

Brinker FixedIncomeAdvi\$or

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FEDERAL RESERVE

At the December meeting, the Federal Open Market Committee (FOMC) decided to raise the target for the federal funds rate 25 basis points to a range of 0.5% to 0.75%. Committee members also voted to maintain the existing policy of reinvesting principal payments from existing holdings of mortgage-backed securities and rolling over maturing Treasury securities at auction. These actions preserve the overall size and scope of the Fed's balance sheet and help maintain accommodative financial conditions.

Last month we wrote that a fed funds rate hike was very likely at the December meeting. Looking ahead, FOMC members reiterated that additional rate hikes in 2017 will be dependent on the incoming economic data. The December meeting provided FOMC members with an opportunity to share their most recent economic projections. In addition to forecasting real GDP, unemployment, and inflation, participants provided their view on the appropriate policy path for the federal funds rate. The following table shows the current (December) and previous (September) central tendency of the FOMC economic forecast:

	2017	2018	2019	Longer Run
Real GDP	1.9 to 2.3	1.8 to 2.2	1.8 to 2.0	1.8 to 2.0
September	1.9 to 2.2	1.8 to 2.1	1.7 to 2.0	1.7 to 2.0
Unemployment	4.5 to 4.6	4.3 to 4.7	4.3 to 4.8	4.7 to 5.0
September	4.5 to 4.7	4.4 to 4.7	4.4 to 4.8	4.7 to 5.0
PCE inflation	1.7 to 2.0	1.9 to 2.0	2.0 to 2.1	2.0
September	1.7 to 1.9	1.8 to 2.0	1.9 to 2.0	2.0
Core PCE	1.8 to 1.9	1.9 to 2.0	2.0	
September	1.7 to 1.9	1.9 to 2.0	2.0	
Fed Funds Rate	1.1 to 1.6	1.9 to 2.6	2.4 to 3.3	2.8 to 3.0
September	1.1 to 1.8	1.9 to 2.8	2.4 to 3.0	2.8 to 3.0

As the above table shows, real GDP is forecast to remain near the 2% trend level over the next few years. FOMC members also see some additional improvement in the unemployment rate though their longer-term target range remains 4.7% to 5.0%. This implies Fed members are confident they have achieved the maximum sustainable employment piece of their dual mandate. The inflation forecast is relatively benign with both headline and core inflation gradually rising toward the 2% target level over the next few years. Perhaps most interesting is that FOMC members forecast the federal funds rate to increase between two and four times in 2017. Obviously, it is difficult to forecast the number of rate increases in 2017 until we have a better understanding of what, if any, changes are made to fiscal policy. These changes will become clearer after the new administration takes office.

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COMMENTARY

The FOMC has the following eight meetings scheduled in 2017: January 31st & February 1st, March 14th & 15th, May 2nd & 3rd, June 13th & 14th, July 25th & 26th, September 19th and 20th, October 31st & November 1st, December 12th & 13th. The March, June, September and December meetings are scheduled to be followed by media conferences. Janet Yellen's four-year term as Chair of the Board of Governors ends February 3, 2018 and she has stated that she intends to serve out her term.

Four of the twelve FOMC voting member positions are filled on a rotating basis among eleven of the Federal Reserve Bank presidents. In 2017, the four incoming voting members will be Charles Evans (Chicago), Patrick Harker (Philadelphia), Robert Kaplan (Dallas), Neel Kashkari (Minneapolis). These four 2017 voting members replace outgoing 2016 voting members James Bullard (St. Louis), Esther George (Kansas City), Loretta Mester (Cleveland), and Eric Rosengren (Boston).

We do not anticipate another fed funds rate hike at the next FOMC meeting on January 31st & February 1st. Fed members are likely to await some further evidence that inflation is moving toward their 2% target. They will also be waiting for details on fiscal policy changes that might affect their economic forecasts. In the December post-meeting statement they observed "The Committee expects that economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate".

