

# Performance Report

Performance Period  
05/02/2003 to 09/30/2020

Financial Advisor

Sample Advisor

Sample Client

123 Main Street

Berwyn, PA 12345

Sample Client

## Letter from the Chief Investment Officer

Dear fellow investor,

First, let me say all of us here at Brinker Capital Investments send our best wishes to you, your families, and friends in this uncertain environment, and we hope you are navigating this difficult period as well as possible. Our thoughts and prayers go out to all those impacted by COVID-19.

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 Investments.

### A look back

- Markets extended the huge gains from the second quarter with a very strong third quarter. The US continued to outperform international markets, with the S&P 500 Index (S&P 500) gaining 8.9% compared to a 4.9% gain for international developed markets. Emerging markets led all geographies with a return of 9.7%. Fixed income was relatively flat, with the Bloomberg Barclays Aggregate returning 0.6%.
- The third quarter saw nascent signs of an economic recovery. High-frequency data became a necessity to gauge how quickly the economy was reopening (or not), as changes in economic activity happened so quickly monthly data was stale by the time it was reported. Data such as Apple Mobility Trends and OpenTable.com Bookings became real-time ways to gauge how the economy was reopening and how consumers were acting. We found that after making significant gains in May and June, activity slowed, remaining below pre-pandemic levels.
- Accommodative fiscal and monetary policy continued to be supportive of the economy. The Federal Reserve signaled monetary policy would remain accommodative for an extended period. The CARES Act was instrumental in essentially providing a bridge loan to those consumers and businesses impacted by the shutdown. As we move into the fourth quarter, Congress is discussing the nature of an additional stimulus package. The size, scope, and timing of this will be important to watch in the coming weeks and months.

### Something to think about

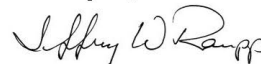
- **Policy, not politics:** Election day is right around the corner, and politics will likely dominate headlines up to and through November. Investors must take care not to allow the emotions of politics to drive their investment decisions. Markets care about policy, not the political back-and-forth occurring daily. While we expect markets to be volatile during election season, we'll be more focused on where we think policy will potentially change, particularly regarding taxes and fiscal policy.

- **Pent up demand:** Since 1985, the US Personal Saving Rate has ranged between roughly 3% and 10%. Pandemic related lockdowns and uncertain economic prospects caused that to skyrocket, peaking at over 33% in April. While the number has come down substantially with the gradual reopening, August's reading was still over 14%. As a result, Consumer Net Worth has already recovered to its pre-pandemic trend level. When the US consumer feels comfortable from a health perspective, we should see a powerful increase in demand (Source: St. Louis Fed).
- **Saving the best for last:** The fourth quarter has historically been the best quarter from a market perspective, producing a positive return nearly 80% of the time since 1950, compared to a little over 60% positive for each of the other three quarters. Presidential election years follow that pattern, with a positive return just over 80% of the time (Source: Strategas).

### Present positioning

- We expect continued volatility in the near term as the election and pandemic continues to dominate headlines. Looking through the volatility, we expect markets' direction to be upward as the economy continues to reopen.
- We are slightly overweight risk assets; within equities, we are overweight the US and biased toward growth stocks.
- We continue to emphasize active management and focus on areas like fixed income credit that continue to be undervalued.

Best regards,



Jeff Raupp, CFA

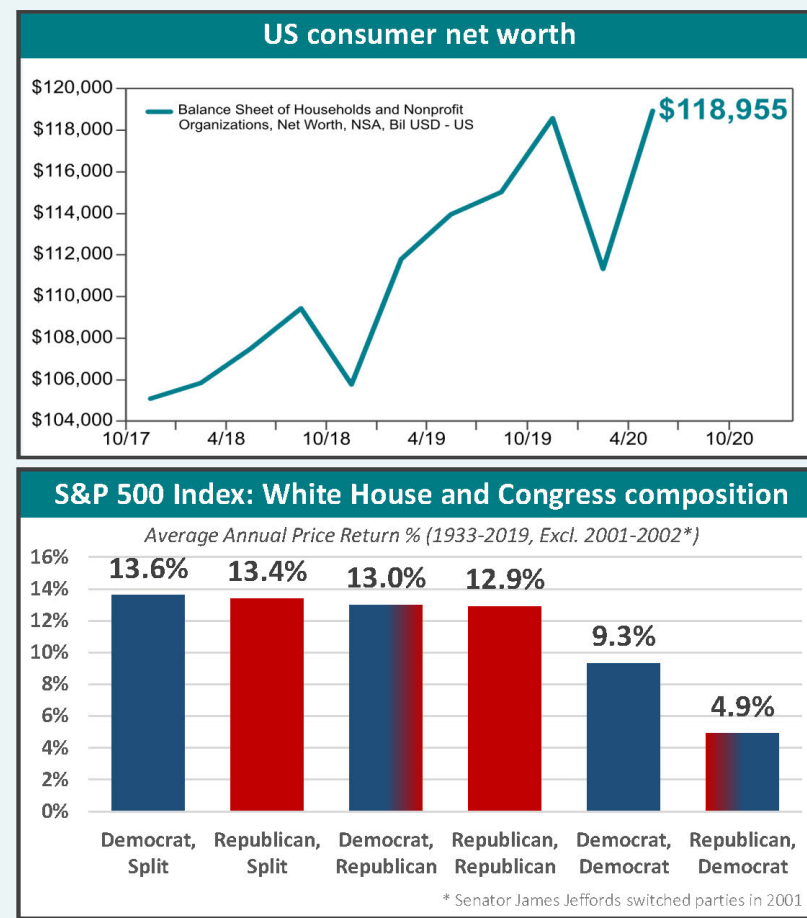
Chief Investment Officer, Brinker Capital

