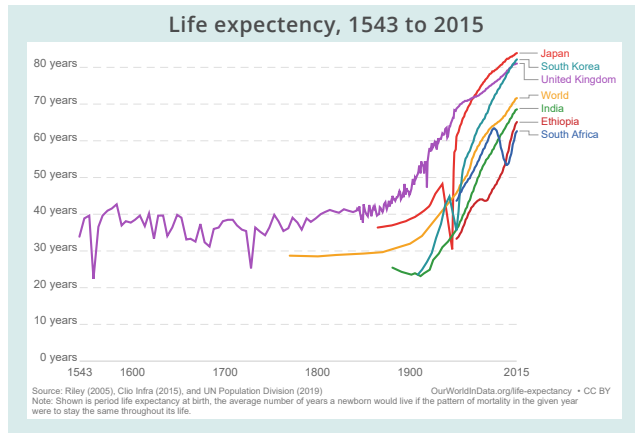
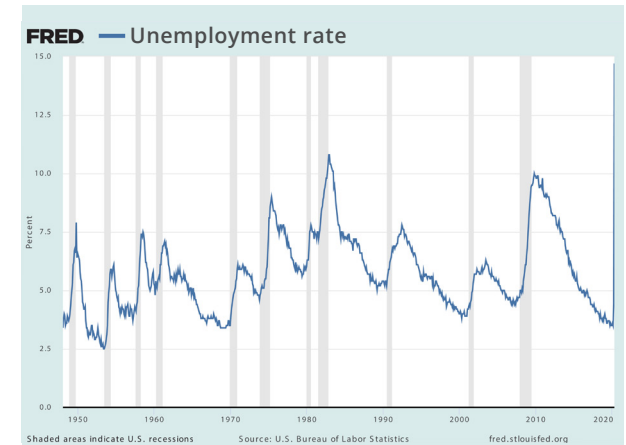


It's always darkest before the dawn



It is one thing to understand we are living through an unprecedented, pandemic driven economic downturn, and all together another to learn the US unemployment rate is 14.7% and that 20.5 million of our fellow Americans lost their jobs in April. The numbers are shocking, and our hearts go out to anyone who has been impacted by COVID-19. Though we recognize and appreciate this is first and foremost a healthcare crisis, as investors we must consider what to make of the economy (in light of the unemployment rate and jobs report), as well as the stock market (which is up about 35% from its March 23 low, as measured by the S&P 500 Index). We think a few points are worth noting. First, the US economy is clearly in a recession (even if we won't confirm that point until we receive Q2 GP data in late July); second, the jobs report and unemployment

rate are both backward looking, showing us where the economy was, not where it is; and third, the US economy likely hit bottom in April and has begun to turn higher. On the third point, consider the US economy was shut in April but is slowly reopening in May, so the data must get better, even if it will take some time to recoup the economic wealth that was destroyed in April. What is most important is the trajectory of the economy and we think that is moving higher. Concerning the stock market, we have made the point before that the market is a forward-looking indicator and will trade ahead of the economic data (good or bad). We also think the market is reflecting the herculean—and so far, successful—effort by the Federal Reserve and the Federal Government to mitigate the impact of the pandemic. Finally, there is a point we think is worth making about the title of this week's Weekly Wire, the phrase "It's always darkest before the dawn," was coined by English theologian Thomas Fuller in 1650, and at the time, the life expectancy in the UK was about 30 years; today it is about 80 years. Things don't always move in a straight line, but history shows that overtime the world becomes wealthier, healthier, and more peaceful.



Stocks, bonds, and commodities (5/8/2020)

Security name	Last	QTD chg	YTD chg	12mo chg
S&P 500	2929.80	13.36%	-9.32%	2.06%
MSCI AC World ex USA	244.94	6.64%	-18.81%	-11.37%
MSCI EAFE	1648.44	5.70%	-19.07%	-11.38%
MSCI EM	911.65	7.43%	-18.21%	-11.35%
Bloomberg Barclays US Agg	109.38	1.09%	3.57%	6.98%
Crude Oil WTI	24.63	20.26%	-59.66%	-60.08%
Natural Gas	1.83	11.28%	-16.63%	-29.67%

Treasury rates (5/8/2020)

	Price	Yield
2Y	99.296 / 99.30	0.157
3Y	100.032 / 100.0	0.213
5Y	100.070 / 100.0	0.329
7Y	99.234 / 99.24	0.538
10Y	107.204 / 107.2	0.688
30Y	114.316 / 115.0	1.383

Weekly reports

This week
• NFIB Small Business Index
• Capacity Utilization
Last week
• Initial Claims 3,169K
• Hourly Earnings Y/Y 7.9%

Brinker Capital Market Barometer

MAY 2020

The COVID-19 pandemic remains the key driver for the economy, financial markets, and confidence. We continue to view this health crisis as more of a temporary disruption to the economy, where a powerful policy response—both fiscal and monetary—has been put in place to bridge the gap. We expect the equity market to remain range-bound in the near term as we wait for continued improvement in the COVID-19 data and assess the gradual reopening of the economy.

SHORT-TERM FACTORS (< 6 months)					
	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Momentum	→		●		Signs recovery is beginning to become more broad-based, but more is needed
Trend	→		●		Expect trading range until more clarity on therapeutics and economy reopening
Investor sentiment	←		●		Sentiment still leans bearish but not extreme; equity outflows moderated
Seasonality			●		Seasonality neutral in second quarter
INTERMEDIATE-TERM FACTORS (6-36 months)					
	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Fiscal policy				●	Strong response but unclear on speed of implementation and if more is needed
Monetary policy				●	Fed all in to support markets and economy; Global central banks taking action
Inflation				●	Global inflation is low and inflation expectations are muted
Interest rate environment	→			●	Treasury yields remain at low levels but stable; yield curve has normalized
Macroeconomic		●			Significant growth decline in 2Q due to lockdowns to contain COVID-19
Business sentiment		●			CEO confidence likely to remain weak due to virus and election uncertainty
Consumer sentiment	←	●			Consumer confidence dropped to levels last seen in 2011
Corporate earnings		●			Global revenues and earnings will be negatively impacted by COVID-19 in 2020
Credit environment			●		Credit environment challenging but Fed has implemented support measures
LONG-TERM FACTORS (36+ months)					
	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Valuation	←		●		Equity valuations back at long-term averages after April's move higher in prices
Business cycle		●			US recession expected given disruptions caused by COVID-19
Demographics			●		Mixed - US and emerging markets positive but developed international negative

Source: Brinker Capital. Information is accurate as of April 30, 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.