The final estimate of third quarter real GDP growth revised the figure upward to 3.5%. This represents the strongest quarterly growth rate since the 5.0% rate of growth realized in the third quarter of 2014. A closer look at the four major subcomponents of GDP reveals the following breakdown of contributions: 1) Personal consumption expenditures is by far the largest component at nearly 70% of total GDP and it contributed 2.0% of the 3.5% figure. 2) Gross private domestic investment rebounded sharply after being

THE PUBLIC DEBT

DECEMBER 29TH 2016

\$19,879,151,754,933.53

negative in the first and second quarter. It contributed 0.5% to the overall figure. 3) Net exports of goods and services contributed a positive 0.85%. 4) Government consumption expenditures contributed 0.1%. On a year-over-year basis, real GDP increased 1.7% between the third quarter of 2015 and the third quarter of 2016.

Looking ahead, the advance estimate of fourth quarter GDP is due to be released at the end of January. According to the Atlanta Fed's *GDPNow* model, fourth quarter real GDP is forecast to be 2.5%. The NYFed *Nowcast* model forecasts fourth quarter real GDP of 1.8%. In either case, the pace of growth appears to be less than the 3.5% pace seen in the third quarter. For calendar year 2016 real GDP growth is likely to come in near 2%, similar to the 1.9% growth rate in 2015.

We are increasing our initial forecast of 2017 GDP growth to within a range of 2% to 3%. Several significant fiscal policy changes are being discussed including a major overhaul of the federal tax code, deregulation, and trade policy. There is also ongoing discussion of encouraging the repatriation of foreign profits and the potential for infrastructure stimulus spending. Preliminary reports of the tax overhaul plan include reducing the number of federal income tax brackets from seven to three as well as limiting the number of deductions. As these fiscal programs are laid out in detail and their likelihood of passage can be assessed, we expect to make further adjustments to our 2017 GDP forecast.

What makes this forecast even more difficult is headwinds to growth have strengthened in recent weeks. The rise in long-term interest rates is likely to weaken the pace of improvement in the housing market. Additionally, the U.S. dollar has strengthened versus our major trade partners with the trade-weighted dollar index reaching its highest level in nearly 15 years. A strong dollar makes U.S. exports less competitive and will have a negative impact on real GDP in the coming quarters. In any event, we think the pace of growth in 2017 will improve if some or all of the fiscal policy changes under consideration become law.

Our Model Portfolios remain positioned to balance the need to generate income with our desire to limit our exposure to interest rate risk. This positioning served us well in 2016 with our taxable portfolios producing attractive returns. Below is a table of our Model Portfolio performance:

Model Portfolio	1-Yr	5-Yr	10-Yr	CAGR
Aggressive	+8.3%	+19.4%	+35.7%	+4.8%
Moderate	+6.6%	+16.7%	+35.1%	+4.5%
Conservative	+4.8%	+15.0%	+34.1%	+4.2%
Tax-Exempt	+0.2%	+13.3%	+29.4%	+3.6%

Total Return through December 31, 2016. Past performance is not a guarantee of future results. CAGR = Compound Annual Growth Rate(11yr)

