

# Our Tactical, Rules Based Investment Discipline



Disciplined Risk Management



## Our Core Beliefs Include:

### A Focus on Limiting Drawdowns

In times of high volatility and high emotion, our goal is to help clients avoid portfolio damaging decisions.

### The Importance of a Tactical Approach & Rules-Based Decisions

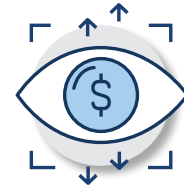
We believe people and portfolios can benefit from the daily, tactical management of assets.

Rules - not predictions nor emotions - drive our investment decisions.

### Diversification plays an important role in Disciplined Risk Management

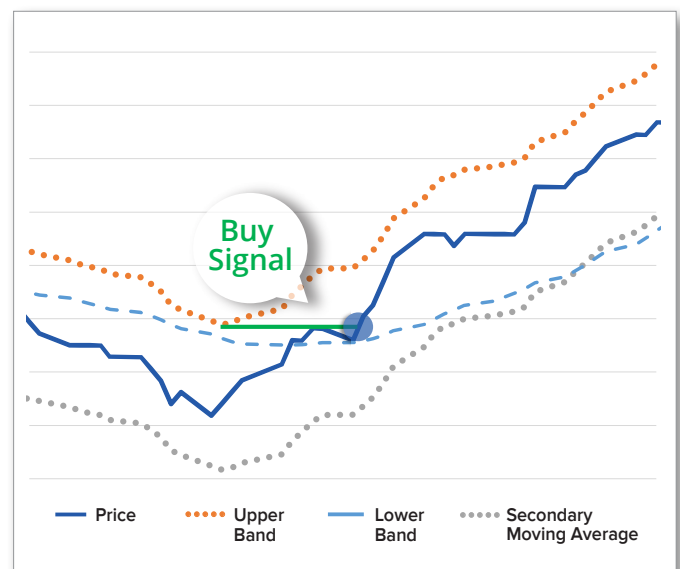
Because we have a tactical, rules-based process, partnering with us can help provide diversity at the position level, allocation / sector level **and at the manager level.**

## WHEN TO BUY



### Trend Following

- We evaluate buying opportunities when our quantitative decision rules identify an uptrend in the price of a security.
- An uptrend is determined by a security's price rising above both the recent low of its upper band and a secondary moving average.
- A security's bands are related to its historic volatility and are offset above and below a short-term exponential moving average.



## WHAT TO BUY



### Security Selection

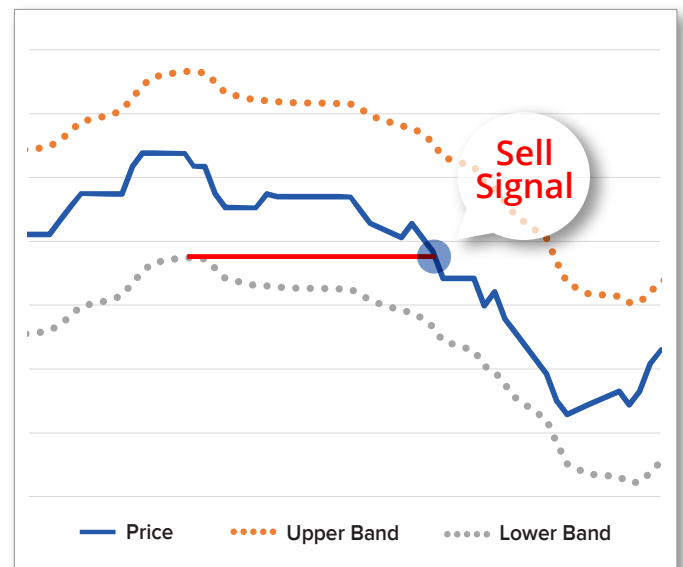
- We seek to buy securities exhibiting strong risk-adjusted returns during a recent uptrend.
- Additional metrics, such as strength of the recent uptrend, historical volatility, and correlation to existing holdings, are considered in portfolio construction.
- If there are multiple securities with buy signals in the same asset class, preference is towards buying securities with better, recent risk-adjusted performance.
- For multi-asset-class portfolios, if there are a number of securities with buy signals across different asset classes, risk and diversification are also considered, with the goal of preventing one asset class from having an outsized impact on the portfolio.

## WHEN TO SELL



### Trailing Stop Discipline

- We will sell a security when our quantitative decision rules identify a downtrend in the price of a security.
- A downtrend is determined by a security's price falling below the recent high of its lower band – an event which triggers a sell signal.
- Our Trailing Stop Discipline seeks to limit the impact of a further decline in value of a security on the overall portfolio.
- Our Trailing Stop Discipline is applied across positions in our managed portfolios and monitored daily.
- When a position is sold, we may keep the proceeds in cash or buy another security.



## DISCLOSURES

**Trailing 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 Ocean Park Mutual Funds (“Funds”) and the Discipline is applied at the underlying funds level of each Fund, not on the Funds themselves. Certain strategies that contain exclusively affiliated holdings will only apply at the underlying holding level of the affiliated funds. Please see our Form ADV Part 2A for information on conflicts of interest that exist as a result of Ocean Park investing in affiliated Funds.

**Cash Exposure.** In the absence of buy signals, and/or temporarily following a sell signal, portfolios can have exposure to 100% cash and cash equivalent asset classes. Because our affiliated Funds utilize the same discipline, the Underlying Holdings of any Fund can also have cash exposure. Cash exposure in Ocean Park portfolios therefore considers both the direct cash exposure as well as the cash exposure within the affiliated Funds.

**Underlying Fund Risk.** Each Underlying Fund is subject to specific risks, depending on its investments. Underlying Funds are also subject to investment advisory fees and other expenses, which are indirectly borne by the Fund. As a result, your overall cost of investing in the underlying stocks, bonds and other basic assets will be higher than the cost of investing directly in them, and may be higher than other mutual funds that invest directly in stocks and bonds.

Past performance does not guarantee future results and there is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses.

**Ocean Park Asset Management, LLC (“Ocean Park”) is a registered investment advisor (“RIA”) regulated by the U.S. Securities and Exchange Commission (“SEC”). The advisory services are only offered in jurisdictions where the RIA is appropriately registered. The use of the term “registered” does not imply any particular level of skill or training and does not imply any approval by the SEC. For information pertaining to the registration status of Ocean Park, please call 1-844-727-1813 or refer to the Investment Advisor Disclosure website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).**

*Investors should carefully consider the investment objectives, risks, charges and expenses of the Ocean Park Mutual Funds and ETFs. Information about the Funds is contained in the prospectuses and should be read carefully before investing. The prospectus can be obtained on our website [oceanparkam.com](http://oceanparkam.com) or by calling toll free 1-866-738-4363 (1-866-RETI-FND). The Ocean Park Mutual Funds and ETFs are distributed by Northern Lights Distributors, LLC, member FINRA/SIPC. Ocean Park Asset Management, LLC is not affiliated with Northern Lights Distributors, LLC.*



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