NOVEMBER 20, 2023

Weekly Wire

BRINKER CAPITAL INVESTMENTS
AN ORION COMPANY

Happy Thanksgiving

By Rusty Vanneman, CMT, CFA, BFA™

Last week was another strong week for the markets. At this point, we are off to a great start for the fourth quarter. Given how turbulent the world has been this year, it is no doubt that many investors feel that this year's overall stock market's return (so far) has been a pleasant surprise. Also, given how sharply interest rates have risen this year, did you know that the overall bond market (defined by the Bloomberg Aggregate Index) is now up for the year and over the last 12 months?

What is remarkable about the price action this year, however, is that despite all the notable and historic economic and geopolitical events, if you just knew the typical seasonal pattern for the US stock market, then you already had a good idea of how the year would play out. In fact, according to BeSpoke Investments, this year's price action has strongly tracked average year since WWII. The good news is that if the seasonal pattern continues, expect the current rally to last into year-end.

Indeed, the price chart for the stock market looks the best it has in months, at least since prices dropped from the price highs from last July. Technically speaking, the ball is back in the bulls' hands. There are some other markets' charts that point the other direction though, but all of those suggest more good tidings (all else being equal) for the stock market: lower interest rates, lower energy prices (though prices did pop higher late last week), and a lower US dollar. As for the latter, it did lose ~1.5% last week and is now down nearly 2% over last year.

Of course, a positive for the stock and bond markets last week was investors' response to the slightly better than expected inflation data. For example, the core Consumer Price Index (CPI) came in at 4.0%, which was below the 4.1% expectation. However, consumer prices were up 4.4% at an annualized rate in the last three months. In short, inflation data continues to improve, but the battle has not been won yet. On that point, one sticking point for inflation not falling faster is due to shelter costs. According to data from the real estate firm Zillow, seasonally adjusted housing prices and rents both rose last month.

As for this week, it is a light week of economic data due to the holiday. The US Leading Economic Indicators report comes out early in the week followed by some housing data and durable goods. Currently, according to GDPNow from the Atlanta Fed Q423 GDP is projected to be 2.0% after inflation.

Again, Happy Thanksgiving. There is so much to be grateful for. As investors, we are grateful we live in a world full of opportunities, growth, and innovation. We are hoping you have a safe and joyous holiday.If you have any questions or comments, please let us know at strategists@brinkercapital.com or at Rusty@Orion.com. Have a great week!

Interest Rates as of November 17, 2023

Rate	This Week	1 Wk Δ%
13-Wk Treasury Yield	5.23%	-0.02%
10-Yr Treasury Yield	4.44%	-0.19%
Bloomberg US Agg Yield	5.32%	-0.20%
Avg Money Mkt Yield	5.19%	0.00%
Avg 30-Yr Mortgage Rate	7.75%	-0.08%

Sources: Yahoo Finance, S&P Global, Crane Data, BankRate

Key Economic Data Last Week

Data Point	Expectation	Actual
Consumer Price Index (CPI) YoY	3.3%	3.2%
Core CPI YoY	4.1%	4.0%
Producer Price Index (PPI) YoY	-	1.3%
Core PPI YoY	-	2.9%
US Retail Sales	-0.2%	-0.1%
Housing Starts	1.35M	1.37M

Source: MarketWatch, First Trust

Key Economic Data This Week

Data Point	Expectation	Release Date
US Leading Economic Indicators	-0.7%	11/20/2023
Existing Home Sales	-1.5%	11/21/2023
Durable Goods	-3.5%	11/22/2023

Source: MarketWatch

Stocks, Bonds, Alternatives, & Real Assets as of November 17, 2023

Security Name	Risk Score	1 Wk	1 Mo	QTD	YTD	1 Yr	3 Yr Ann.
Global Equities (60% US, 40% Intl)	100	3.12%	3.42%	4.36%	14.80%	13.84%	5.96%
S&P 500 Total Return	102	2.31%	3.39%	5.51%	19.29%	16.30%	9.44%
Dow Jones Industrial Average	97	2.06%	3.04%	4.60%	7.46%	6.43%	7.64%
NASDAQ 100 Total Return	122	2.04%	4.84%	7.77%	45.89%	36.80%	10.65%
TV Benchmark	107	2.14%	3.75%	5.96%	24.21%	19.84%	9.25%
Morningstar US Large Cap	102	2.09%	3.76%	6.08%	23.28%	19.70%	9.33%
Morningstar US Mid Cap	113	3.58%	1.75%	2.91%	6.01%	4.34%	5.33%
Morningstar US Small Cap	125	4.82%	1.82%	1.78%	7.59%	4.28%	3.79%
Morningstar US Value	98	2.83%	1.68%	2.06%	4.16%	3.70%	10.24%
Morningstar US Growth	126	3.36%	3.80%	5.51%	27.20%	21.27%	2.27%
MSCI ACWI Ex USA	98	4.01%	3.59%	3.26%	9.27%	11.22%	2.05%
MSCI EAFE	101	4.51%	4.11%	3.63%	11.50%	14.18%	4.24%
MSCI EM	98	2.99%	2.75%	2.62%	4.84%	6.86%	-3.94%
Bloomberg US Agg Bond Index	27	1.37%	3.21%	1.77%	0.54%	1.19%	-4.68%
Bloomberg Commodity Index	70	0.41%	-2.33%	-2.07%	-5.44%	-6.87%	13.81%
Wilshire Liquid Alternative Index	25	0.67%	1.01%	0.91%	3.41%	3.24%	1.42%
US Dollar**	10	-1.47%	-1.78%	-1.77%	0.80%	-1.82%	4.05%
Bloomberg US Treasury Bill 1-3mo	1	0.10%	0.50%	0.75%	4.48%	4.99%	2.00%