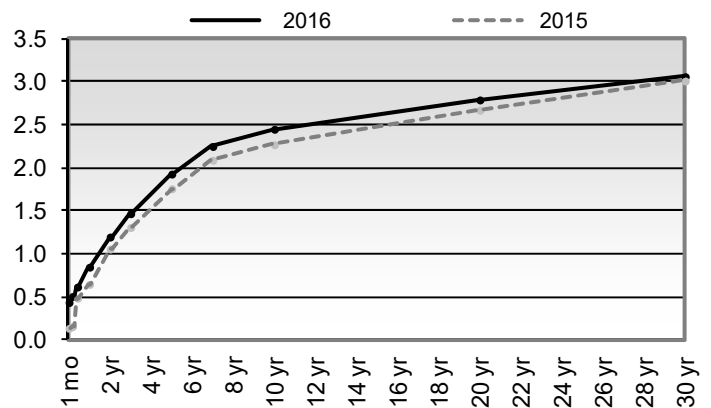
U.S. TREASURY

Despite the all the gyrations in long-term bond yields, the thirty-year U.S. Treasury note yield ended 2016 just 10 basis points higher than where it was at the beginning of the year. However, an increase in short-term rates resulted in a slightly flatter yield curve. The difference in yield between the 30-year U.S. Treasury bond (3.06%) and the 3-month U.S. Treasury bill (0.51%) produces a yield curve that is 255 basis points steep. This is 30 basis points flatter than one year ago. Over long periods of time the yield curve has proved to be a good predictor of economic growth. The current yield curve supports our view that economic growth is likely to remain in the 2% to 3% range in 2017.

Investors' inflation expectations increased a little more in December. Over the next five years, expectations are for the headline consumer price index (CPI) inflation rate to be 1.84% annually. This increase is certainly welcome news to FOMC members. The current levels of 5, 10, and 30 year inflation expectations are now closer to the Fed's stated 2% PCE inflation target. This indicates that the FOMC has been successful in regaining its inflation credibility with market participants.

	Treasury Yield	TIPS Real Yield	Inflation Expectations
5 YR	1.93 %	0.09 %	1.84 %
10 YR	2.45 %	0.50 %	1.95 %
30 YR	3.06 %	0.99 %	2.07 %

TREASURY YIELD CURVE – 12/31/2016



Below are the year-over-year and month-over-month U.S. Treasury yield changes for the various maturities:

Maturity	12/31/2016	11/30/2016	12/31/2015	M-O-M Chg	Y-O-Y Chg
1 month	0.44 %	0.38 %	0.14 %	0.06 %	0.30 %
3 month	0.51 %	0.48 %	0.16 %	0.03 %	0.35 %
6 month	0.62 %	0.62 %	0.49 %	0.00 %	0.13 %
1 year	0.85 %	0.80 %	0.65 %	0.05 %	0.20 %
2 year	1.20 %	1.11 %	1.06 %	0.09 %	0.14 %
3 year	1.47 %	1.40 %	1.31 %	0.07 %	0.16 %
5 year	1.93 %	1.83 %	1.76 %	0.10 %	0.17 %
7 year	2.25 %	2.18 %	2.09 %	0.07 %	0.16 %
10 year	2.45 %	2.37 %	2.27 %	0.08 %	0.18 %
20 year	2.79 %	2.73 %	2.67 %	0.06 %	0.12 %
30 year	3.06 %	3.02 %	3.01 %	0.04 %	0.05 %

TREASURY AUCTION CALENDAR

Security	Maturity	Estimated Coupon	Auction Date	Settlement Date
Bill	4 week	0.45%	01/03/2017	01/05/2017
			01/10/2017	01/12/2017
			01/17/2017	01/19/2017
			01/24/2017	01/26/2017
			01/31/2017	02/02/2017
Bill	3-month	0.50%	01/03/2017	01/05/2017
	6-month	0.60%	01/09/2017	01/12/2017
			01/17/2017	01/19/2017
			01/23/2017	01/26/2017
Bill	1 year	0.85%	01/03/2017	01/05/2017
			01/31/2017	02/02/2017
Note	2 year	1.20%	01/24/2017	01/31/2017
			02/21/2017	02/28/2017
Note	3 year	1.45%	01/10/2017	01/17/2017
			02/07/2017	02/15/2017
Note	5 year	1.95%	01/25/2017	01/31/2017
			02/22/2017	02/28/2017
Note	7 year	2.25%	01/26/2017	01/31/2017
			02/23/2017	02/28/2017
Note	10 year	2.45%	01/11/2017 *	01/17/2017
			02/08/2017	02/15/2017
Bond	30 year	3.05%	01/12/2017 *	01/17/2017
			02/09/2017	02/15/2017
FRN	2 year	0.75%	01/25/2017	01/31/2017
			02/22/2017 *	02/24/2017
TIPS	10 year	0.50%**	01/19/2017	01/31/2017
	30 year	1.00%**	02/16/2017	02/28/2017

* Reopening; ** Real Yield – does not include inflation adjustments
FRN=Floating Rate Note. TIPS=Treasury Inflation-Protected Sec.

