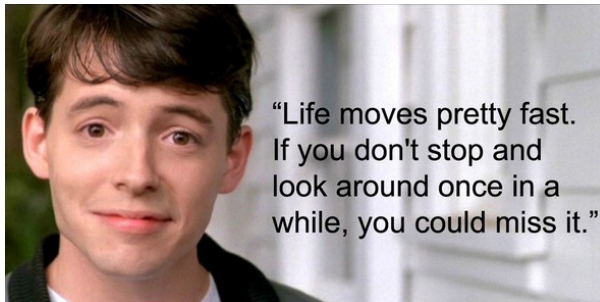


Feris was right

Life – and the market – move pretty fast



We think Ferris' words of wisdom apply equally as well to the stock market and would cite near-term and long-term return streams as proof positive of that point.

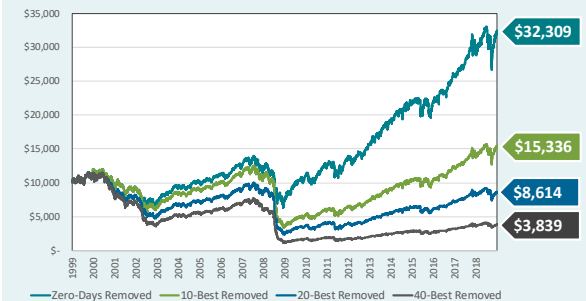
To back up a bit, May was a month to forget for risk assets, as the S&P 500 Index (S&P 500) sold off about 7% on worries the US and China wouldn't solve for trade, and imports from Mexico would be subject to new – and escalating – US tariffs. That very unpleasant four-week stretch led many market observers to predict further declines for US stocks. Then June happened.

As the US/China trade discourse improved and the threat of new tariffs on Mexican goods faded, the market rebounded nicely, with the S&P 500 rallying 135 points, or about 5%, during the first six trading days of the month.

While we think trying to predict near-term market moves is a fool's errand, we weren't surprised to see the market log such significant gains in such a short period of time as such moves are in keeping with past market performance. More specifically, in any given year a handful of trading days are usually responsible for that year's increase in the S&P 500. To put a finer point on it, \$10,000 invested in the S&P 500 in early 1999 would have grown into about \$32,000 by early 2019; however, miss just the 40 best trading days for the S&P 500 over that 20 year time horizon and that gain of \$22,000 turns into a loss of nearly \$6,200 (see the chart on the right).

At Brinker Capital, we believe wealth can't be created if capital isn't invested, and remains invested. And we remain bullish on US equities.

S&P 500 (1999-2019 / \$10,000 initial investment)



Equities, Oil & Natural Gas (6/14/19)

Security name	Last	QTD Chg	YTD Chg	12Mo Chg
S&P 500	2886.98	1.86%	15.16%	3.86%
Russell 2000	1522.50	-1.12%	12.90%	-9.59%
Russell 3000 Growth	1257.54	2.18%	18.33%	4.09%
Russell 3000 Value	1615.96	0.95%	12.26%	0.86%
Crude Oil WTI (NYM \$/bbl)	52.67	-12.42%	15.99%	-19.04%
Natural Gas	2.40	-9.80%	-15.78%	-20.55%

Treasury rates (6/14/19)

	Price	Yield
2Y	100.156 / 100.1	1.863
3Y	99.266 / 99.27	1.801
5Y	100.222 / 100.2	1.851
7Y	101.012 / 101.0	1.963
10Y	102.160 / 102.1	2.093
30Y	105.286 / 105.2	2.590

Weekly reports

Last week
• NFIB Small Business Index 105
• Capacity Utilization 78.1%
This week
• Philadelphia Fed IDX
• Markit PMI Manufacturing

Brinker Capital Market Barometer

JUNE 2019

The weight of the evidence still leans positive which is in line with our slight overweight to risk in moderate to aggressive portfolios.

SHORT-TERM FACTORS (< 6 months)

	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Momentum	←		●		Market momentum weakened
Trend	←←	●			Global equity indices generally below ST and LT moving averages
Investor sentiment	→		●		Investors more pessimistic but not yet reached capitulation
Seasonality				●	Seasonality more supportive in second quarter

INTERMEDIATE-TERM FACTORS (6-36 months)

	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Fiscal policy				●	Fiscal stimulus continues in 2019
Monetary policy				●	Fed on an extended pause and will end balance sheet reduction
Inflation			●		Fed sees inflation as running below target
Interest rate environment			●		Longer-term rates range-bound; yield curve inversion at short end
Macroeconomic	←		●		US growth solid but ex-US growth weaker; global trade war concerns
Business sentiment			●		Small biz confidence off record high; CEO confidence little improved
Consumer sentiment				●	Remain at elevated levels; still supportive
Corporate earnings				●	US earnings growth still solid; softer outside US
Credit environment				●	Slight widening of corporate credit spreads but few signs of stress

LONG-TERM FACTORS (36+ months)

	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Valuation			●		US equity valuations at long-term averages; more attractive ex-US
Business cycle				●	Long recovery but has been muted; few signs point to recession
Demographics			●		Mixed (US and emerging markets positive; developed int'l negative)

Source: Brinker Capital. Information is accurate as of June 3, 2019. 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.