59%	0.85%	1.94%	8.80%	14.41%	8.72%	-1.39%	-1.27%	-0.53%
2018	-0.92%	-0.79%	1.54%	-1.93%	-2.12%	-2.26%	0.01%	-2.52%	-4.67%	-2.38%
2017	0.72%	1.13%	1.14%	-0.55%	2.46%	7.48%	3.54%	-1.22%	-0.27%	-0.55%
2016	1.98%	3.58%	3.84%	0.10%	9.81%	17.49%	2.65%	-0.78%	-1.58%	-3.28%
2015	1.07%	-0.62%	-1.74%	-2.68%	-3.95%	-4.64%	0.55%	-5.83%	-8.38%	-2.15%

## AVERAGE ANNUAL RETURNS

ANNUALIZED RETURNS	QTD	YTD	1 YEAR	PERIODS OVER A YEAR ARE ANNUALIZED				SINCE INCEPTION
				3 YEARS	5 YEARS	10 YEARS	15 YEARS	
High Yield Corporate Bond	4.85%	6.15%	6.15%	0.62%	3.11%	—	—	2.35%
Primary Benchmark†	7.06%	13.46%	13.46%	2.00%	5.21%	—	—	4.74%
Secondary Benchmark^	6.82%	5.53%	5.53%	-3.31%	1.10%	—	—	1.36%

## SENIOR INVESTMENT TEAM



**Kenneth L. Sleeper MBA, PhD**  
Co-Founder, Portfolio Manager  
Started in Industry: 1984



**Ryan Harder, CFA**  
Chief Investment Strategist & Portfolio Manager  
Started in Industry: 1998



**Doug Loeffler, CFA, CAIA**  
Executive VP of Investment Management, Portfolio Manager  
Started in Industry: 1988



**Marshall Quan**  
Lead Portfolio Analyst, Portfolio Manager  
Started in Industry: 1999

## DEFINITIONS

**Trading Stop Discipline (“Discipline”).** This proprietary Discipline has the objective of limiting the magnitude for portfolio drawdowns. The Discipline is based on a manual process that defines sell levels/signals for security holdings in decline, as measured by its price falling below the recent high of its lower band. These are not market orders. Ocean Park utilizes this Discipline directly in the management of non-affiliated holdings. Ocean Park invests in its affiliated Sierra Mutual Funds (“Funds”) and the Discipline is applied at the Underlying Funds level, not on the Funds themselves.

**Standard Deviation** is a statistical concept used in investment management to measure risk for the variability of return of a fund’s performance. A high standard deviation represents greater risk.

**Sharpe Ratio** uses standard deviation to measure a fund’s risk-adjusted returns. The higher a fund’s Sharpe Ratio, the better a fund’s returns have been relative to the risk it has taken on.

**Downside Deviation** is a risk statistic measuring volatility. It is a variation of Standard Deviation that focuses only upon the “bad” volatility.

**Sortino Ratio** is a modification of the Sharpe Ratio that differentiates harmful volatility from general volatility by taking into account the Standard Deviation of negative asset returns, called Downside Deviation.

**Max Drawdown** is an indicator of the risk of a portfolio chosen based on a certain strategy. It measures the largest single drop from peak to bottom in the value of a portfolio (before a new peak is achieved) using month-end data.

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One cannot invest directly in an index or category and unmanaged index or category returns do not reflect any fees, expenses, or sales charges.

The currency used to express performance is USD.

Returns include the reinvestment of all income. Net-of-fee returns are calculated using a model fee of 2.4%. 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 program 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 in January 1, 2015.

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

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)).

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