EXCHANGE TRADED FUNDS

Exchange-traded funds set a new annual record in 2016 with inflows exceeding \$280 billion. This is well above the previous record of \$244 billion set in 2014. Although the growth of ETFs continues, 2016 also saw a record number of ETF and ETN (exchange-traded notes) closures with 128 products closed according to ETF.com. Most of the money invested in ETFs is concentrated in the top three providers. According to ETF.com, BlackRock (iShares) is the largest ETF issuer with \$981 billion, Vanguard is second with \$610 billion, and State Street is third with \$502 billion.

Fund Name / Expense Ratio	30-Day Yield	Duration	Weighting
<i>iShares Floating Rate Note ETF</i>			
FLOT 0.20%	1.08%	0.14	20%
<i>PIMCO Total Return ETF</i>			
BOND 0.55%	2.77%	5.77	25%
<i>SPDR DoubleLine Total Return Tactical ETF</i>			
TOTL 0.55%	3.09%	5.03	20%
<i>Vanguard High Dividend Yield ETF</i>			
VYM 0.09%	3.12%	---	15%
<i>Vanguard Total Bond Market ETF</i>			
BND 0.06%	2.44%	5.90	20%
	0.31%	2.48%	4.30 100%

CDs / MONEY MARKET / SAVINGS

For conservative investors a CD ladder is an effective strategy for preserving principal while generating income. A ladder is particularly attractive during a period of rising interest rates because CDs held to maturity return 100% of the principal invested as well as the income payments. Although rates on most CDs remain very low, they are a bit higher than corresponding U.S. Treasury rates. We recommend subscribers limit individual CD exposure to within FDIC insurance limits. As of this writing each depositor at an FDIC-insured institution is insured up to at least \$250,000 per insured bank. A detailed explanation of the FDIC insurance rules can be found at the FDIC website <http://FDIC.gov>. You may also verify whether an institution is an FDIC insured institution using their BankFind tool at <https://research.fdic.gov/bankfind/> or by calling them toll-free at 877-ASKFDIC (877-275-3342).

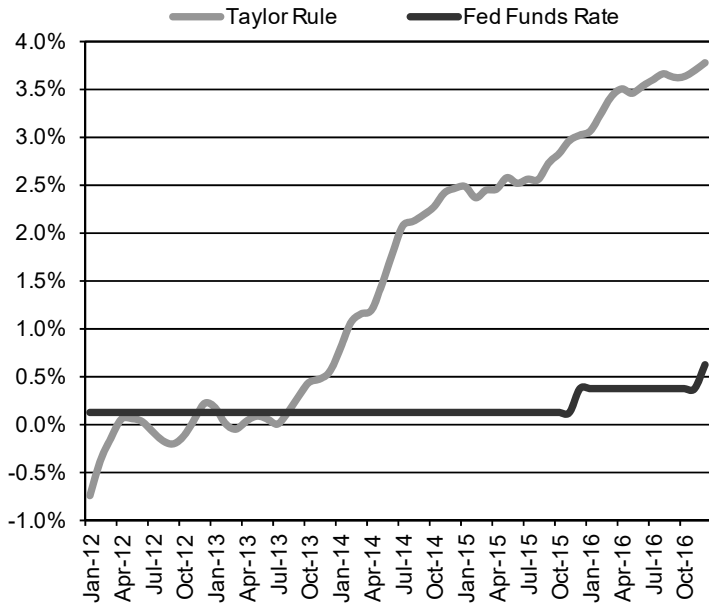
Below are the highest yielding Savings Account and CD rates available as of January 1st 2017:

Term	Institution	Phone	Min Amt	APY
M.M.	Vanguard Tax-Exmpt	877-662-7447	\$3,000	0.62
	Vanguard Prime MM	877-662-7447	\$3,000	0.73
	Fidelity MM Fund	800-343-3548	\$2,500	0.54
Svgs	Incredible Bank	877-261-4750	\$0	1.11
	Salem Five Direct	800-850-5000	\$100	1.10
	Synchrony Bank	866-226-5638	\$0	1.05
3 Mo	Ally Bank *11m no penalty	877-247-2559	\$0	1.25
	Everbank	888-882-3837	\$1,500	0.88
	Virtual Bank	877-998-2265	\$10,000	0.82
6 Mo	iGoBanking	888-432-5890	\$1,000	1.10
	Virtual Bank	877-998-2265	\$10,000	0.93
	Live Oak Bank	877-890-5867	\$2,500	0.90
1 Yr	Pentagon Federal CU	800-247-5626	\$1,000	1.36
	Everbank	888-882-3837	\$1,500	1.31
	Virtual Bank	877-998-2265	\$10,000	1.31
18 Mo	Pentagon Federal (15)	800-247-5626	\$1,000	1.41
	Everbank	888-882-3837	\$1,500	1.40
	Virtual Bank	877-998-2265	\$10,000	1.36
2 Yr	Everbank	888-882-3837	\$1,500	1.52
	Virtual Bank	877-998-2265	\$10,000	1.51
	Pentagon Federal CU	800-247-5626	\$1,000	1.51
3 Yr	Pentagon Federal CU	800-247-5626	\$1,000	1.71
	Everbank	888-882-3837	\$1,500	1.65
	Sallie Mae Bank	877-346-2756	\$2,500	1.60
4 Yr	Pentagon Federal CU	800-247-5626	\$1,000	1.87
	Everbank	888-882-3837	\$1,500	1.81
	Capital One	800-289-1992	\$0	1.80
5 Yr	Pentagon Federal CU	800-247-5626	\$1,000	2.28
	Everbank	888-882-3837	\$1,500	2.10
	State Farm Bank	877-734-2265	\$500	2.10

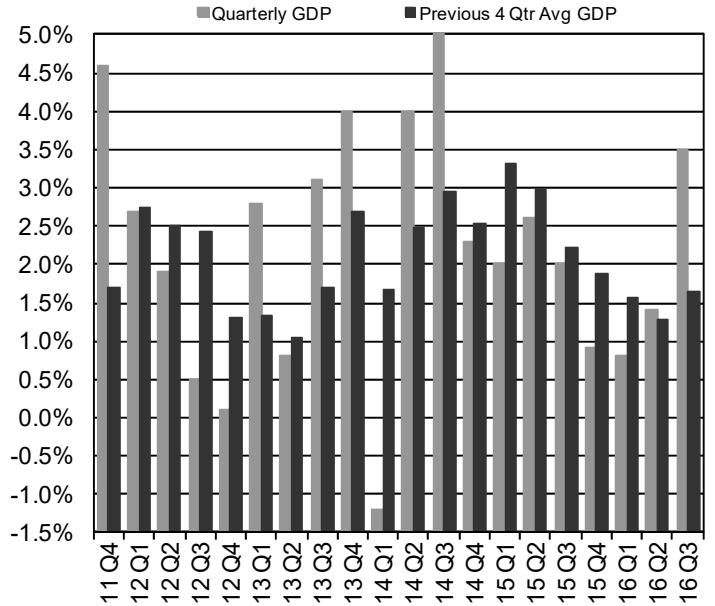
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ECONOMIC DASHBOARD

