

# Performance Report

Performance Period  
04/18/2017 to 09/30/2019

Your Financial Advisor  
Sample Advisor

Sample Client 123  
Green Street  
Berwyn, PA 12345

Sample Client

## Letter from the Chief Investment Officer

We hope you find our comments and charts on the markets, economy, and portfolio positioning of value. We welcome your feedback and thank you for the trust and confidence you have placed in Brinker Capital.

### A look back

- US/China trade tensions continued to impact markets through the third quarter. The S&P 500 Index (S&P 500) reached an all-time high on July 26 before falling over 5% when the US escalated tariffs and China allowed its currency to depreciate. In late August the index again approached new highs when the Trump administration announced progress was being made in trade negotiations.
- While the S&P 500 ended the quarter up 1.7%, most other major equity indices were down. International developed stocks (MSCI EAFE) were off -1.0% and the MSCI Emerging Markets Index was down -4.1%. Having written that, stocks are still on track for a stellar year, with the S&P 500 up 20.6%, MSCI EAFE up 13.4%, and MSCI Emerging Markets up 6.2%.
- The uncertainty around trade also caused interest rates to decline, and the Bloomberg Barclays Aggregate Bond Index rose 2.3% during the quarter and is now up 6.1% for the year.

### Something to think about

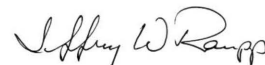
- **Politics and the markets:** Politics has dominated headlines in recent years, at times making it difficult to sort through the noise and make unemotional financial decisions. While our political discourse can cause short-term volatility, it should have little impact on long-term returns. Instead, fundamentals and policy drive market returns, which will be increasingly important to keep in mind as we approach what many expect to be a contentious election cycle.
- **Trade uncertainty:** Business confidence has generally been elevated since the 2016 election, providing a tailwind for risk assets. A fallout of the ongoing trade disputes has been an increased level of uncertainty for businesses, and declining confidence looking forward. While a long-term solution on trade appears unlikely, even an interim agreement should stabilize the environment and encourage business investment.

- **Mixed economic signals:** From a fundamental standpoint, economic signals have been mixed. Manufacturing data has been slowing, and bond yields have fallen sharply, indicating a flight to safety. On the other hand, US unemployment hit a 50-year low and consumer confidence remains high. Any resolution on trade would go a long way toward improving business confidence and increasing investment activity.

### Present positioning

- We continue to believe the weight of the evidence leans positive for risk assets, which is reflected in our Brinker Capital Market Barometer.
- We are overweight risk assets, with a bias toward US equities and emerging market equities.
- Within fixed income, we continue to maintain a short-duration bias, and favor credit risk instead of interest rate risk.

Best regards,



Jeff Raupp, CFA

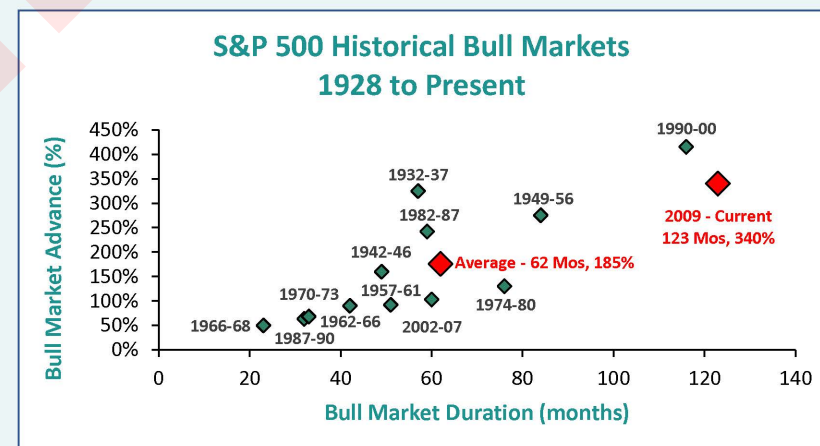
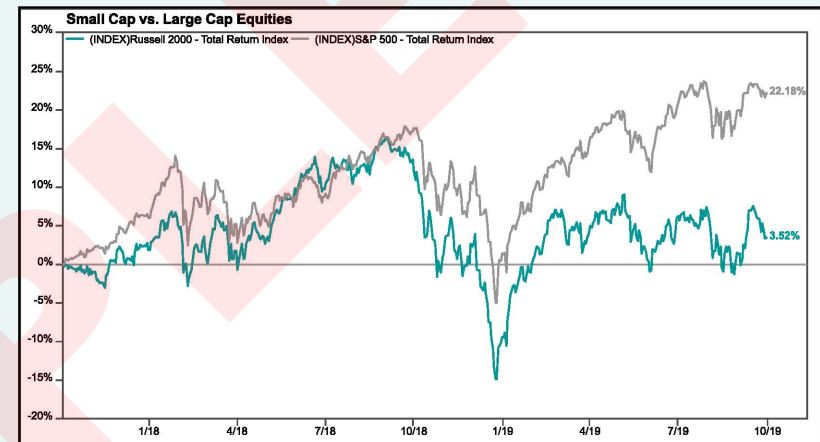
Chief Investment Officer, Brinker Capital