Views expressed are those of Brinker Capital. For use with existing investors. Brinker Capital Investments, LLC, a registered investment advisor.

## Growth: Domestic equity outlook

Recovering American economy underpins positive outlook for US stocks

- The US consumer has been resilient despite many headwinds in 2020. An increase in home prices and saving rates have buoyed consumer balance sheets.
- Fiscal policy is now in focus as we approach the election on 11/3. History confirms the market can perform well under both parties.
- The market has rallied nearly 52% since its low on March 23.

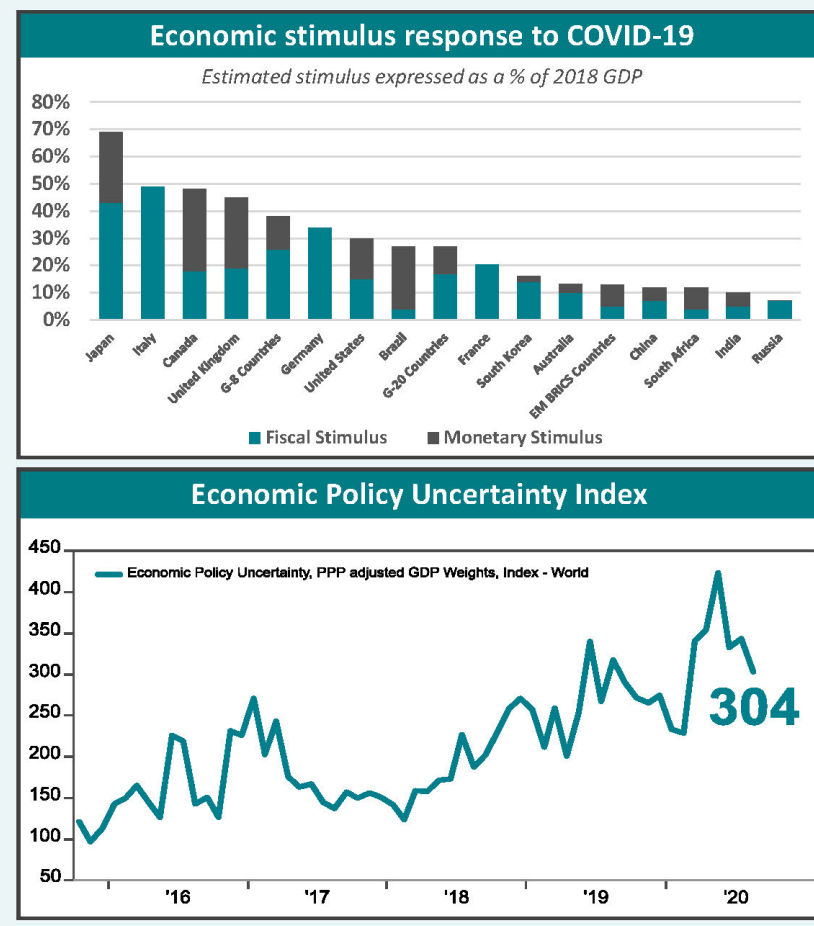


Index definitions: S&P 500 Index - Widely regarded as the best single gauge of large cap US equities. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. One cannot invest directly in an index. For use with intended audience only. Source: Top, FactSet, as of June 30, 2020, Bottom, Strategas, FactSet.

## Growth: International equity outlook

Strong headwinds and tailwinds create a mixed outlook for international stocks

- Global stimulus efforts have been unprecedented, especially in developed markets.
- COVID-19 has caused an increase in macroeconomic uncertainty.
- Headwinds for the US dollar, such as the expansion of federal debt, could create a tailwind for international equities.