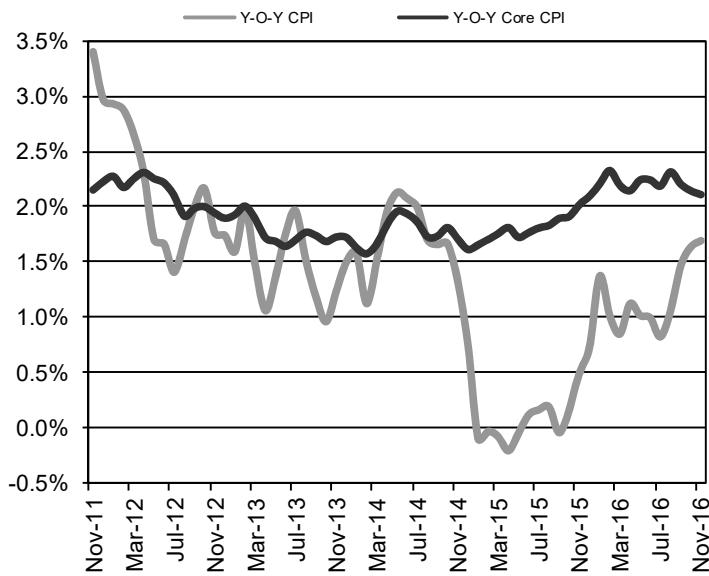
FEDERAL FUNDS RATE



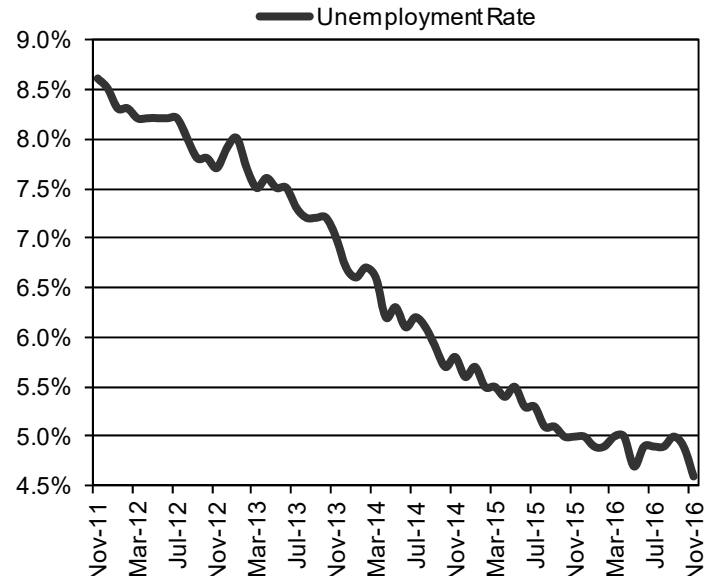
REAL GROSS DOMESTIC PRODUCT



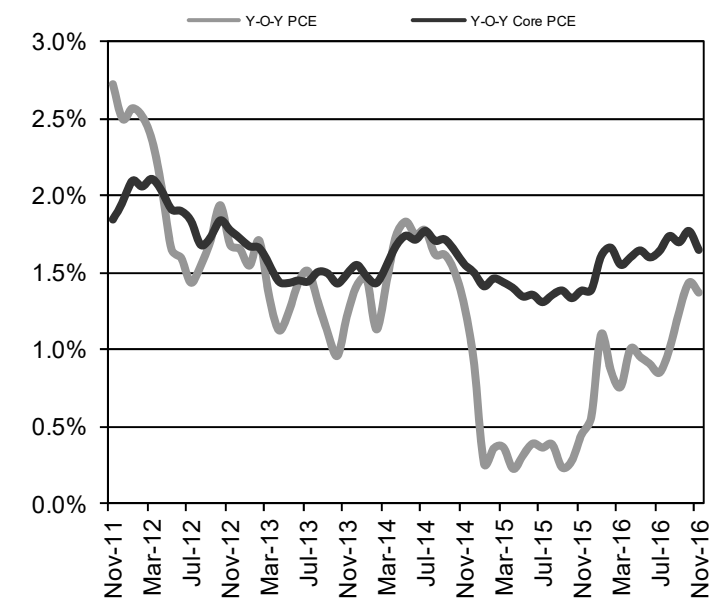
CONSUMER PRICE INFLATION



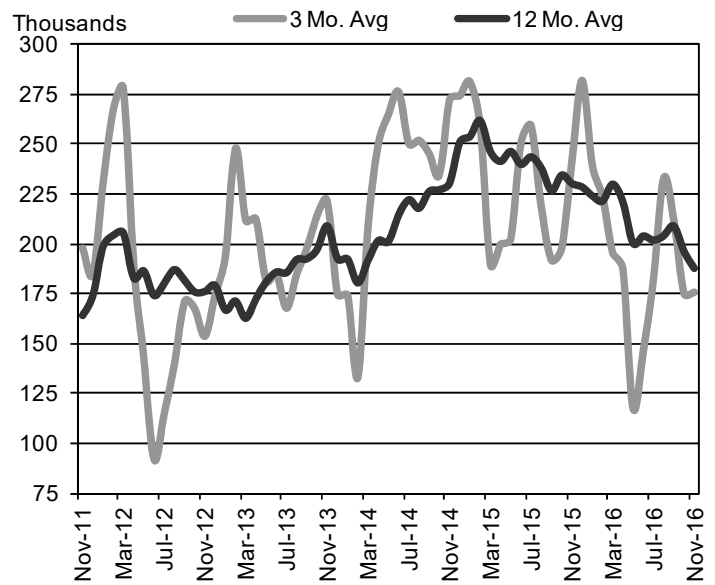
UNEMPLOYMENT RATE



PCE PRICE INDEX



NONFARM PAYROLLS



MUNICIPAL BOND CALENDAR

Source: Ipreo

State	Date	Type	Issuer	Amount	Advisor/Manager	Phone	Moody	S&P	Fitch
AZ	1/3/2017	Negotiated	Arizona Industrial Development Authority	\$ 108,180,000	RBC Capital Mkts				
<i>Education Revenue Bonds (Basis Schools Projects) Series 2016A and Series 2016B (Taxable-\$785,000)</i>									
CA	1/3/2017	Negotiated	Gilroy Unified School District	\$ 69,475,000	Isom Advisors Inc.	(925) 478-7450	Aa3		AAA
<i>General Obligation Bonds, Election of 2016, Series 2017</i>									
CA	1/5/2017	Competitive	School Fac. Improv. Dist #1 (Chula Vista Elementary)	\$ 45,000,000	Dale Scott Co.	(415) 956-1030			AA-
<i>General Obligation Bonds, 2012 Election, Series C</i>									
CO	1/5/2017	Competitive	State of Colorado	\$ 375,000,000	RBC Capital Markets	(303) 595-1100	MIG1		SP-1+
<i>Education Loan Program Tax and Revenue Anticipation Notes, Series 2016B</i>									
CO	1/5/2017	Competitive	Cherry Creek School District No. 5	\$ 150,000,000	Ehlers	(303) 802-2301			
<i>General Obligation Bonds, Series 2017</i>									
CO	1/17/2017	Negotiated	School Distric #1 - City and County of Denver (DPS)	\$ 480,000,000	Fiscal Strategies Group, Inc.	(732) 804-0860	Aa2	AA	AA+
<i>General Obligation Bonds, Series 2017</i>									
DC	1/3/2017	Negotiated	District of Columbia	\$ 311,520,000	PFM Financial Advisors LLC	(617) 330-6914	A2		A
<i>University Refunding Revenue Bonds (Georgetown University Issue), Series 2017</i>									