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## Domestic equity outlook

US equities remain attractive relative to global equities

- The divergence between small cap and large cap remains pronounced over the past 12 months.
- The United States is now in the longest economic expansion and longest bull market of all-time.
- Value oriented sectors such as healthcare and energy have lagged, while growth oriented sectors such as IT and consumer discretionary have outperformed.

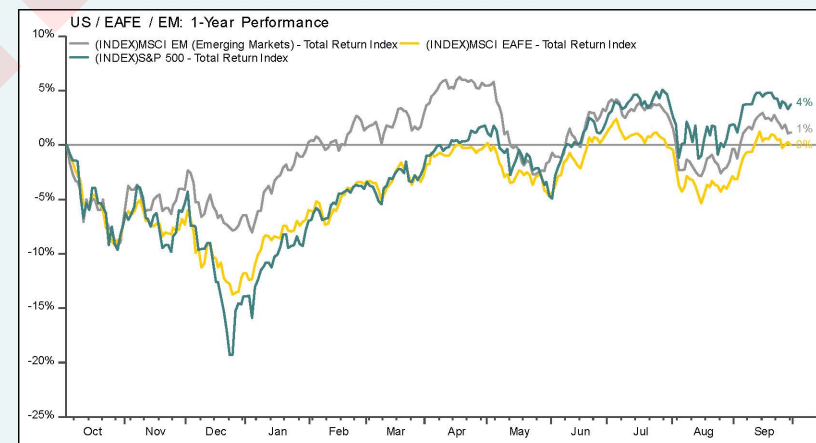
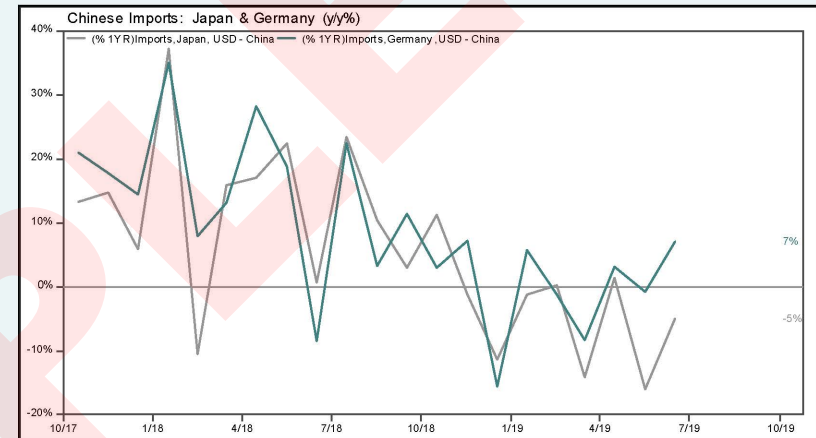


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## International equity outlook

Developed market growth remains sluggish; emerging markets face macroeconomic challenges.

- The US/China trade war has begun to negatively impact export-sensitive economies such as Japan and Germany.
- International equities continue to lag US equities, as slow global growth conditions persist.
- While valuations in developed markets appear to be reasonable, many of these countries currently face significant economic and political obstacles.

