Experienced investment management

- Over 30 years of independent investment management
- Our time-tested and disciplined investment process
- Better outcomes through experience, consistency, and innovation
A 30-year history of forward-thinking

In the complex world of the financial markets, having an experienced guide can lead to better long-term outcomes.

For over 30 years, Brinker Capital has embraced ideas that shape and refine our commitment to investment excellence. Innovation and early adoption of concepts, ideas, and solutions are the threads that run throughout our 30-year history.

Since 1987, Brinker Capital has embraced an entrepreneurial spirit of looking forward and forging new paths

- **2017** SUB-ADVISED FUNDS
- **2013** GOALS-BASED
- **2003** ALTERNATIVES
- **2003** ACTIVE/PASSIVE
- **1987** MULTI-ASSET CLASS INVESTING
To help investors reach their goals, we empower financial advisors through a set of ideas that define our work. We believe:

- That wealth cannot be created unless capital is invested – and remains invested.
- In a multi-asset class investment philosophy through a mix of growth, stable, and diversifying assets within our portfolios.
- That meaningful portfolio diversification, over time, helps keep investors invested and ultimately, delivers more consistent, risk-adjusted returns.
- In portfolios that are dynamic in nature – strategic allocations with active oversight to take advantage of market opportunities.
Our multi-asset class approach

We categorize assets for portfolio construction based on the outcome we expect them to deliver.

We think that diversified and actively managed portfolios can deliver more consistent risk-adjusted returns, keeping investors invested. Our portfolios are constructed with a mix of growth, stable, and diversifying assets to better enable investors to focus on outcomes.

We align our multi-asset class construct to purposefully meet portfolio objectives.

Asset categorization based on expected outcomes

Differentiated source of return
Varied volatility
Capital appreciation
Higher volatility
Hedge to growth assets
Lower volatility
Income
The opportunity set we consider is broad and continually evolving.

Our investment team identifies opportunities across asset classes and sub-asset classes, based on the purpose they may serve within the portfolio:

• **Domestic and international equity assets**
  Utilized for growth, providing long-term capital appreciation with a higher level of volatility

• **Fixed income assets**
  Provide stability within a portfolio with a lower volatility profile and an income stream

• **Global credit, absolute return, and real assets**
  Provide a differentiated source of return with a varied volatility profile

<table>
<thead>
<tr>
<th><strong>Growth</strong></th>
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<tbody>
<tr>
<td><strong>DOMESTIC EQUITY</strong></td>
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<td>Large cap</td>
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<tr>
<td><strong>INTERNATIONAL EQUITY</strong></td>
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<td>Developed markets</td>
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<td>Small cap</td>
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<th><strong>Stable</strong></th>
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<tr>
<td><strong>FIXED INCOME</strong></td>
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<tr>
<td>Short duration</td>
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<td>Mortgage-backed securities</td>
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<th><strong>Diversifying</strong></th>
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<tr>
<td><strong>GLOBAL CREDIT</strong></td>
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<td>US high yield</td>
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<tr>
<td><strong>ABSOLUTE RETURN</strong></td>
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<td>Long/short credit</td>
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<tr>
<td>Relative value</td>
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<tr>
<td><strong>REAL ASSETS</strong></td>
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<td>Global natural resources</td>
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Portfolio managers seek out cyclical and secular trends, generating alpha through asset allocation. We construct portfolios by allocating a blend of assets with the goal of achieving the stated investment objective.

There is no guarantee that portfolio objectives will be met. See last page for asset class definitions and full disclosure.
Our investment process

We implement our investment approach through a structured process.

Our comprehensive process is overseen by the Investment Committee, consisting of experienced investment professionals, which meets on a regular basis. The group reviews and evaluates the insights of two sub-committees: the Asset Allocation Committee and Manager Research Committee.

These areas all work together to inform Brinker Capital’s investment management decisions.

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**Asset allocation committee**

Sets our strategic asset allocation framework and determines the dynamic asset allocation decisions. The committee establishes the active and passive structure.

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**Manager research committee**

Sets our manager due diligence framework and leverages the research and expertise to guide decision making. The committee reviews performance standards to identify outliers.
Our process is highly collaborative to incorporate the best thinking from several areas.
The Asset Allocation Committee sets the long-term strategic asset class weightings for all of our portfolios. On an ongoing basis, the committee works to identify cyclical secular trends, categorized as short-, intermediate-, and long-term, to generate alpha through asset allocation.

Success is dictated by many wins versus a single decision.

A complete evaluation of positive, neutral, and negative factors is made before risk and allocation decisions are finalized.
Our portfolios feature a dynamic approach to asset allocation.

Our dynamic asset allocation approach complements a long-term, strategic allocation with active asset allocation shifts. The active shifts, which occur within a stated range for each asset class, are based on short- and intermediate-term macro views and enable portfolio managers to take advantage of potential market opportunities and reduce exposure to potential risks, while staying aligned with the portfolio’s objectives. Shifts are made both within a single asset class and across different sub-asset classes and strategies.

Reallocations are dictated by market conditions and our macro view as opposed to a fixed schedule.

**Growth:** *Capital appreciation, higher volatility*

**Stable:** *Hedge to growth assets, provides income, lower volatility*

**Diversifying:** *Differentiated source of return, varying volatility*

Chart source: Brinker Capital. Shown for illustrative purposes only. Hypothetical in nature. Not intended to represent any Brinker Capital investment portfolio.
Manager research and selection

Finding the right investment managers to fill the needs of a portfolio requires a depth of experience and extensive research.