FL	1/3/2017	Negotiated	School District of Monroe County	\$ 64,165,000	Ford & Associates	(813) 874-6621			A+
<i>Sales Tax Revenue Bonds, Series 2017</i>									
IL	1/9/2017	Negotiated	Illinois Finance Authority	\$ 198,375,000	Kaufman Hall				
<i>Revenue Bonds, Series 2017A (Edward-Elmhurst Healthcare)</i>									
IL	1/10/2017	Competitive	Plainfield Comm. Consolidated School Dis. #202	\$ 54,725,000	PMA Securities, Inc	(630) 657-6443	Aa2		
<i>General Obligation Refunding School Bonds, Series 2017</i>									
IN	1/9/2017	Negotiated	Ball State University Board of Trustees	\$ 127,650,000	Piper Jaffray				AA-
<i>Ball State University Student Fee Bonds, Series R</i>									
ME	1/3/2017	Negotiated	Maine Municipal Bond Bank	\$ 98,135,000	Wells Fargo Secs		Aa2		AA+
<i>2017 Series A Bonds</i>									
MI	1/3/2017	Negotiated	Mount Clemens Community School District	\$ 58,995,000	PFM Financial Advisors LLC	(734) 994-9700			AA-
<i>2017 Refunding Bonds (General Obligation), Series A and Taxable Series B</i>									
MI	1/9/2017	Negotiated	School District of the City of Adrian	\$ 35,355,000	PFM Financial Advisors LLC	(734) 994-9700	A3		
<i>2017 Refunding Bonds (General Obligation)</i>									
MN	1/9/2017	Competitive	City of Fridley	\$ 50,505,000	Ehlers	(651) 697-8500			
<i>General Obligation Capital Imporvement Plan Bonds, Series 2017A</i>									
NJ	1/5/2017	Competitive	Township of Bloomfield	\$ 24,232,000	NW Financial Group	(201) 656-0115			
<i>\$22,040,616 Bond Anticipation Note; \$2,137,753 Watre Utility Bond Anticipation Note and \$53,631 Tax Appeal Refunding Bond Anticipation Note</i>									
NY	1/3/2017	Negotiated	New York State Housing Finance Agency	\$ 120,520,000	Citigroup				
