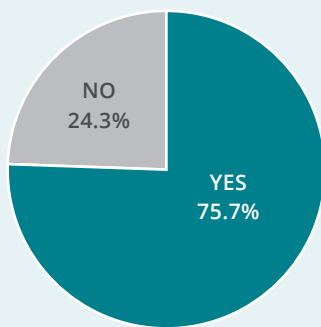


What the election means for the market

Is the current domestic and/or geopolitical dynamic having a meaningful impact on client behavior?



Equities have rallied, the economy is recovering, and we are learning to live with COVID-19, all of which is good news. However, this means the presidential election can now command the media's—and the market's—full attention. Politics are already top of mind among investors who work with our financial advisor clients. In fact, in our most recent advisor survey 74% of respondents stated domestic and/or global politics were having a meaningful impact on client behavior. Now, there are many reasons to buy or sell a security or change an asset allocation, but politics shouldn't be one of them, which has no impact on the long-term direction of the economy or risk assets. What matters is policy.

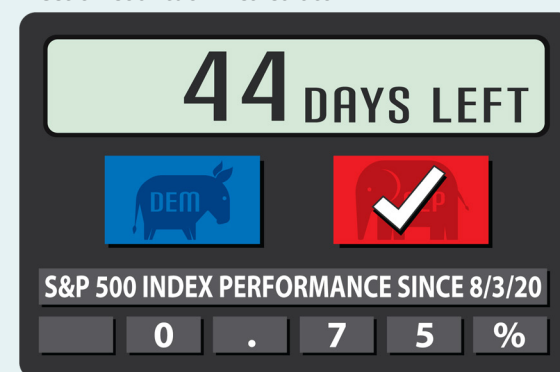
Politics can be additive to market volatility near-term, which brings us to Brinker Capital's Market Performance Probabilities Grid. This tool lays out

our Asset Allocation Committee's best thinking on how the S&P 500 Index (S&P 500) will trade over the coming few months. We now expect an increased probability for greater volatility—both to the upside and downside—with the election as the likely catalyst for those market moves. On the upside, a clear and market friendly outcome heading into and on election day could see equities rally 10%+, while a contested election could see the market sell off 10% to 20%. While a range bound market remains our base case, we all need to brace for greater volatility over the coming few months, particularly if we are unable to declare a winner on November 3. Finally, with the S&P 500 up 0.75% since August 3, our Election Countdown Calculator indicates Donald Trump will win reelection.

Market Performance Probability Grid

Probability	Scenario	Drivers
20% ↑	Higher (10+%)	<ul style="list-style-type: none"> Benign election outcome COVID-19 vaccine V-shaped rebound in economy
55% ↓	Sideways (+/-10%)	<ul style="list-style-type: none"> Election uncertainty Continued improvement in COVID-19 data Slow, uneven return of the economy
20% ↑	Pullback (-10-20%)	<ul style="list-style-type: none"> Contested election Reacceleration in COVID-19 cases Fiscal cliff impacts economic recovery
5%	Bear Market (-20+%)	<ul style="list-style-type: none"> Prolonged disputed election / civil unrest Lockdowns reinstated Economic recession

Election countdown calculator



Stocks, bonds, and commodities (9/18/2020)

Security name	Last	QTD chg	YTD chg	12mo chg
S&P 500	3319.47	7.07%	2.75%	10.94%
MSCI AC World ex USA	287.58	8.52%	-4.67%	1.98%
MSCI EAFE	1911.81	7.37%	-6.14%	-0.04%
MSCI EM	1108.53	11.40%	-0.55%	8.54%
Bloomberg Barclays US Agg	110.41	-0.02%	4.55%	4.27%
Crude Oil WTI	40.97	4.33%	-32.90%	-29.47%
Natural Gas	2.03	15.88%	-7.31%	-19.93%

Treasury rates (9/18/2020)

	Price	Yield
2Y	99.31 / 99.3	0.137
3Y	99.28 / 99.2	0.164
5Y	99.27 / 99.2	0.280
7Y	100.0 / 100.0	0.481
10Y	99.08 / 99.0	0.700
30Y	98.02 / 98.0	1.454

Weekly reports

This week
<ul style="list-style-type: none"> Richmond Fed Index Markit PMI Manufacturing
Last week
<ul style="list-style-type: none"> August Housing Starts SAAR 1,416K UofM Consumer Sentiment 78.9

Brinker Capital Market Barometer

SEPTEMBER 2020

We continue to focus on the COVID-19 pandemic and the upcoming election as key drivers for the economy, financial markets, and confidence over the near term. The Federal Reserve has expanded monetary policy support with the introduction of a more flexible inflation target. Fiscal policy remains supportive, and we expect an additional fiscal package will still be completed. We also expect the equity market to remain range-bound in the near term as we navigate an uneven economic recovery. Overall, the barometer leans neutral to slightly positive, in-line with our modest overweight to risk across portfolios.

SHORT-TERM FACTORS (< 6 months)

	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Momentum				●	Momentum remains solid
Trend				●	US markets above 50-day and 200-day moving averages
Investor sentiment			●		Sentiment surveys show optimism but equity outflows continue
Seasonality		●			Seasonality weaker through October, especially during election cycle

INTERMEDIATE-TERM FACTORS (6-36 months)

	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Fiscal policy				●	Very strong fiscal response; debate on additional package continues
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 bottomed; uneven improvement as economy reopens
Business sentiment		●			CEO confidence improved in 2Q but still weak; small biz optimism improving
Consumer sentiment		●			Consumer confidence declined further in July on coronavirus concerns
Corporate earnings		●			Looking for improvement after negative impact of COVID-19 on 1H results
Credit environment				●	Credit environment continues to improve 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 will be uneven
Demographics			●		Mixed - US and emerging markets positive but developed international negative

Source: Brinker Capital. Information is accurate as of September 2, 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-weighted 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.