

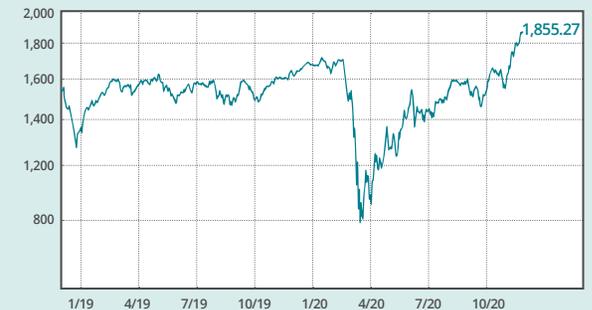
# In a big November, small caps come up REALLY BIG

As we take pen to paper for this Weekly Wire we have one trading day left in November, and what a November it has been for our country, our economy, and our stock market:

- We saw our way through the most contested and divisive Presidential election in generations.
- We received incredibly positive news on the COVID-19 vaccine front from Pfizer and several other pharmaceutical companies.
- The final November reading of the Federal Reserve Bank of Atlanta's GDPNow "nowcast" has the economy growing 11% in Q4 2020.
- US home prices hit an all-time high.
- Q3 2020 earnings season came in much better than expected, with 85% of the companies reporting to date topping Wall Street's earnings expectations.
- The Dow Jones Industrial Average topped 30,000 for the first time.

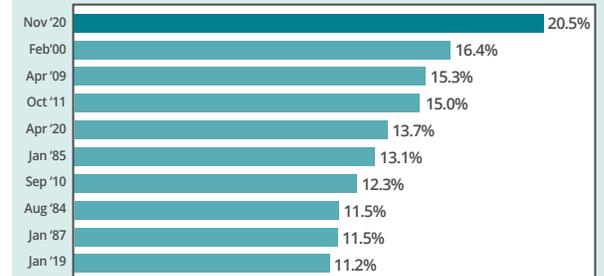
- The "Big 4" stock market indices – the S&P 500 Index, the NASDAQ Composite, the Dow Jones Industrial Average, and the Russell 2000 – hit all-time highs this month.
- While the Big 4 indices are up double digits in November, it is the Russell 2000 that has shone, up approximately 20%, and on track for its best monthly return ever. Considering small cap stocks tend to be more volatile, cyclical, and dependent on capital markets than large cap stocks, we think the strong relative and absolute performance of the Russell 2000 is indicative of better economic times to come in 2021.

Russell 2000



Russell 200 on pace for record-setting month

Top 10 months, ranked by percentage change, for the small-cap index



Stocks, bonds, and commodities (11/27/2020)

Security name	Last	QTD chg	YTD chg	12mo chg
S&P 500	3638.35	8.19%	12.62%	15.37%
MSCI AC World ex USA	314.84	12.52%	4.36%	7.97%
MSCI EAFE	2080.15	12.12%	2.12%	4.81%
MSCI EM	1230.72	13.75%	10.41%	16.89%
Bloomberg Barclays US Agg	109.97	-0.10%	4.13%	3.77%
Crude Oil WTI	45.52	13.18%	-25.45%	-21.67%
Natural Gas	2.85	12.82%	30.24%	13.99%

Treasury rates (11/27/2020)

	Price	Yield
2Y	99.30 / 0.00	0.152
3Y	100.0 / 0.00	0.194
5Y	100.0 / 0.00	0.367
7Y	100.0 / 0.00	0.618
10Y	100.0 / 0.00	0.844
30Y	101.0 / 0.00	1.575

Weekly reports

This week
• Chicago PMI
• Unemployment Rate / Nov.
Last week
• Consumer Confidence 96.1
• Richmond Fed Index 15.0

# Brinker Capital Market Barometer

NOVEMBER 2020

Despite uncertainty surrounding the outcome at the top of the ticket, the election results will likely leave us with a divided government, which we view as a positive outcome for markets. The ongoing COVID-19 pandemic's impact on economic growth will continue to be a factor in the near term. The Federal Reserve remains extremely supportive from a monetary policy perspective, and we expect additional fiscal support from Washington, D.C. in the coming months. Overall, the barometer tilts positive, in-line with our modest overweight to risk across portfolios.

SHORT-TERM FACTORS (< 6 months)					
	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Momentum				●	Market momentum remains solid
Trend				●	Market trends positive; US markets above 50-day and 200-day moving averages
Investor sentiment			●		Sentiment surveys show optimism but equity outflows continue
Seasonality	→ →			●	Seasonality stronger in months following a Presidential Election
INTERMEDIATE-TERM FACTORS (6-36 months)					
	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Fiscal policy				●	Expect additional fiscal policy support in the coming months
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 improved, but recovery will likely be uneven
Business sentiment	→		●		Both CEO confidence and small business confidence surveys have improved
Consumer sentiment		●			Continues to improve, but remains below pre-pandemic levels
Corporate earnings	→		●		Significant improvement in earnings growth in 2Q and 3Q; y/y growth still negative
Credit environment				●	Credit environment is stable 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 uneven in short term
Demographics			●		Mixed - US and emerging markets positive but developed international negative

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