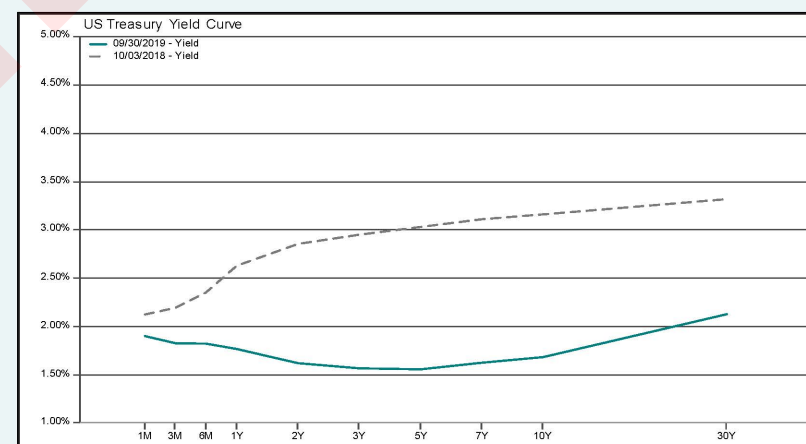
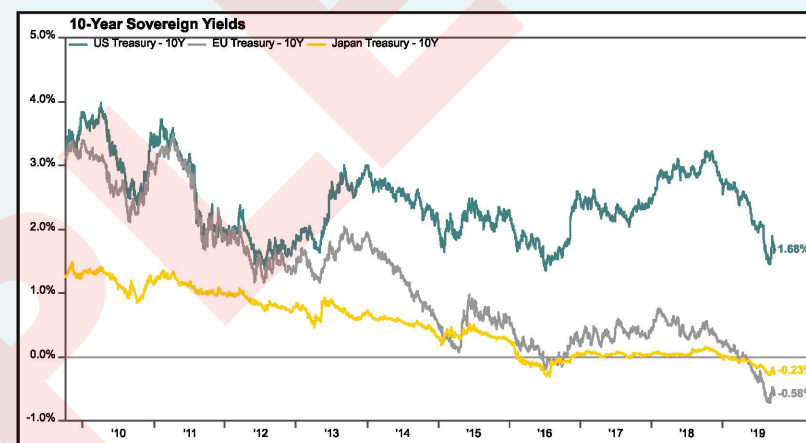


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## Fixed income outlook

Stable assets offer lower volatility at the expense of lower expected returns

- Sovereign bond yields continue to fall toward unprecedented negative levels.
- Duration and credit outperformed in the third quarter, while high-beta sectors such as convertibles and emerging market debt lagged.
- The yield curve is flat to modestly-inverted which has the potential to negatively impact credit and lending.

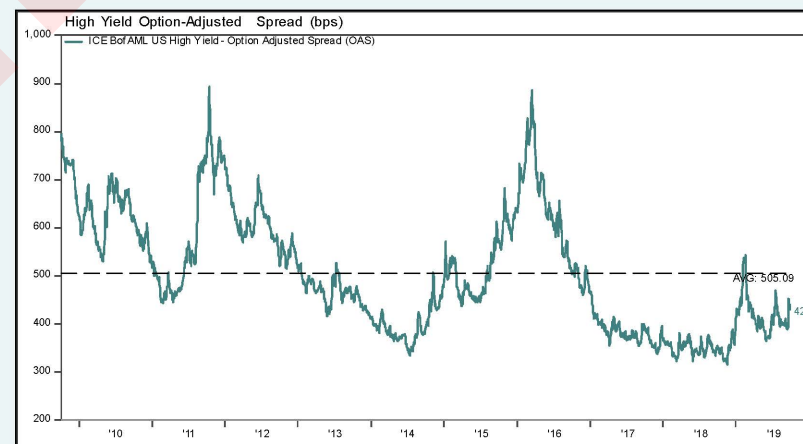
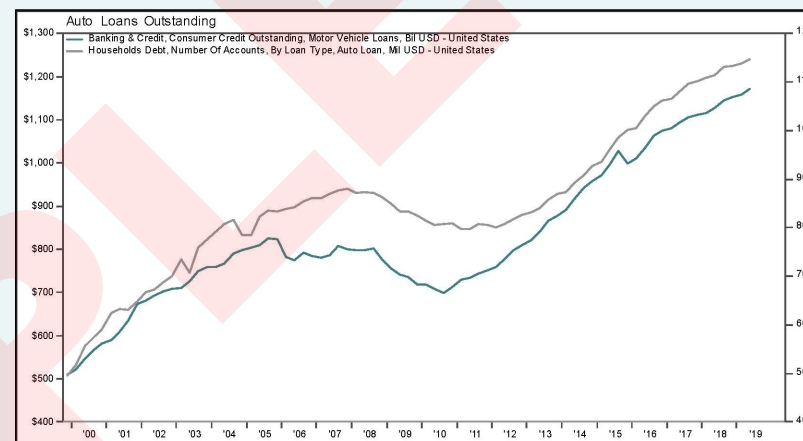


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## Global credit outlook

Global credit offers higher yields and the potential to mitigate interest rate risk

- Low absolute return yields and a solid US economy continue to support an allocation to credit fixed income.
- Credit risk remains well below conditions witnessed during the global financial crisis, but select segments such as auto loans or student debt are concerning.
- After widening in 4Q2018, credit spreads have narrowed and are now beneath long-term averages.