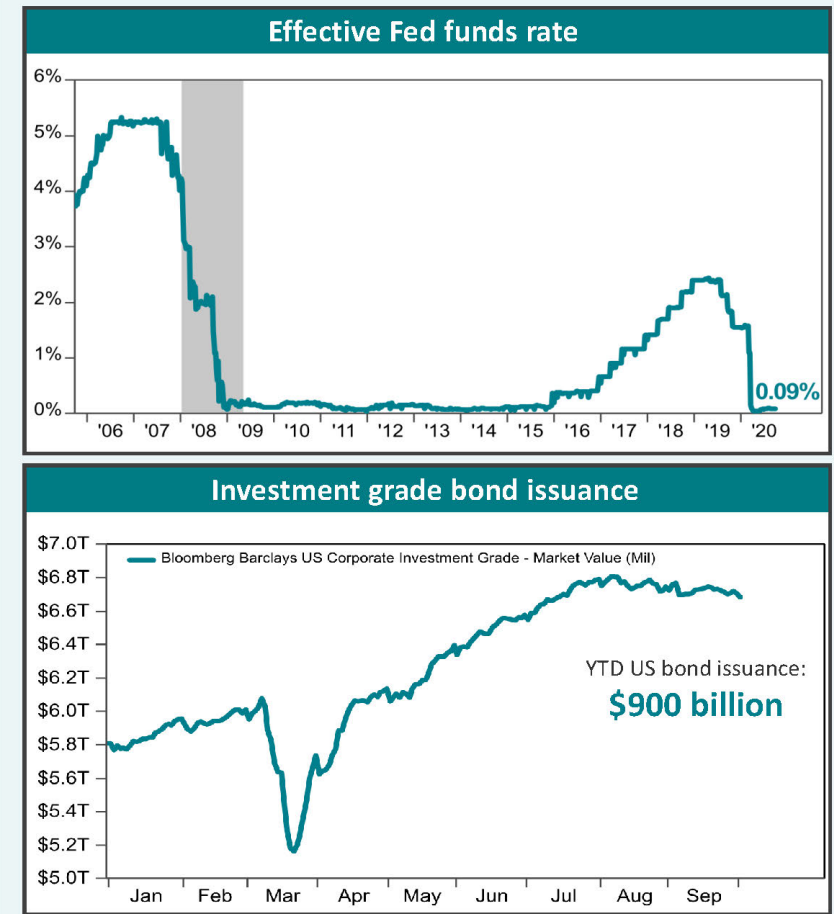
For use with intended audience only. Source: Top, Overseas Development Institute, Gates Foundation, as of August 12, 2020 (GDP (\$) and population data are 2018 values from the World Development Indicators database), Bottom, FactSet as of September 30, 2020.

## Stable: Fixed income outlook

Stable assets offer lower volatility and provide a natural hedge to equity exposure

- The Federal Reserve remains committed in support of the economic recovery.
- Bond markets are functioning; liquidity has improved, and trades are clearing.
- Bond purchases by the Federal Reserve, and low interest rates, have created a surge in investment-grade issuance.

Index definitions: Bloomberg Barclays US Corporate Investment Grade Index - A broad-based benchmark that measures the investment-grade, fixed-rate, taxable corporate bond market. One cannot invest directly in an index.



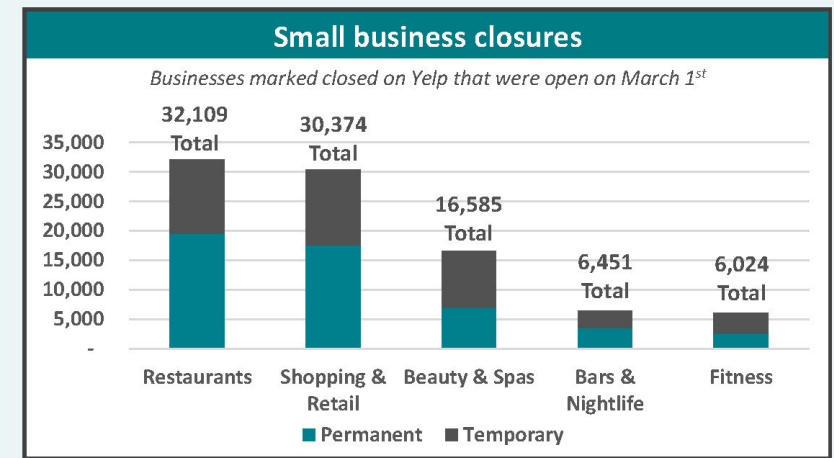
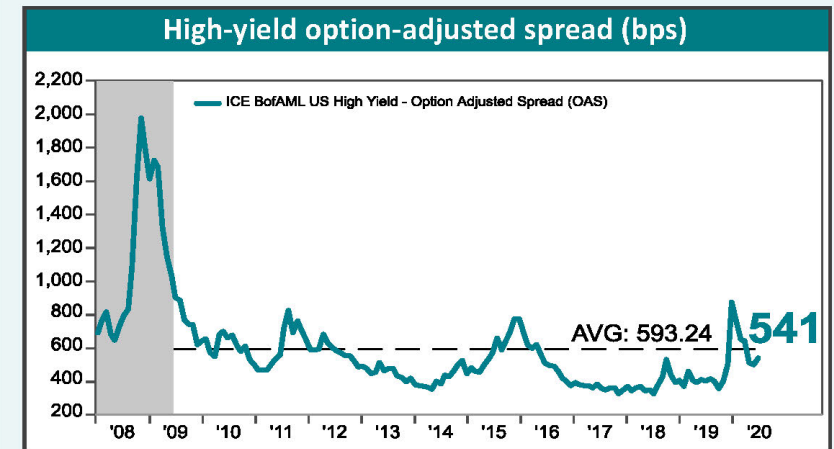
For use with intended audience only. Source: FactSet, as of 9/30/2020. Bond issuance is calculated by subtracting bond market value on 1/1 (\$5.8T), from 9/30 total (\$6.7T)

## Diversifying: Global credit outlook

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

- High-yield bond spreads widened steeply in March but have since contracted following the market's rally and support from the Federal Reserve.
- A large number of businesses have closed, which weighed on yields and defaults in the first half of the year. However, in the third quarter, the pace of small business closures began to decelerate as the economy pivoted toward a recovery.
- Credit quality remains at risk, as ratings agencies grapple with a spike in new bond issuance and business closures.

