

Brinker Capital and Main Management: The Inflation Hedge Portfolio



An inflation scare is in the air. Some speculate that just around the corner, inflation could rise between 3 - 4% and negatively impact returns. While we don't know if and how high inflation will jump or how long it will linger, it raises an important issue facing investors. How do you hedge against the erosion power of inflation?

Investors look to their financial advisor for risk-appropriate returns, not only after costs and taxes but also after inflation. Diversification is a key component for helping to mitigate inflation risk. This month we bring you a portfolio pairing that helps to protect clients from inflation.

Introducing “The Inflation Hedge Portfolio”

Brinker Capital “Real Assets Strategy”

- Brinker Capital's Real Assets ETF strategy is composed of real asset exposures such as commodities, natural resources stocks, and real estate investment trusts.
- Real assets tend to keep their value in inflationary environments, thereby helping preserve purchasing power.
- Founded in 1987 and headquartered in Berwyn, PA, Brinker Capital is a boutique manager known to be an expert in asset allocation and building strategies based on outcomes.
- Their robust due diligence process and expertise in ETF management allow for creating a variety of unique model portfolios - such as the Real Assets strategy.

- The Real Assets strategy can be used as a diversifier to complement traditional stock and bond portfolios due to the less correlated nature of its alternative holdings.

Main Management “International Strategy”

- Higher inflation often means a weaker U.S. dollar and a stronger argument for non-dollar investment strategies such as Main Management’s International.
- Main Management International seeks to achieve long-term capital appreciation by investing in non U.S. country and sector indexes. The portfolio utilizes a dynamic asset allocation approach that combines the benefits of both strategic and tactical allocation strategies. It employs a top-down assessment to identify undervalued economic regions, countries, and sectors. Rigorous fundamental analysis and a proprietary weighting methodology are key components of a disciplined allocation process. Concurrently, tactical allocations are used to anticipate and respond to opportunistic shifts in the market. Benchmark is the MSCI All Country World ex U.S. index. Inception: December 2007.
- Founded in 2002 and headquartered in San Francisco, CA, Main Management is an emerging manager specializing in actively managed ETF portfolios focused on undervalued asset classes.
- Main Management’s investment philosophy is based on fundamental research used to find undervalued sectors and asset classes with potential for near-term price appreciation.
- Their methodology focuses on managing risk, controlling costs, and tax awareness. Their value tilt gives them a potential edge in periods of rising inflation and economic recoveries.

Communities, Orion’s model marketplace features over 55 investment strategists with over 700 model strategies. Log in now to access a variety of Main Management and Brinker Capital models. Not yet a subscriber? Let us provide you with a demo of Orion Communities.