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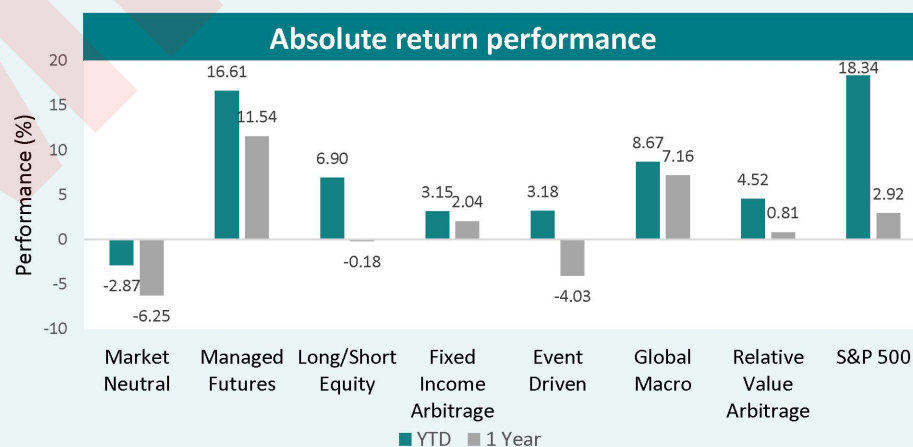
## Absolute return outlook

Absolute return strategies may enhance return/risk profiles

- Alternative strategies have historically provided lower correlation and beta compared to traditional equity.
- A low yield/narrow credit spread environment supports the idea of a diversifying allocation to absolute return.
- Absolute return has the potential to provide stability in more turbulent markets.

Benchmark	Standard deviation (%)	Beta	Correlation
Market Neutral	3.44	0.07	0.24
Managed Futures	10.62	0.16	0.19
Long/Short Equity	6.35	0.44	0.87
Fixed Income Arbitrage	2.26	0.06	0.35
Event Driven	5.65	0.32	0.70
Global Macro	4.16	0.14	0.41
Relative Value Arbitrage	3.90	0.19	0.61
S&P 500 Total Return	12.54	1.00	1.00

10-year annualized risk metrics



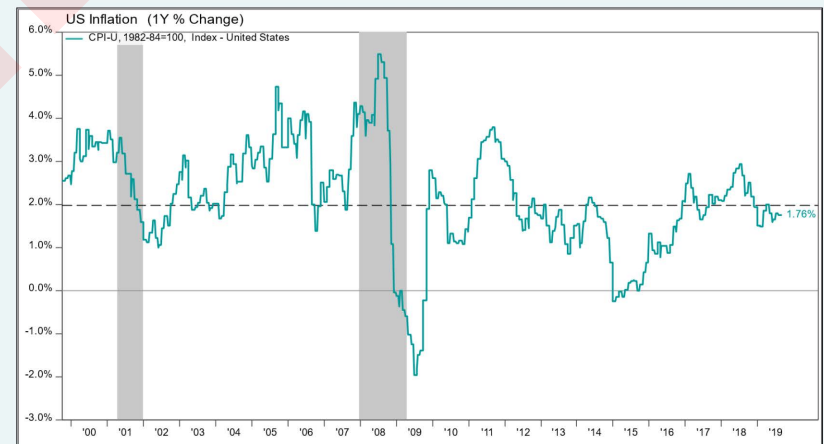
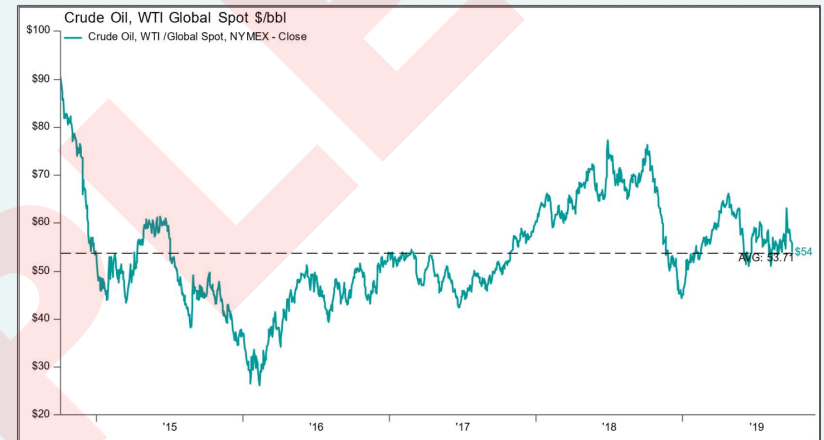
For use with intended audience only. Source: FactSet, as of August 31, 2019.