Option-adjusted spread (OAS) is the yield spread which has to be added to a benchmark yield curve to discount a security's payments to match its market price, using a dynamic pricing model that accounts for embedded options. Index definition: ICE BofA US High Yield tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market. One cannot invest directly in an index.



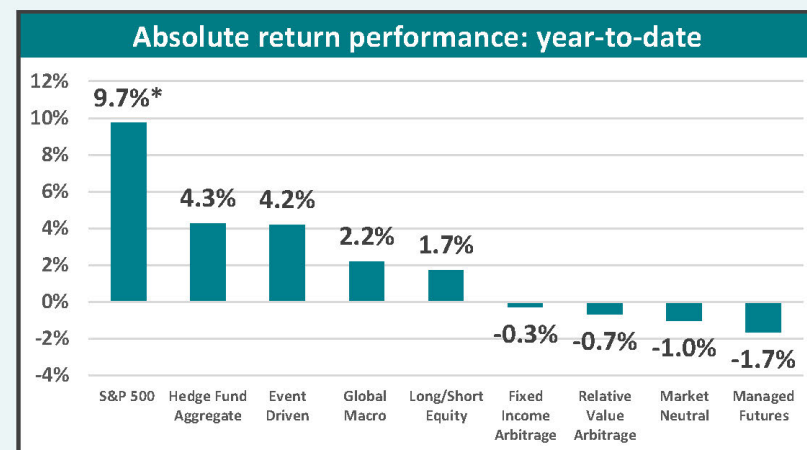
For use with intended audience only. Source: Top, FactSet, as of 9/30/2020, Bottom, Yelp as of 9/30/2020, total business closures on Yelp totaled 163,735 on 9/30, compared to 126,076 on July 10<sup>th</sup>.

## Diversifying: 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 environment and increased volatility support the idea of a diversifying allocation to absolute return.
- Absolute return has provided relative stability through a turbulent market in 2020.

Index definition: S&P 500 Index - Widely regarded as the best single gauge of large cap US equities. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. One cannot invest directly in an index.



Strategy	Correlation
Managed futures	0.12
Market neutral	0.38
Fixed income arbitrage	0.42
Global macro	0.57
Relative value arbitrage	0.75
Event driven	0.73
Global hedge fund aggregate	0.86
Long/Short equity	0.88
S&P 500	1.00

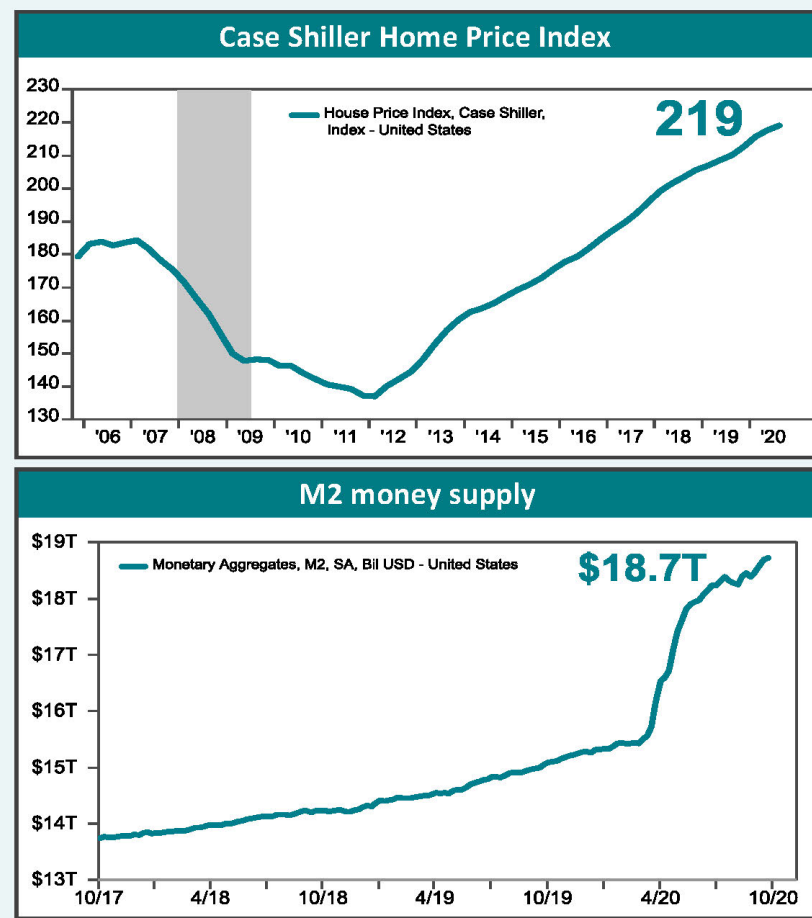
For use with intended audience only. Data shown reflects price index returns. Source: Top, FactSet, as of 9/30/2020, \*as of 8/31/2020, Bottom, FactSet, as of 8/31/2020, correlations were calculated for the period 9/1/2010 - 8/31/2020 (10Y), benchmarked to the S&P 500.

