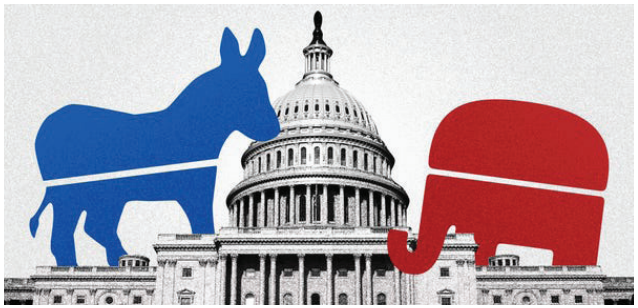
BRINKER CAPITAL INVESTMENTS

The (presumed) policy implications of 11/3/2020

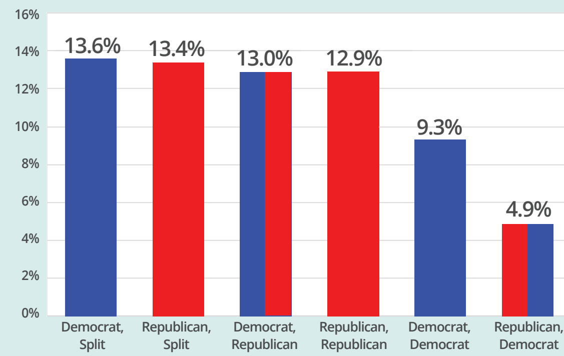


While we won't know for sure which party will control the US Senate through 2022 until Georgia decides both of its US Senate elections via a January 5, 2021 runoff, we are comfortable assuming the United States will face a divided government the next two years, with a Democrat in the White House, a Democrat-led House of Representatives and a Republican-led Senate. With that assumption, we can consider the policy implications of the 2020 election:

- While the White House can favor or frustrate specific industries from a regulatory perspective, big policy changes require holding both ends of Pennsylvania Avenue, and neither party will, resulting in gridlock. We see positives and negatives for the market in a divided Washington, D.C.
- Taxes are unlikely to rise (a positive), but another large COVID-19 economic rescue package is less certain (a negative).
- Assuming incremental, but not excessive, fiscal support for the economy, we expect the economic recovery will continue, but won't accelerate; bond yields and inflation expectations will remain low; P/E ratios will remain high; the US dollar will be biased lower; equities will be biased higher, and growth stocks will outperform value stocks.
- A Biden Presidency likely means a more predictable geopolitical dynamic, particularly on trade, and that, along with a weaker dollar, could favor ex-US markets, particularly emerging markets.

Finally, US equities have done best under a political construct with a Democrat in the White House and a divided Congress, delivering an average annual return of 13.6% going back to the early 1930s. If the past is prologue, the next few years could be very good years for the market.

S&P 500 Index: White House and Congress composition
Average Annual Price Return % (1933 - 2019, Excl. '01 - '02)



Stocks, bonds, and commodities (11/6/2020)

Security name	Last	QTD chg	YTD chg	12mo chg
S&P 500	3509.44	4.35%	8.63%	13.75%
MSCI AC World ex USA	294.24	5.16%	-2.46%	0.55%
MSCI EAFE	1924.19	3.71%	-5.54%	-2.90%
MSCI EM	1176.36	8.72%	5.54%	9.57%
Bloomberg Barclays US Agg	109.82	-0.24%	3.98%	4.39%
Crude Oil WTI	37.49	-6.79%	-38.60%	-34.40%
Natural Gas	3.04	20.10%	-38.65%	9.49%

Treasury rates (11/6/2020)

	Price	Yield
2Y	99.30 / 0.00	0.149
3Y	99.24 / 0.00	0.200
5Y	99.14 / 0.00	0.361
7Y	99.11 / 0.00	0.592
10Y	98.06 / 0.00	0.816
30Y	94.25 / 0.00	1.594

Weekly reports

This week
- NFIB Small Business Index
- Initial Claims

Last week
- ISM Manufacturing 59.3
- Unemployment Rate / Oct. 6.9%

Brinker Capital Market Barometer

NOVEMBER 2020

Despite uncertainty surrounding the outcome at the top of the ticket, the election results will likely leave us with a divided government, which we view as a positive outcome for markets. The ongoing COVID-19 pandemic's impact on economic growth will continue to be a factor in the near term. The Federal Reserve remains extremely supportive from a monetary policy perspective, and we expect additional fiscal support from Washington, D.C. in the coming months. Overall, the barometer tilts positive, in-line with our modest overweight to risk across portfolios.

SHORT-TERM FACTORS (< 6 months)

	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Momentum				●	Market momentum remains solid
Trend				●	Market trends positive; US markets above 50-day and 200-day moving averages
Investor sentiment			●		Sentiment surveys show optimism but equity outflows continue
Seasonality	→ →			●	Seasonality stronger in months following a Presidential Election

INTERMEDIATE-TERM FACTORS (6-36 months)

	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Fiscal policy				●	Expect additional fiscal policy support in the coming months
Monetary policy				●	Fed all in to support markets and economy; Global central banks also supportive
Inflation				●	Global inflation low; Fed committed to more flexibility with inflation target
Interest rate environment				●	Treasury yields remain at low levels but stable; yield curve positively sloped
Macroeconomic			●		Macroeconomic data has improved, but recovery will likely be uneven
Business sentiment	→		●		Both CEO confidence and small business confidence surveys have improved
Consumer sentiment		●			Continues to improve, but remains below pre-pandemic levels
Corporate earnings	→		●		Significant improvement in earnings growth in 2Q and 3Q; y/y growth still negative
Credit environment				●	Credit environment is stable and Fed remains supportive

LONG-TERM FACTORS (36+ months)

	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Valuation		●			Equity valuations above long-term averages but not a near-term driver
Business cycle			●		US exited recession that began in February; recovery uneven in short term
Demographics			●		Mixed - US and emerging markets positive but developed international negative

Source: Brinker Capital. Information is accurate as of November 4, 2020. Themes and specific funds utilized to implement themes are discussed within the context of Brinker Capital's managed asset allocations and are based on current market conditions and constitute Brinker Capital's judgment and opinions, which are subject to change without notice. Past performance does not guarantee future results. Statements referring to future actions or events, such as the future financial performance of certain asset classes or market segments, are based on the current expectations and projections about future events provided by various sources, including Brinker Capital's Investment Management Group. These statements are not guarantees of future performance and actual events may differ materially from those discussed. Brinker Capital Inc., a registered investment advisor. MSCI AC World ex US Growth: An index made up of approximately the top 50% of the MSCI AC World ex US Index as composite ranked by five growth rates. This is a common proxy used to represent the growth segment of the developed international market. MSCI EAFE Index: A market-capitalized weighted index representing developed international equity markets located in Europe, Australia, Asia and Far East (EAFE). S&P 500 Index: An index consisting of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large-cap universe. Companies included in the Index are selected by the S&P Index Committee, a team of analysts and economists at Standard & Poor's. Barclays US Aggregate Index: A market capitalization-weighed index, maintained by Barclays Capital, and is often used to represent investment grade bonds being traded in the US. MSCI Emerging Markets: a float-adjusted market capitalization index representing 13% of global market capitalization. Captures mid and large cap across more than two dozen emerging market countries.