## Real assets outlook

Real assets offer diversification and protection from unexpected inflation

- Commodities and commodity-related equities have been hampered by oversupplied conditions, a strong US dollar, and deteriorating trade conditions.
- Oil remains oversupplied despite recent disruptions in Saudi Arabia and Iran.
- Inflation remains low, which is adverse to real asset appreciation.



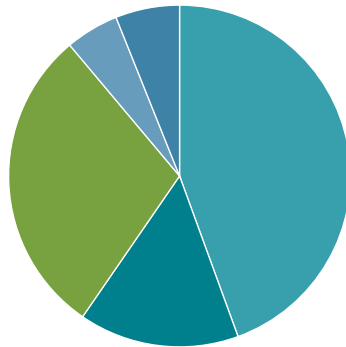
For use with intended audience only. Source: FactSet. Top chart as of September 30, 2019. Bottom chart as of August 31, 2019.



# Account Summary

Performance Period  
04/18/2017 to 09/30/2019

## Asset Allocation - Core Asset Manager



Asset Class	Portfolio %	Market Value
Domestic Equity	44%	\$736,330
International Equity	15%	\$255,898
Fixed Income	29%	\$481,670
Global Credit	5%	\$88,866
Absolute Return	6%	\$94,336

## Account Activity Summary

	Quarter to Date	Year to Date	Since Inception
Beginning Market Value with Accruals	\$1,658,802	\$1,512,775	\$1,528,327
Net Contributions <sup>1</sup>	(5,753)	(25,466)	(97,770)
Change in Market Value	4,049	169,791	226,542
<b>Ending Market Value with Accruals</b>	<b>\$1,657,099</b>	<b>\$1,657,099</b>	<b>\$1,657,099</b>

## Rate of Return (Gross) vs. Industry Benchmarks

	Quarter to Date	Year to Date	Two Year <sup>2</sup>	Since Inception <sup>2</sup>
Your Portfolio	0.24%	11.26%	4.53%	5.96%
S&P 500 Total Return	1.70%	20.55%	10.87%	12.35%
Russell 3000	1.16%	20.09%	10.01%	11.68%
MSCI AC Wld ex US	-1.70%	12.06%	0.76%	5.57%
Barclays Agg. US	2.27%	8.52%	4.38%	4.17%
HFRX Global Hedge Fund	1.61%	5.90%	0.13%	1.24%

<sup>1</sup> Net Contributions include deposits, withdrawals, investment advisory fees, corporate re-orgs and foreign tax withholding.

<sup>2</sup> Annualized for accounts open greater than one year.