## Diversifying: Real assets outlook

Real assets offer diversification and protection from inflation

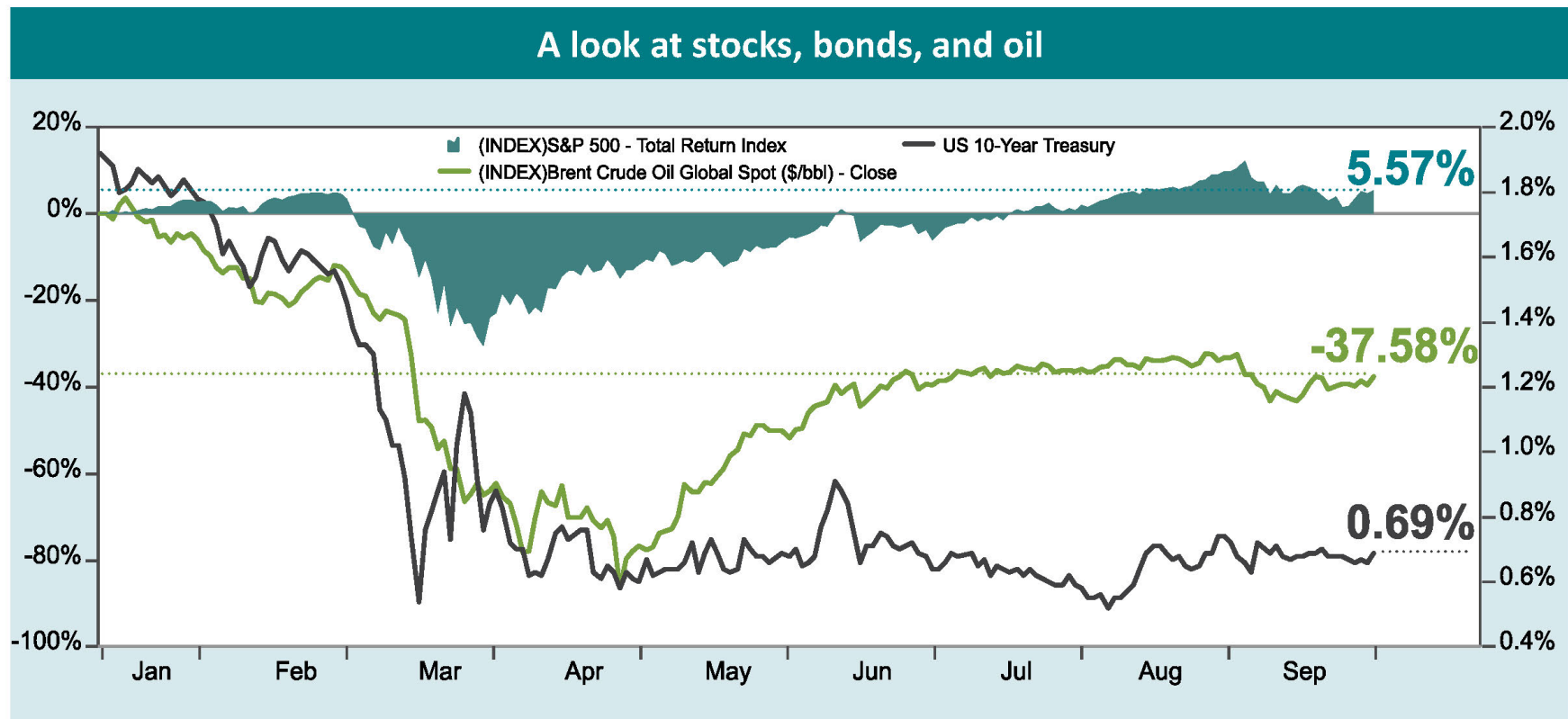
- Home prices have continued to rise against the backdrop of economic uncertainty. Safety assets such as gold have also performed well.
- The infusion of capital created by the Federal Reserve and Federal Government could accelerate inflation in the future.
- Commodity returns have been mixed as energy prices have been volatile, and global economic growth begins to recover from COVID-19 impacts.

Index definition: FTSE EPRA Nareit Global Real Estate Index - Represents general trends in eligible real estate equities worldwide. One cannot invest directly in an index.



For use with intended audience only. Source: FactSet, as of 9/30/2020.