The Manager Research Committee maintains and executes a comprehensive due diligence process to identify the right managers to meet the strategy objectives and add value.

The decision-making process includes:
- Leveraging extensive proprietary research and outside data
- Assessing who and what is important for each portfolio
- Identifying managers who complement each other

Determine new manager needs within the portfolio:
- New asset class or strategy
- Additional depth within an asset class
- Manager replacement
- Specific manager characteristics needed
- Consider relevant managers not found through traditional screens

Advanced due diligence performed on finalists in a manager search:
- On-site visit
- Quantitative attribution and risk decomposition
- Analysis of potential manager combinations
- Manager summary memo
- Manager scorecard

Initial due diligence process includes:
- Introductory call
- Review of firm, team, philosophy, and process
- Historical performance and risk analysis
- Additional factors including fees and strategy flows
- Due diligence questionnaire
A portfolio manager collaborates with all areas of the investment team, including the Asset Allocation and the Manager Research Committees, when a need has been identified within a portfolio. An important part of the process is considering what the portfolio owns already and seeking out managers who complement each other while filling the need.

Brinker Capital remains flexible and opportunistic and looks beyond the published data to find the best manager to fill the needs and objectives of the portfolio.

**Due diligence key considerations**

Before any manager selection decisions are made, the committee assesses who and what is important for the portfolio. Managers who have met the criteria to be considered a top pick will undergo an advanced due diligence process that includes on-site visits from two or more members of the Brinker Capital investment team, including at least one senior member. The team meets with the portfolio managers and the supporting members of their team, such as analysts and risk managers.

This on-site visit enables a more effective assessment of the management team and organizational structure and to determine the key driver of the investment strategy.

One of the key aspects of the Manager Research Committee is making the decision to sell and replace a manager within a portfolio.

Some factors that lead to a sell decision are:

- Performance does not meet established expectations
- Significant investment team or other organizational changes within the strategy
- A change in the strategy's overall investment philosophy
- Assets in the strategy extend beyond desired capacity for the manager
- A decision has been made to discontinue use of the strategy or asset class within the portfolio
Portfolio construction and monitoring

Portfolio management teams consider the recommendations of both committees when making portfolio construction decisions, including:

- **Setting strategic asset allocation**
  Neutral asset class and sub-asset class weightings that correspond to a given portfolio risk level to meet desired outcomes

- **Implementing a dynamic approach**
  Supplement neutral asset class weightings with over/underweights and other tilts that reflect our intermediate-term outlook

- **Selection of strategy**
  Selection and monitoring of complementary active and passive strategies to express asset allocation views and deliver on portfolio objectives

- **Building multi-asset class portfolios**
  Broadly diversified portfolios seek to achieve desired outcomes with greater performance consistency and risk mitigation

As part of the portfolio construction process, we consider investment strategies that are actively as well as passively managed. Utilizing both enables portfolio managers to remain opportunistic and focused on outcomes, rather than strictly adhering to one style or the other.

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<tr>
<th>We may favor active</th>
<th>To benefit from a consistently successful manager</th>
<th>To allocate within a less efficient asset class</th>
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<tbody>
<tr>
<td>We may favor passive</td>
<td>To utilize a lower cost strategy that offers the same objectives as a higher cost active strategy</td>
<td>When a particular nuanced strategy isn't available in an active format</td>
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Ongoing portfolio monitoring is a key part of our process.

The Brinker Capital investment team meets regularly to review the information and recommendations of the two committees and perform dedicated and disciplined investment oversight.

**DAILY**
- Review absolute and relative performance of portfolios and managers
- Evaluate performance attribution
- Review market and economic charts
- Leverage investment research
- Communicate with managers

**MONTHLY**
- Meet to review findings
- Assess drift in major and sub asset class weightings
- Stress test and report on risk

**QUARTERLY**
- Reaffirm market outlook
- Review positioning for potential reallocations
- Assess the need for any new manager searches

**ANNUALLY**
- Perform on-site meetings with all active managers
- Review annual manager questionnaire
- Complete a new manager scorecard
- Assess manager performance relative to expectations
Outcomes matter

We empower financial advisors to help investors experience better outcomes.

Through our experienced investment management, our approach to managing assets, and our time-tested investment process, we strive to deliver better investment outcomes through:

**Experienced investment management**
- Over 30 years of investment expertise
- Independently owned
- Consistent, multi-asset class approach across solutions
- History of time-tested returns

**Investment beliefs and philosophy**
- Wealth cannot be created unless capital is invested - and remains invested
- Diversification through a blend of growth, stable, and diversifying assets
- Dynamic portfolios for consistent, risk-adjusted returns

**Collaborative investment process**
- Asset allocation
- Manager research and selection
- Portfolio construction and monitoring
- Keeping you informed through market outlooks and commentary
We are committed to helping investors meet their goals and achieve better outcomes. Brinker Capital’s core values reflect an authentic culture where everything we do supports the needs of the individuals we serve.

At Brinker Capital, people are at the heart of everything we do.

We are free to identify and partner with the right experts to drive the success of our investors.

We are authentic, accountable, and dedicated to the long-term success of everyone we serve.

Everything we do is in support of improving the lives of our investors, financial advisors, partners, employees, and community.

We have an unwavering commitment to delivering exceptional investment experiences.

We embrace critical questioning and innovation to continually improve our investment solutions, technology, and service.

The views expressed are those of Brinker Capital. For informational purposes only.
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GREAT IDEAS + STRONG DISCIPLINE = BETTER OUTCOMES™