# Performance Summary by Strategy

Performance Period  
04/18/2017 to 09/30/2019

		Market Value	Inception Date	Quarter to Date	Year to Date	One Year	Since Inception	% Total Assets
<b>Total Portfolio</b>								
Sample Client		1,657,099	04/18/17	0.24%	11.26%	1.93%	5.96%	100.00%
Investment Manager/ Account Number	Benchmark	Market Value	Inception Date	Quarter to Date	Year to Date	One Year	Since Inception	% Total Assets
<b>Domestic Equity</b>								
Manager 1		\$111,877	04/18/17	1.85%	12.46%	-0.17%	8.70%	6.75%
Manager 2		\$44,729	05/24/18	-9.67%	13.48%	-14.94%	-1.17%	2.70%
Manager 3		\$121,437	04/18/17	4.37%	18.87%	0.94%	5.71%	7.33%
Manager 4		\$31,171	05/24/18	-2.09%	10.18%	-11.90%	-4.64%	1.88%
Manager 5		\$236,805	04/18/17	1.51%	20.06%	3.92%	12.21%	14.29%
Manager 6		\$190,274	07/13/17	0.79%	24.01%	9.96%	15.60%	11.48%
Asset Class Benchmark	Russell 3000			1.16%	20.09%	2.92%	11.68%	
<b>International Equity</b>								
Manager 7		\$70,612	04/18/17	-1.86%	10.04%	3.32%	4.32%	4.26%
Manager 8		\$72,776	04/18/17	-1.46%	11.50%	-1.54%	5.33%	4.39%
Manager 9		\$92,125	04/18/17	-1.72%	13.46%	-1.87%	6.77%	5.56%
Manager 10		\$20,386	04/18/17	-0.55%	22.02%	1.19%	8.62%	1.23%
Asset Class Benchmark	MSCI AC Wld ex US			-1.70%	12.06%	-0.72%	5.57%	
<b>Fixed Income</b>								
Manager 11		\$434,643	04/18/17	1.12%	5.51%	7.29%	3.50%	26.23%
Manager 12		\$29,036	09/27/18	1.57%	5.94%	7.77%	7.79%	1.75%
Manager 13		\$17,991	09/27/18	0.34%	2.64%	2.77%	2.75%	1.09%
Asset Class Benchmark	BofA Merrill Lynch US Municipal			0.75%	4.47%	6.07%	2.84%	
<b>Global Credit</b>								
Manager 14		\$24,685	09/27/18	0.51%	6.35%	6.51%	6.48%	1.49%
Manager 15		\$25,799	09/27/18	3.31%	13.08%	8.02%	7.87%	1.56%

# Performance Summary by Strategy

Performance Period  
04/18/2017 to 09/30/2019

Investment Manager/ Account Number	Benchmark	Market Value	Inception Date	Quarter to Date	Year to Date	One Year	Since Inception	% Total Assets
Manager 16		\$38,381	09/27/18	-0.27%	3.22%	1.60%	1.69%	2.32%
Asset Class Benchmark	Barclays US High Yield Index			1.33%	11.41%	6.36%	5.40%	
<b>Absolute Return</b>								
Manager 17		\$47,460	04/18/17	-0.19%	-1.47%	-3.77%	-0.42%	2.86%
Manager 18		\$46,877	04/18/17	-0.20%	2.35%	5.28%	1.64%	2.83%
Asset Class Benchmark	HFRX Global Hedge Fund USD			1.61%	5.90%	0.01%	1.24%	