## Market update

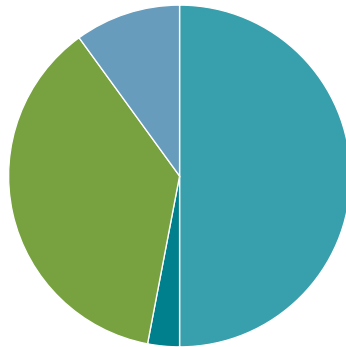


For use with intended audience only. Source: FactSet, as of 9/30/2020.

# Account Summary

Performance Period  
05/02/2003 to 09/30/2020

## Asset Allocation



Asset Class	Portfolio %	Market Value
Domestic Equity	50%	\$882,451
International Equity	3%	\$52,279
Fixed Income	37%	\$651,532
Global Credit	10%	\$175,485

## Account Activity Summary

	Quarter to Date	Year to Date	Since Inception
Beginning Market Value with Accruals	\$1,644,021	\$1,798,889	\$704,000
Net Contributions <sup>1</sup>	27,706	(37,205)	(955,518)
Change in Market Value	90,019	62	2,013,264
<b>Ending Market Value with Accruals</b>	<b>\$1,761,746</b>	<b>\$1,761,746</b>	<b>\$1,761,746</b>

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

	Quarter to Date	Year to Date	Ten Year <sup>2</sup>	Since Inception <sup>2</sup>
Your Portfolio	5.40%	-0.21%	6.75%	5.58%
S&P 500 Total Return	8.93%	5.57%	13.74%	9.97%
Russell 3000	9.21%	5.41%	13.48%	10.16%
MSCI AC Wld ex US	6.36%	-5.08%	4.48%	7.77%
Barclays Agg. US	0.62%	6.79%	3.63%	4.32%
HFRX Global Hedge Fund	2.74%	1.59%	1.08%	1.46%

<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  
05/02/2003 to 09/30/2020

	Market Value	Inception Date	Quarter to Date	Year to Date	One Year	Three Years	Five Years	Since Inception	% Total Assets
<b>Total Portfolio</b>									
Sample Client	\$1,761,746	05/02/03	5.40%	-0.21%	5.16%	7.11%	7.79%	5.58%	100%

Investment Manager/ Account Number	Benchmark	Market Value	Inception Date	Quarter to Date	Year to Date	One Year	Three Years	Five Years	Since Inception	% Total Assets
<b>Sample Client</b>										
Sample Manager 1 XXXXX1234	Russell 1000 Value	152,524.48	07/29/09	1.79%	-13.20%	-4.45%	3.46%	9.00%	10.04%	9%
				5.59%	-11.58%	-5.03%	2.63%	7.66%	10.67%	
Sample Manager 2 XXXXX5678	Russell 1000 Growth	135,755.58	05/02/03	14.23%	25.10%	37.32%	21.93%	19.51%	11.47%	8%
				13.22%	24.33%	37.53%	21.68%	20.10%	12.02%	
Sample Manager 3 XXXXX1234	Russell 1000 Growth	261,336.51	10/03/13	11.58%	5.14%	13.62%	13.18%	12.50%	12.51%	15%
				13.22%	24.33%	37.53%	21.68%	20.10%	17.27%	
Sample Manager 4 XXXXX5678	Russell 1000 Value	76,267.87	06/12/18	5.48%	-8.46%	-1.27%	-	-	5.19%	4%
				5.59%	-11.58%	-5.03%	-	-	0.89%	
Sample Manager 5 XXXXX1234	Russell Midcap Growth	256,566.65	11/17/15	8.11%	1.81%	11.21%	11.59%	-	10.70%	15%
				9.37%	13.92%	23.23%	16.23%	-	15.03%	
Sample Manager 6 XXXXX5678	MSCI AC World ex USA Small Cap	52,278.58	06/11/18	15.49%	23.61%	33.40%	-	-	13.63%	3%
				10.61%	-3.34%	7.36%	-	-	-1.55%	
Sample Manager 7 XXXXX1234	Barclays US Intermediate	651,531.54	01/03/17	1.93%	6.33%	6.38%	7.08%	-	6.63%	37%
				0.61%	5.92%	6.32%	4.43%	-	4.18%	
Sample Manager 8 XXXXX5678	Barclays Agg. US	175,484.81	07/17/20	-	-	-	-	-	-0.20%	10%
				-	-	-	-	-	-0.20%	
Sample Client		\$1,761,746								100%

