Time is on their side, and ours too!


MARQUEE

THE LONDON JAZZ CENTRE
165, Oxford Street, W.1.

Wednesday, July 11th
★ DOUG RICHFORD'S JAZZMEN
(Members: 4/- Guests: 5/-)

Thursday, July 12th
★ MICK JAGGER and the ROLLING STONES
★ LONG JOHN BALDRY'S KANSAS CITY BLUE BOYS
(Members: 4/-

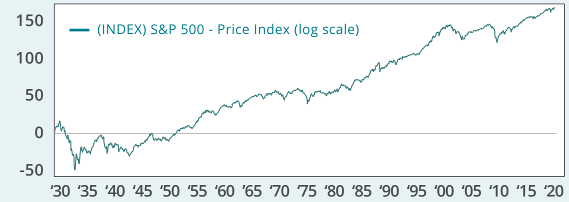
Nearly 57 years to the day of their first public performance at London's Marquee Club, the Rolling Stones wrapped up the USA leg of their very successful and critically acclaimed No Filter Tour. Incredibly, time, even after all these years, still seems to be on their side. Fortunately for investors, it's on our side too.

At Brinker Capital, we talk about the importance of taking a long-term view when it comes to investing, and we do so not because of some interest in parroting a well worn Wall Street adage, but because history tells us that – at least here at home – the stock market tends to rise much more than it falls and the economy tends to expand much more than it contracts. To put a finer point on that statement, consider that over the past 40 years the US economy has been in recession just 10% of the time and the S&P 500 Index (S&P 500) has finished higher for the year 33 times. Overtime risk assets and the economy are biased higher and that bias should leave all of us predisposed to a much more optimistic view of the world.

To put a final, even finer point on the long-term performance of US equities and the inclination for the US market to rise over time, consider that over the past 90 years – a period that includes both the Great Depression and the Great Recession – the S&P 500 produced a positive return during every recorded 15-, 20-, and 30-year timespan and produced a negative return less than 4% of the time during any recorded 10-year timespan.

The positive long-term trend for the economy and risk assets is worth keeping in mind, particularly as we try to navigate and make sense of the ongoing US/China trade dust-up, our current domestic political discourse, and the upcoming Presidential election.

S&P 500 Index (log scale)



Historical success rate of positive gains since 1928

1-Day periods - 53.5%	10-Year periods - 96.4%
1-Month periods - 62.9%	15-Year periods - 100%
1-Year periods - 73.1%	20-Year periods - 100%
5-Year periods - 83.5%	30-Year periods - 100%

Stocks, bonds, and commodities (10/21/19)

Security name	Last	QTD chg	YTD chg	12mo chg
S&P 500	2986.20	0.32%	19.12%	7.89%
MSCI AC World ex USA	282.48	1.61%	10.60%	4.30%
MSCI EAFE	1920.09	1.63%	11.64%	3.82%
MSCI EM	1024.02	2.30%	6.03%	5.41%
Bloomberg Barclays US Agg	105.91	-0.31%	5.81%	7.91%
Crude Oil WTI	53.65	-0.78%	18.15%	-22.56%
Natural Gas	2.31	-0.73%	-18.87%	-28.83%

Treasury rates (10/21/19)

	Price	Yield
2Y	99.270 / 99.27	1.578
3Y	99.152 / 99.15	1.553
5Y	99.222 / 99.22	1.563
7Y	99.262 / 99.26	1.651
10Y	99.276 / 99.28	1.749
30Y	100.002 / 100.0	2.248

Weekly reports

This week
- Existing Home Sales SAAR
- Markit PMI Manufacturing

Last week
- Phila. Fed Index 5.6
- Capacity Utilization 77.5%

Chart source: Factset, as of 9/30/2019. Image sources: www.udiscovermusic.com, www.img.etimg.com. The views expressed are those of Brinker Capital and are not intended as investment advice or recommendation. For informational purposes only.

Brinker Capital Market Barometer

OCTOBER 2019

The weight of the evidence remains moderately positive, in line with our neutral to slight overweight overall risk positioning in portfolios.

SHORT-TERM FACTORS (< 6 months)

	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Momentum			●		Momentum has continued to improve
Trend			●		S&P 500 Index remains in an uptrend
Investor sentiment	←		●		Sentiment survey data shifted more neutral; equity flows still negative
Seasonality	→ →			●	4Q tends to be the most constructive for equities

INTERMEDIATE-TERM FACTORS (6-36 months)

	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Fiscal policy			●		Fiscal stimulus potentially dwarfed by tariffs in 2020
Monetary policy				●	Expect additional Fed rate cuts; global easing cycle continues
Inflation				●	Global inflation low; US wage growth has increased modestly
Interest rate environment			●		Significant amounts of debt trading at negative rates; curve inversion
Macroeconomic			●		Global growth slowdown but still positive; US/China trade war concerns
Business sentiment			●		Small business confidence still elevated; CEO confidence more pessimistic
Consumer sentiment				●	Measures have ticked down but remain at elevated levels
Corporate earnings			●		US earnings growth slowing but positive; weaker ex-US
Credit environment				●	Credit spreads have remained in check; Fed aware of repo market issues

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; increasing fears of US recession
Demographics			●		Mixed (US and emerging markets positive; developed int'l negative)

Source: Brinker Capital. Information is accurate as of October 4, 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. 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.