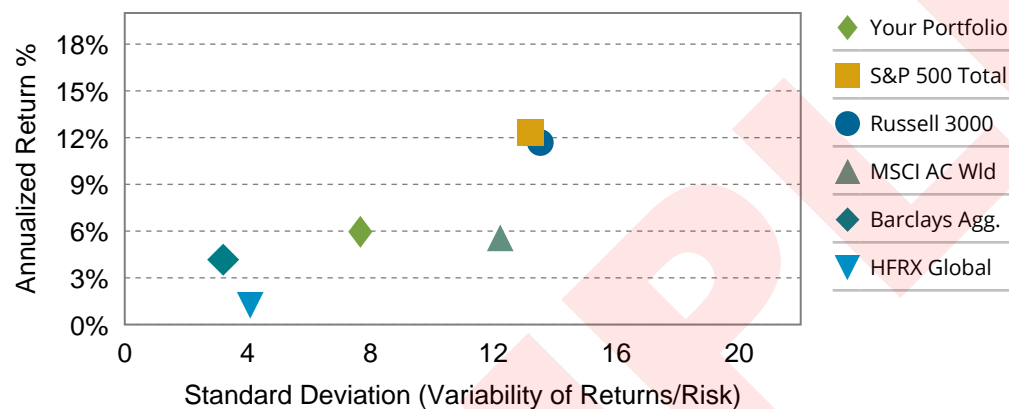
All Returns are Gross of Fees

# Cash Flow Summary

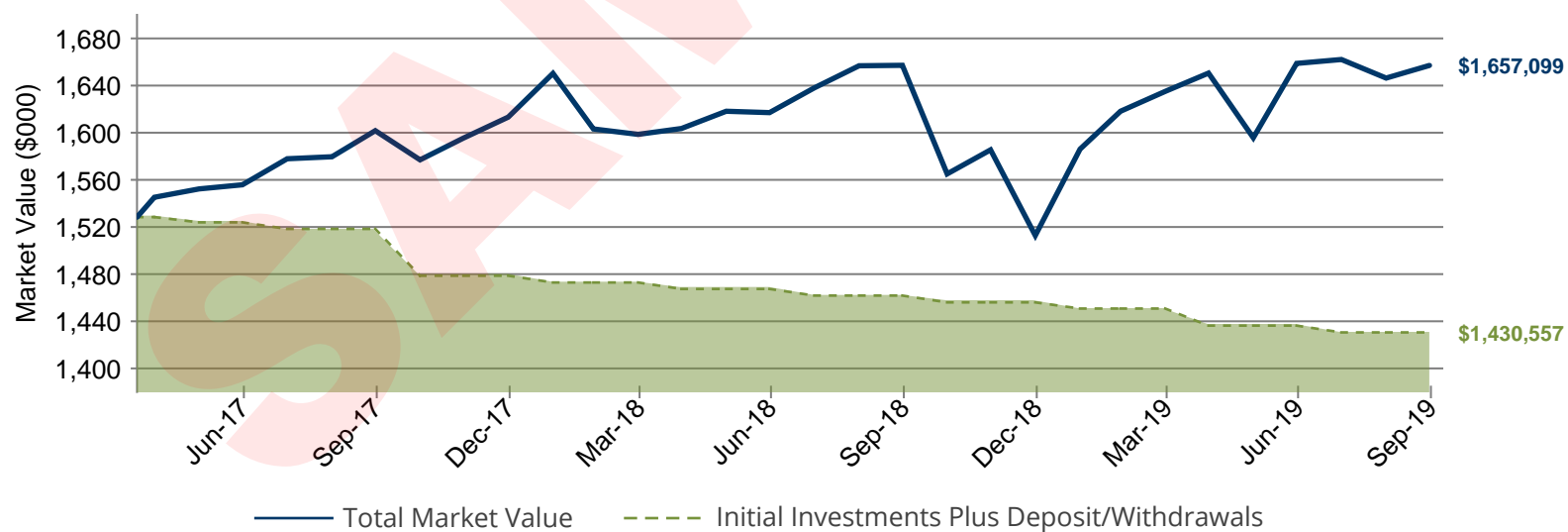
Performance Period  
04/18/2017 to 09/30/2019

Investment Manager / Account Number	Beginning Market Value 07/01/2019	Contributions	Withdrawals	Income/Capital Appreciation	Ending Market Value 09/30/2019
<b>Multi Asset Class</b>					
Wealth Advisory Moderate Tax Managed XXXXX4064	\$1,658,802	\$0	\$5,753	\$4,049	\$1,657,099

