

It may sound like common sense, or even cliché, but many who were born in the 1930's or 1940's grew up listening to parents discuss the "stock market" as a source of destruction and loss. As a result, those retirees may seek to "fix" their income in a world where the cost of lifestyle sustaining goods increases year after year. The problem is exacerbated in traditional systematic withdrawal programs when retiring at a market top like 1999 and 2007.

The tables below illustrate a systematic withdrawal program started in 1999, which is a market top, where the client begins with a \$500,000 investment and increases withdrawals annually to keep up with the changes in cost of living. This client faces a high risk of exhausting their account balance while they still may have many more years ahead of them.

Because of a time-tested investment process that minimizes the risk of unrecoverable losses, even from a market top, the **Ocean Park Balanced Risk Model** may provide a retiree a very different outcome and experience.

	ANNUAL WITHDRAWAL	OCEAN PARK BALANCED RISK MODEL <i>(net)</i>		MORNINGSTAR ALLOCATION 15-30% EQUITY		100% BLOOMBERG BARCLAYS AGG INDEX		50% S&P 500 INDEX 50% BLOOMBERG BC AGG INDEX		70% S&P 500 INDEX 30% BLOOMBERG BC AGG INDEX		100% S&P 500 Index	
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1999	\$0	10.52%	\$552,600	4.54%	\$522,700	-0.83%	\$495,850	10.11%	\$550,550	14.48%	\$572,400	21.04%	\$605,200
2000	(\$25,000)	12.33%	\$592,653	3.32%	\$514,224	11.63%	\$525,610	1.26%	\$532,172	-2.88%	\$531,635	-9.11%	\$527,344
2001	(\$25,500)	-1.80%	\$556,944	2.30%	\$499,964	8.44%	\$542,319	-1.72%	\$497,957	-5.79%	\$476,830	-11.88%	\$442,225
2002	(\$26,010)	4.86%	\$562,827	3.26%	\$489,405	10.25%	\$569,231	-5.92%	\$444,008	-12.39%	\$394,963	-22.10%	\$324,231
2003	(\$26,530)	28.26%	\$680,044	11.96%	\$518,235	4.10%	\$564,951	16.39%	\$485,902	21.31%	\$446,946	28.68%	\$383,082
2004	(\$27,061)	10.10%	\$718,935	5.41%	\$517,747	4.34%	\$561,235	7.61%	\$493,759	8.92%	\$457,339	10.88%	\$394,756
2005	(\$27,602)	4.86%	\$724,931	2.82%	\$503,967	2.43%	\$546,600	3.67%	\$483,265	4.17%	\$447,657	4.91%	\$385,181
2006	(\$28,154)	7.71%	\$750,499	6.80%	\$508,168	4.33%	\$540,895	10.16%	\$501,351	12.36%	\$471,353	15.79%	\$413,402
2007	(\$28,717)	1.13%	\$729,938	5.05%	\$503,663	6.97%	\$547,877	6.23%	\$502,078	5.94%	\$468,929	5.49%	\$405,804
2008	(\$29,291)	-5.13%	\$664,703	-16.26%	\$397,239	5.24%	\$545,759	-15.88%	\$397,708	-24.33%	\$332,674	-37.00%	\$237,203
2009	(\$29,877)	31.34%	\$833,780	19.19%	\$437,858	5.93%	\$546,473	16.20%	\$427,420	20.30%	\$364,264	26.46%	\$262,184
2010	(\$30,475)	7.84%	\$866,285	9.62%	\$446,573	6.54%	\$549,745	10.80%	\$439,815	12.51%	\$375,546	15.06%	\$266,604
2011	(\$31,084)	1.72%	\$849,566	1.78%	\$422,885	7.84%	\$559,323	4.98%	\$429,085	3.83%	\$357,655	2.11%	\$240,489
2012	(\$31,706)	7.11%	\$876,010	8.34%	\$423,803	4.21%	\$549,830	10.11%	\$437,554	12.47%	\$366,594	16.00%	\$242,189
2013	(\$32,340)	-0.58%	\$838,776	3.95%	\$406,926	-2.02%	\$507,037	15.18%	\$466,726	22.06%	\$407,991	32.39%	\$277,818
2014	(\$32,987)	4.41%	\$841,324	3.38%	\$386,578	5.97%	\$502,350	9.83%	\$476,375	11.37%	\$417,642	13.69%	\$278,349
2015	(\$33,647)	-2.72%	\$785,709	-2.09%	\$345,555	0.55%	\$471,282	0.97%	\$447,023	1.13%	\$388,334	1.38%	\$248,079
2016	(\$34,320)	2.93%	\$773,405	5.67%	\$328,882	2.65%	\$448,541	7.30%	\$442,831	9.17%	\$386,478	11.96%	\$239,325
2017	(\$35,006)	5.61%	\$779,823	6.48%	\$312,919	3.54%	\$428,175	12.69%	\$458,643	16.34%	\$408,902	21.83%	\$248,922
TOTAL	(\$535,308)												

INVESTMENT OBJECTIVES & STRATEGY

The Ocean Park Balanced Risk Model has two investment objectives: to provide long-term total return and to limit volatility and downside risk. The Model'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 Model 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 Model 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 Ocean Park Balanced Risk Model is approximately 50% allocated to mutual funds managed by an affiliate of Ocean Park Asset Management, Inc. Allocations to those mutual funds began on January 1, 2008 and January 1, 2012, respectively.

The performance is presented net of the highest FTJ FundChoice asset based fee of 0.45% annually and an assumed advisory fee of 1.00% annually. Combined, these fees amount to 1.45% annually and are deducted on a monthly basis. 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 stated herein.

The performance quoted herein represents past performance. Past performance does not guarantee future results. Performance history prior to March 1, 2015 represents composite returns of actual accounts using Ocean Park's Conservative Allocation Program managed in the same manner as the Ocean Park Balanced Risk Model. The inception date of the Ocean Park Conservative Allocation Program is January 1, 1995.

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, US dollar-denominated, fixed-rate taxable bond market.

Effective June 30, 2017 the benchmark for the Ocean Park Conservative Allocation strategy has changed to the Morningstar Allocation – 15% to 30% Equity Category, which is comprised of portfolios which seek to provide both income and capital appreciation by investing in multiple asset classes, including stocks, bonds, and cash. These portfolios are dominated by domestic holdings and have equity exposures between 15% and 30%.

Ocean Park Asset Management, Inc. is an SEC registered investment adviser. **Investments employing Ocean Park strategies are NOT insured by the FDIC or by any other Federal Government Agency and MAY result in loss of principal.** For more information, call 1-844-727-1813 or visit oceanparkam.com.

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This material should not be relied upon as investment advice.

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