

# RPS Additional Funds

## Manager due diligence

Brinker Capital employs a rigorous due diligence process for selecting and monitoring managers on our platform. Detailed below are the key considerations when selecting, terminating, or placing a strategy on watch.

Selection criteria	Watch criteria	Termination criteria
Portfolio manager tenure and stable investment team	Elevated personnel turnover	Departure of key decision maker
Well defined and repeatable investment process	Investment style drift	Deviation from stated investment process
Attractive risk-adjusted returns	Weak performance relative to their peers and benchmarks:* <ul style="list-style-type: none"> <li>-5% for 12-month (-3% fixed income)</li> <li>-3% for 36 month (-2% fixed income)</li> </ul>	Final qualitative consideration given after six consecutive quarters on watch
Competitive expense ratio	<ul style="list-style-type: none"> <li>-2% for 60 month (-1% fixed income)</li> <li>Sharpe ratio below peer median over trailing five-year period</li> </ul>	Capacity concerns impacting ability to execute strategy
\$50M minimum AUM or three-year track record	<ul style="list-style-type: none"> <li>Batting average below 50% for rolling three-year periods</li> </ul>	Compliance and/or organizational concerns

\*If a strategy has two criteria items from the list provided, it will be placed on watch.