# Performance Summary by Strategy

Performance Period  
05/02/2003 to 09/30/2020

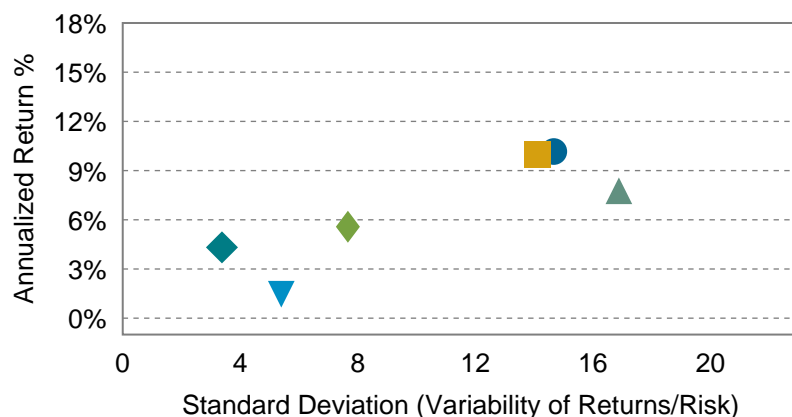
All Returns are Gross of Fees

# Cash Flow Summary

Performance Period  
05/02/2003 to 09/30/2020

Investment Manager / Account Number	Beginning Market Value 07/01/2020	Contributions	Withdrawals	Income/Capital Appreciation	Ending Market Value 09/30/2020
<b>Domestic Equity</b>					
Sample Manager 1 XXXXX1234	\$151,799	\$0	\$1,988	\$2,714	\$152,524
Sample Manager 2 XXXXX5678	\$235,084	\$0	\$899	\$27,152	\$261,337
Sample Manager 3 XXXXX1234	\$119,468	\$0	\$657	\$16,944	\$135,756
Sample Manager 4 XXXXX5678	\$73,033	\$37	\$778	\$3,976	\$76,268
Sample Manager 5 XXXXX1234	\$238,243	\$0	\$941	\$19,265	\$256,567
<b>International Equity</b>					
Sample Manager 6 XXXXX5678	\$45,380	\$0	\$118	\$7,016	\$52,279
<b>Fixed Income</b>					
Sample Manager 7 XXXXX1234	\$644,538	\$165	\$5,550	\$12,379	\$651,532
<b>Global Credit</b>					
Sample Manager 8 XXXXX5678	-	\$175,840	\$0	(\$355)	\$175,485

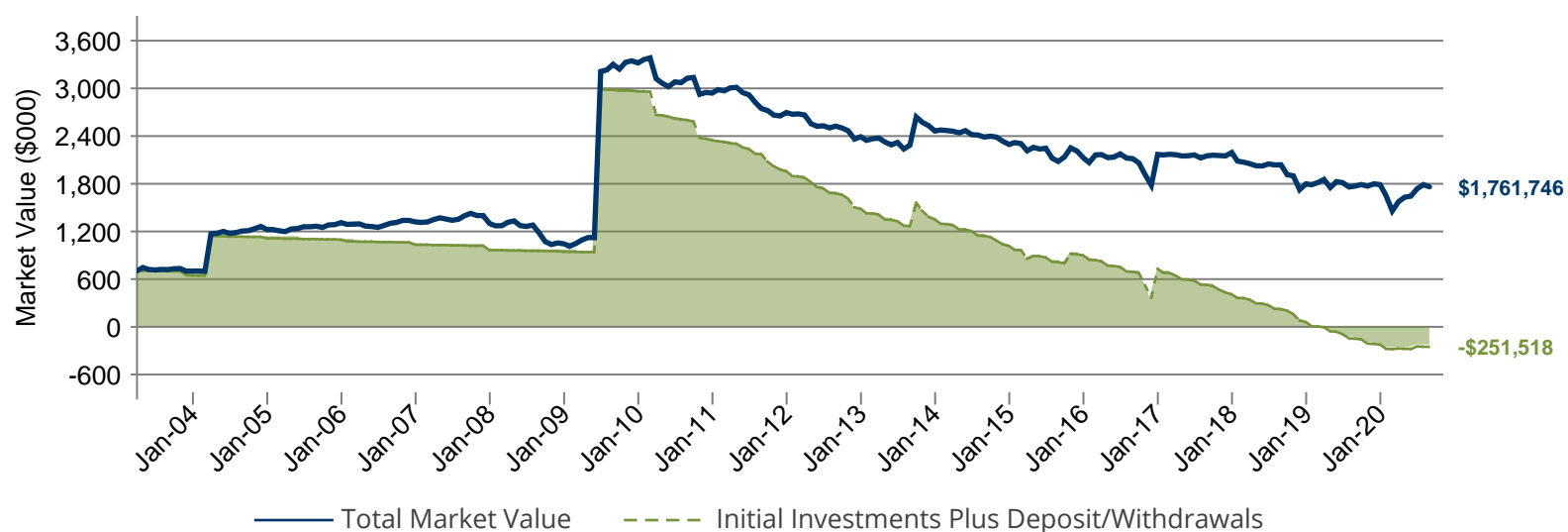
## Risk/Return Analysis (Period: 05/02/2003 to 09/30/2020)



	Annualized Return*	Standard Deviation
◆ Your Portfolio	5.58%	7.66
■ S&P 500 Total	9.97%	14.13
● Russell 3000	10.16%	14.67
▲ MSCI AC Wld	7.77%	16.88
◆ Barclays Agg.	4.32%	3.38
▼ HFRX Global	1.46%	5.39