## Risk/Return Analysis (Period: 04/18/2017 to 09/30/2019)



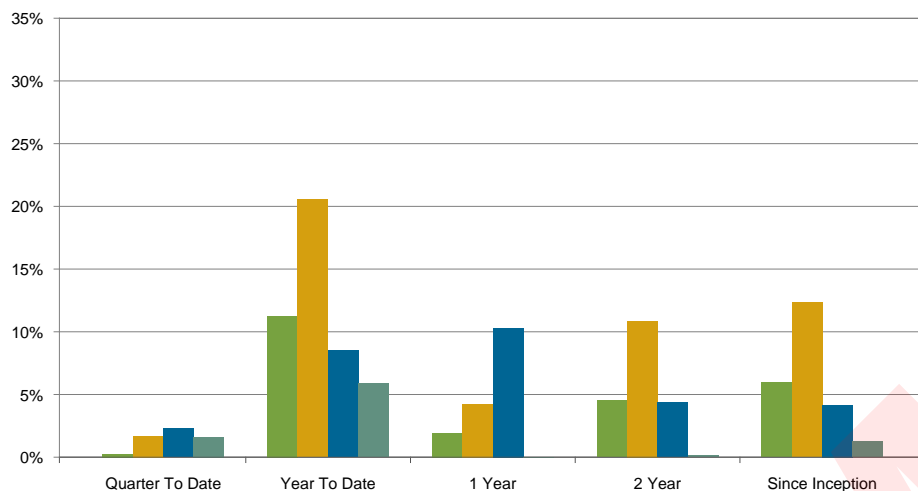
## Investment Earnings and Cash Flows



# Portfolio Performance

Performance Period  
04/18/2017 to 09/30/2019

## Portfolio Performance\* (Trailing-Gross)



	Quarter to Date	Year to Date	1 Year	2 Year	Since Inception
<span style="color: green;">■</span>	0.24%	11.26%	1.93%	4.53%	5.96%
<span style="color: orange;">■</span>	1.70%	20.55%	4.25%	10.87%	12.35%
<span style="color: blue;">■</span>	2.27%	8.52%	10.30%	4.38%	4.17%
<span style="color: grey;">■</span>	1.61%	5.90%	0.01%	0.13%	1.24%
<span style="color: green;">■</span> <b>Your Portfolio</b> <span style="color: orange;">■</span> S&P 500 Total <span style="color: blue;">■</span> Barclays Agg. US <span style="color: grey;">■</span> HFRX Global Hedge					

\*Annualized for periods greater than one year.

## Portfolio Performance (Calendar Year-Gross)



	Year To Date	2018
<span style="color: green;">■</span>	11.26%	-4.91%
<span style="color: orange;">■</span>	20.55%	-4.38%
<span style="color: blue;">■</span>	8.52%	0.01%
<span style="color: grey;">■</span>	5.90%	-6.72%
<span style="color: green;">■</span> <b>Your Portfolio</b> <span style="color: orange;">■</span> S&P 500 Total <span style="color: blue;">■</span> Barclays Agg. US <span style="color: grey;">■</span> HFRX Global Hedge		

**Accrual/Trade Date Accounting:** The custodial statement values are reported on a cash basis, whereas the quarterly report values are reported on an accrual basis. The accrual basis report reflects dividends and interest that may have been declared by a security but not yet paid. In addition, custodial statements are reported on a settlement date basis and do not reflect all executed trades only trades that have posted and settled as of month end.

**Benchmarks:** Benchmark data for indices presented in the quarterly report herein has been obtained from third party sources believed to be reliable, but Brinker Capital makes no representation as to its accuracy or completeness. Benchmark returns are obtained either daily or monthly and are subject to revisions. All mid-month return calculations presented are strictly linear estimations and not necessarily the actual return of the benchmark if data is not available daily.

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**Corrections & Changes:** Your custodial statements are the official records for your account. Please review this report against your statements and notify your financial representative or Brinker Capital of any errors no later than 15 days after receipt. Please note, in addition to the accounting methodology differences, there may be occasional differences in valuation, based on the pricing vendor used by the custodian and the one used by our portfolio management system.

**Commentary:** Information disclosed in the Market Commentary section of the quarterly report is for informational purposes only. All data has been provided from sources deemed to be credible; however, Brinker Capital does not guarantee the accuracy of this information.

**Form ADV:** Go to [www.brinkercapital.com](http://www.brinkercapital.com) for an updated version of Brinker Capital, Inc.'s and any applicable asset managers ADV Part 2. Or submit a written request to Brinker Capital for a free copy of Part 2 of Form ADV for either Brinker Capital or your investment manager. Submit a written request to your financial representative for a free copy of their current Part 2 of Form ADV.

**Graphs:** Certain pages may or may not be available depending on the time period of your investment and/or the Brinker Capital product(s) that have been chosen for your portfolio. When displayed, risk is measured as the standard deviation, variability from the averages of returns for the portfolio, in associated graphs.

**Life Changes:** Contact your financial representative if there have been changes in your financial situation, investment objectives, or if you wish to impose or modify any restrictions to your accounts.

**Net versus Gross of Fee Performance:** Reports are run either gross or net of management fees. Please refer to the chart titles within the report to determine whether the information displayed in this report is Gross or Net of Fees. Net of Fees reports will not include the investment management fee in the Contribution/Withdrawals figure whereas Gross of Fees reports will include the management fee.

**Performance Calculations:** All returns are calculated using a time-weighted return methodology meaning the individual time periods calculated are equally weighted regardless of the dollar amount invested at that time. The appreciation/depreciation figures will display the portfolio's growth in dollars taking into account the timing of the investment of any cash flows. Returns for time periods greater than one year are annualized.

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**Rule 606:** Reports showing an overview of trade routing practices are updated quarterly on our website [www.brinkercapital.com](http://www.brinkercapital.com) under Order Execution Flow. Contact Brinker Capital at 800-333-4573 to receive a free copy of this report.

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**Yield:** Yield represents the portfolio's weighted average 12 Month Yield for the current ETF and mutual fund holdings and the dividend yield for the current stock holdings.