Source: Morningstar
The TV Benchmark represents an average of the S&P 500, Dow Jones IA, and NASDAQ 100 return indexes
The Orion Risk Score represents risk relative to the global equity market.
***As of 11/16/2023*

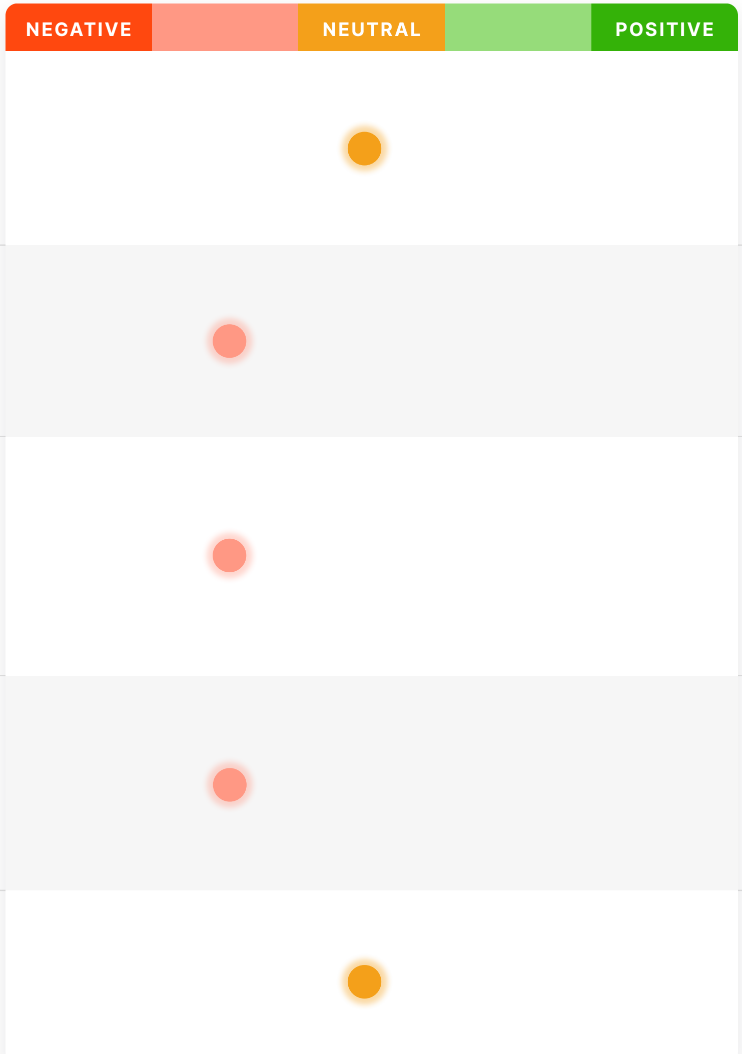
*The Orion Risk Score represents risk relative to the global equity market. **As of 11/16/2023. Table Sources: Morningstar, Yahoo Finance, S&P Global, Crane Data, BankRate, MarketWatch, First Trust.

NOVEMBER 2023

Brinker Capital Five Factor Stock Market Barometer

BRINKER CAPITAL INVESTMENTS
AN ORION COMPANY

CHANGE



Fundamentals

We invest to participate in company success. Over time, stock prices follow earnings.

Fundamental indicators include factors such as corporate earnings, profitability, and the credit environment.

- Earnings have likely troughed, leading to a more constructive forward-looking outlook
- At the halfway point of Q3 earnings season, estimates are pointing to the first positive year-over-year growth rate in earnings since Q3 2022.
- Profit margins weaker on YoY basis despite slight moderation in input costs
- Domestic return on equity ratios are trending lower but remain above historic averages

Valuation

How much do we pay for those fundamentals? Starting points matter.

