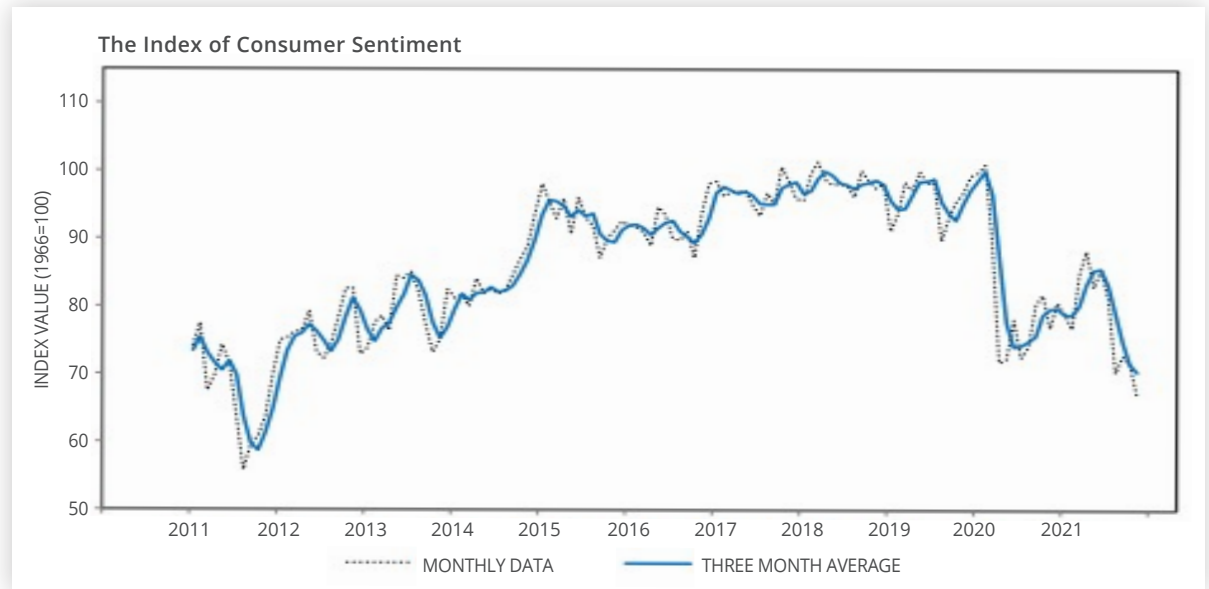


Do As I Do, Not As I Say

As parents, many of us have uttered the immortal phrase, “do as I say, not as I do.” And while that phrase can be confusing to a child, it is easily explained; please follow my advice, even if yours truly is not (boy, have I been there before!). In the spirit of that confusing but easily explained phrase, and in thinking about the economic powerhouse that is the US consumer and the precipitous drop in consumer sentiment (as measured by the University of Michigan Consumer Sentiment Index), along with the dramatic increase in retail sales in October, we give you: do as I do, not as I say. By that, we mean the US consumer is increasingly pessimistic but spending at a record pace. More specifically, we learned on November 12 that the UofM Consumer Sentiment Index dropped to 66.8 (see chart), its lowest level in 10 years, a reading which should indicate a consumer concerned about their financial future and inclined to save rather than spend. Yet, on November 16, we learned that October retail sales, ex food and autos, jumped 16.1% year on year—the biggest increase this century, save the April 2021 increase which lapped the plunge in sales that followed the economic shutdown. What to make of these seemingly contradictory but very important datapoints? Some speculate that concerns over inflation both drove the drop in sentiment and spurred people to spend money now, before prices potentially rise further. There could be some truth to that. For our two cents, while surveys can be valuable tools for understanding sentiment, we put greater weight on what consumers are doing (in this case with their money) as opposed to what they are saying. There are several issues buffeting the economy and the consumer, but for now, the former is accelerating helped along by the latter. We will take it. And from all of us at Orion, we wish you a happy and healthy Thanksgiving.



Stocks, bonds, and commodities (11/19/2021)

Security name	Last	QTD chg	YTD chg	12mo chg
S&P 500	4697.96	9.06%	25.08%	32.06%
MSCI AC World ex USA	348.50	2.71%	6.75%	13.04%
MSCI EAFE	2344.93	2.79%	9.19%	15.21%
MSCI EM	1269.22	1.29%	-1.71%	4.96%
Bloomberg Barclays US Agg	105.02	-0.45%	-4.41%	-4.61%
Crude Oil WTI	75.68	0.87%	55.98%	78.41%
Natural Gas	5.16	-12.14%	104.08%	86.10%

Treasury rates (11/19/2021)

	Price	Yield
2Y	99.23 / 0.00	0.513
3Y	99.22 / 0.00	0.850
5Y	99.20 / 0.00	1.199
7Y	99.18 / 0.00	1.439
10Y	98.16 / 0.00	1.536
30Y	99.07 / 0.00	1.908

Weekly reports

This week
• Markit PMI Manufacturing SA Nov
• New Home Sales SAAR Oct
Last week
• Capacity Utilization NSA Oct 76.4%
• Philadelphia Fed Index Nov 39.0

Brinker Capital Market Barometer

NOVEMBER 2021

Growth is likely to pick up again in the fourth quarter. We are seeing strength in the economy on many fronts, including the labor market which showed meaningful improvement in October. Monetary policy remains accommodative, and the Fed has been transparent in its plan to begin tapering, followed by rate hikes in 2022, assuming desired economic conditions have been met. Fiscal policy is currently supportive; however, uncertainty still exists near term as Congress works through several fiscal initiatives, including addressing the debt ceiling. The pickup in inflation appears more persistent than transitory, but we are still working through supply chain issues. Treasury yields have moved slightly higher, but credit conditions remain favorable. Overall, the barometer remains tilted positively in November, aligned with our overweight risk positioning across portfolios.

SHORT-TERM FACTORS (< 6 months)

	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Momentum				●	Momentum remains positive although the rate of change is slowing
Trend				●	S&P 500 Index back above 50-day moving average; hit record-high level
Investor sentiment			●		Sentiment not at extreme levels; modest equity inflows
Seasonality	→→			●	Seasonality a strong tailwind through year-end

INTERMEDIATE-TERM FACTORS (6-36 months)

	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Fiscal policy				●	Remains supportive; tax impact of BBB looks relatively benign
Monetary policy				●	Fed has clearly communicated plan; watching for speeding up of timeline
Inflation			●		Inflation appears more persistent than transitory; supply chain issues remain
Interest rate environment				●	Treasury yields have risen modestly since August but remain at low levels
Macroeconomic				●	Economic strength on many fronts - employment, capex, personal income, housing
Business sentiment				●	Small business confidence remains at elevated level; labor shortage a concern
Consumer sentiment	←		●		Consumer sentiment weakened in October but spending remains strong
Corporate earnings				●	Earnings picture remains strong although pace of growth should decelerate
Credit environment				●	High-yield spreads have remained relatively stable; credit conditions constructive

LONG-TERM FACTORS (36+ months)

	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Valuation		●			Equity valuations above long-term averages but not a near-term driver
Business cycle				●	In an economic expansion period with positive GDP growth since 3Q20
Demographics			●		Mixed - US and emerging markets positive but developed international negative

For informational purposes only. Indices are unmanaged, and an investor cannot invest directly in an index. Source: Brinker Capital. Information is accurate as of November 8, 2021. 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. Brinker Capital Investments, LLC a registered investment advisor.