\* Gross of Fees

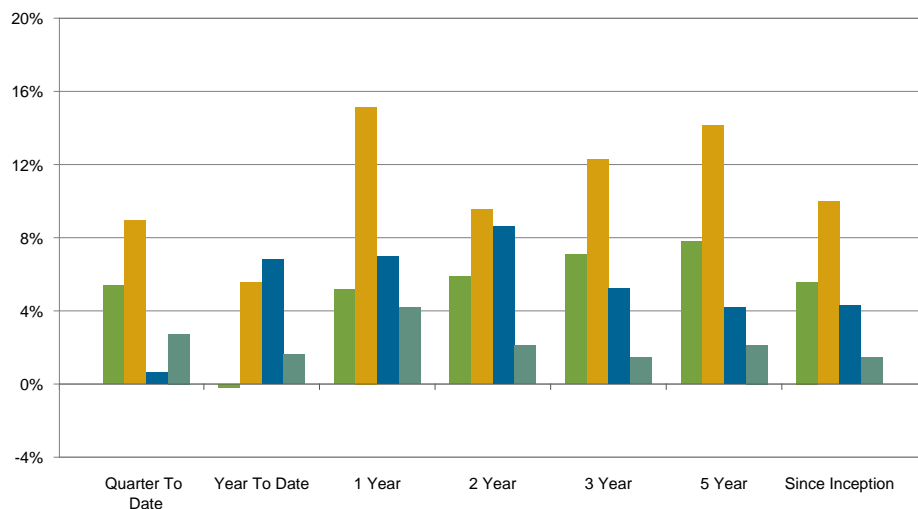
## Investment Earnings and Cash Flows



# Portfolio Performance

Performance Period  
05/02/2003 to 09/30/2020

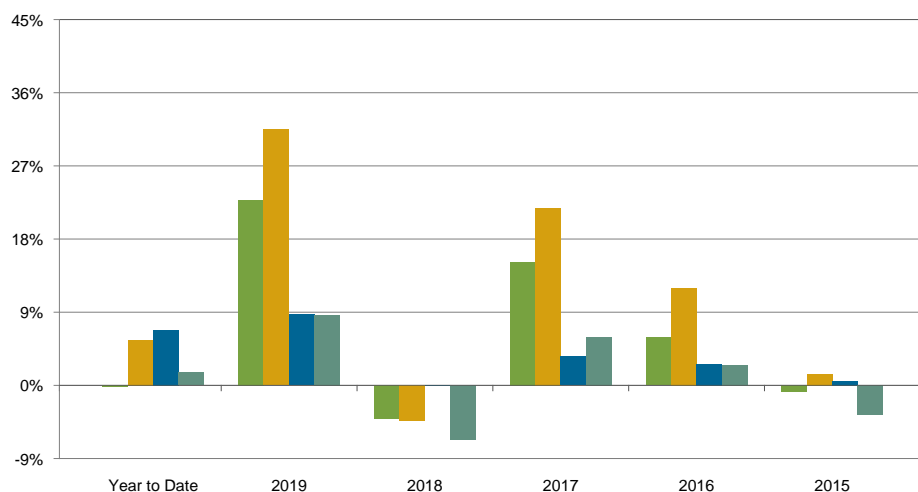
## Portfolio Performance\* (Trailing-Gross)



	Quarter to Date	Year to Date	1 Year	2 Year	3 Year	5 Year	Since Inception
<span style="color: green;">■</span>	5.40%	-0.21%	5.16%	5.87%	7.11%	7.79%	5.58%
<span style="color: orange;">■</span>	8.93%	5.57%	15.15%	9.57%	12.28%	14.15%	9.97%
<span style="color: blue;">■</span>	0.62%	6.79%	6.99%	8.63%	5.24%	4.18%	4.32%
<span style="color: grey;">■</span>	2.74%	1.59%	4.20%	2.09%	1.47%	2.14%	1.46%
<span style="color: green;">■</span>	Your Portfolio						
<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	2019	2018	2017	2016	2015
<span style="color: green;">■</span>	-0.21%	22.85%	-4.13%	15.16%	5.88%	-0.75%
<span style="color: orange;">■</span>	5.57%	31.49%	-4.38%	21.83%	11.96%	1.38%
<span style="color: blue;">■</span>	6.79%	8.72%	0.01%	3.54%	2.65%	0.55%
<span style="color: grey;">■</span>	1.59%	8.62%	-6.72%	6.00%	2.50%	-3.64%
<span style="color: green;">■</span>	Your Portfolio					
<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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Go to <https://clients0.brinkercapital.com/adv-and-fee-information/> for the current portfolio manager and custody & clearing fees or submit a written request to Brinker Capital for a free copy of the Portfolio Manager Fee disclosure and/or the Custody and Clearing Fee Schedule disclosure.

**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 and Form CRS:** Please submit a written request to Brinker Capital for either Brinker Capital's or your investment manager's Form ADV Part 2 or Form CRS. Submit a written request to your financial representative for a copy of their current Part 2 of Form ADV or Form CRS. You can also find Brinker Capital's Form ADV Part 2 or Form CRS at [www.brinkercapital.com](http://www.brinkercapital.com). Once on the Brinker Capital home page, click on the

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**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.