Valuation indicators include factors such as price multiples, the CAPE ratio, and earnings yield vs other asset classes.

- Nearly all valuation measures point to an expensive domestic equity market
- Multiples above long-term averages, presenting a headwind as they ultimately contract
- Fed Funds rate now exceeds the forward earnings yield of the S&P 500
- Small cap, foreign developed, and emerging markets are relatively attractively valued

Interest Rates

Both the level and trend of interest rates impact earnings and valuations.

Interest rate indicators include factors such as the interest rate environment, credit spreads, and inflation.

- Yield curve has been inverted for the longest consecutive span since 1980; inversion has been a bearish market signal and fairly accurate indicator of future recession
- Elevated CMBS and MBS spreads signal heightened stress in real estate market
- Short-term real interest rates remain elevated; US rates among highest levels globally
- Markets are pricing near-term end to Fed rate hiking cycle; yields are drifting higher but continued softening of economic data could bring some stability

Policy

Monetary and fiscal policy impact interest rates, valuations, and earnings.

Policy indicators include factors such as monetary and fiscal policy.

- Third year of presidential election cycle bodes well for accommodative fiscal policy; this positive seasonal trend also extends through the first half of fourth year.
- Market currently pricing a 70% chance of no further rate hikes in 2023.
- Market consensus has fully shifted to no expectations for Fed rate cuts this year.
- Government funding issues are not resolved, and government shutdown potential is causing market stress, especially in the face of increased spending tied to geopolitical tensions

Behavioral

Over the short term, the market is like a voting machine.

Behavioral indicators include factors such as sentiment, momentum, trend, and breadth.

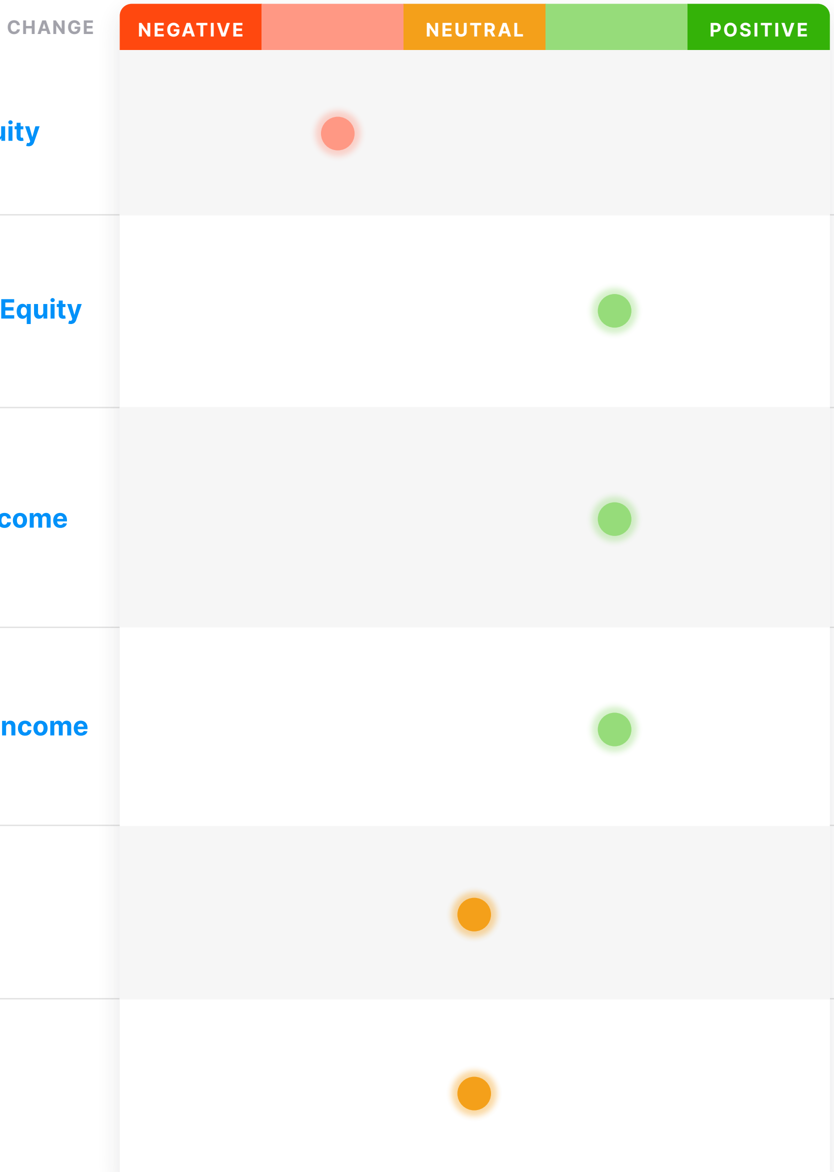
- Despite October pullback in risk assets, equity markets remain in uptrend
- Market breadth remains tepid; broader participation could be needed to sustain trends
- Sentiment headwinds less pronounced; extreme optimism has abated over past month
- Seasonality is bullish for the fourth quarter of the year.

THE MARKET BAROMETER

The Market Barometer captures the Brinker Capital's 12-month plus market outlook. It is updated each month by the Orion Asset Allocation Committee. Standard inputs include proprietary reports produced by the Orion Discretionary Investment Team. The Barometer reflects current positioning in investment portfolios. The Barometer is also used as a basis for market outlook presentations.

NOVEMBER 2023

Brinker Capital Asset Class Barometer



Domestic Equity

Factors considered within domestic equity include allocations to the traditional style box asset classes.

- Less constructive on US large cap stocks; despite likely trough in YoY earnings growth, multiples remain elevated
- Monetary policy environment is a headwind for broader market appreciation as economy tightens and cost of capital rises
- The valuation gaps between value and growth stocks as well as large and small cap stocks are highly extended, thus favoring value-oriented and smaller market capitalization companies

International Equity

Factors considered within international equity include a breakdown between developed and emerging markets as well as allocations across the traditional style box.

- Remain cautiously positive on international equities with consideration given to geopolitical risks; more attractive valuations versus domestic equities with roughly similar fundamental outlook
- Within international equity, we are neutral on developed vs. emerging markets
- More recent bout of dollar strength has pressured international equity returns but can serve as an economic tailwind for export-oriented countries and companies

Core Fixed Income

Factors considered within core fixed income include credit quality and duration of the broad fixed income universe.

- Modestly positive on core fixed income with the most attractive yield environment in nearly two decades; higher starting yields generally point to higher expected forward returns
- Investment grade corporate and securitized spreads remain tight; risk/return trade-off for Treasuries is compelling
- While net neutral on duration, duration risk looks relatively attractive to capitalize on price appreciation potential from rate normalization

Global Fixed Income

Factors considered within global fixed income include allocations to various spread and/or non-core fixed income sectors as well as duration.

- Modestly positive on global fixed income with spreads on high yield securities proving resilient in the face of equity selloff
- Compelling opportunities in several areas of global fixed income with attractive total return potential
- Despite spreads being tight relative to long-term averages, starting yields provide a buffer against potential risks that could lead to declining market values

Alternatives

Factors considered within liquid alternatives include high versus low beta sub-asset classes.

- Neutral on liquid alternatives; correlations between stocks and bonds have risen, making alternatives attractive
- Positioning within alternatives has been tilted toward lower-volatility complements to core fixed income
- Liquid alternatives offer a relatively stable risk profile with the potential for little correlation to equity beta or fixed income duration

Real Assets

Factors considered within real assets include allocations to the subcategories of commodities, real estate, natural resource equities, and infrastructure

- Neutral on real assets; geopolitical risk and potential for reacceleration in inflation are tailwinds for real assets
- Within real assets, commodities and natural resource stocks have seen strong recent relative performance
- The green energy transition provides elevated demand for a variety of industrial metals; real estate valuations have become more attractive as higher interest rates have pressured prices

ASSET CLASS BAROMETER

The Brinker Asset Class Barometer serves as the team's outlook on the six major asset classes that comprise the multi-asset class portfolios. It is updated each month by the Orion Asset Allocation Committee. Standard inputs include proprietary reports produced by the Brinker Discretionary Investment Team as well as industry-leading external research providers.

Disclosures

The views expressed herein are exclusively those of Orion Portfolio Solutions, LLC d/b/a Brinker Capital Investments a registered investment advisor, and are not meant as investment advice and are subject to change.

The CFA® is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To learn more about the CFA charter, visit www.cfainstitute.org.

The CMT Program demonstrates mastery of a core body of knowledge of investment risk in portfolio management. The Chartered Market Technician® (CMT) designation marks the highest education within the discipline and is the preeminent designation for practitioners of technical analysis worldwide. To learn more about the CMT, visit https://cmtassociation.org/.

Think2perform's Behavioral Financial Advice program integrates traditional finance practices with psychology and neuroscience to improve emotional competency and decision-making behavior that increases effective usage of the financial plan with clients. To obtain the Behavioral Financial Advisor (BFA) designation, participants must complete a self-directed course, which takes 20-30 hours to complete, and includes a mix of interactive exercises, videos and case studies. To learn more about the BFA, visit https://www.think2perform.com.

Wealth Management services offered through Orion Portfolio Solutions, LLC d/b/a Brinker Capital Investments a registered investment advisor.

Source: Brinker Capital. Information is accurate as of October 31, 2023. 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. Orion Portfolio Solutions, LLC d/b/a Brinker Capital Investments a registered investment advisor.

3147-BCI-11/20/2023