<i>Affordable Housing Revenue Bonds, 2017 Series A (Climate Bond Certified/Green Bonds) and 2017 Series B</i>									
PA	1/3/2017	Negotiated	Univ. of Pittsburgh of the Comm. System of Higher Ed.	\$ 525,000,000	Wells Fargo Secs		Aa1		AA+
<i>Taxable University Refunding Bonds, Series A of 2017</i>									
TX	1/3/2017	Negotiated	Board of Regents, Texas State University System	\$ 570,825,000	FirstSouthwest	(214) 953-4000	Aa2		AA
<i>Revenue Financing System Revenue and Refunding Bonds, Series 2017A</i>									
TX	1/3/2017	Negotiated	Board of Regents of the Univ. of North Texas System	\$ 214,915,000	FirstSouthwest	(214) 953-4000	Aa2		AA
<i>Revenue Financing System Refunding and Improvement Bonds, Series 2017A</i>									
TX	1/3/2017	Negotiated	El Paso Independent School District	\$ 184,090,000	FirstSouthwest	(214) 953-4000	Aa2		AA
<i>School Building Bonds, Series 2017</i>									
TX	1/3/2017	Negotiated	Ysleta Independent School District	\$ 171,375,000	FirstSouthwest	(214) 953-4000	Aa2		
<i>School Building Bonds, Series 2017</i>									
TX	1/3/2017	Negotiated	Board of Regents of the Univ. of North Texas System	\$ 164,990,000	FirstSouthwest	(214) 953-4000	Aa2		
<i>Revenue Financing System Refunding and Improvement Bonds, Series 2017B (Taxable)</i>									
WA	1/3/2017	Negotiated	Auburn School District No. 408	\$ 91,130,000	D.A. Davidson		Aa2		
<i>General Obligation Bonds, 2017 (WA State School Guaranty)</i>									
WA	1/10/2017	Competitive	State of Washington	\$ 473,420,000	Montague DeRose & Assoc.	(925) 256-9797	Aa1	AA+	AA+
<i>Various Purpose General Obligation Bonds, Series 2017D</i>									
WA	1/10/2017	Competitive	State of Washington	\$ 139,020,000	Piper Jaffray & Company	(206) 628-2882	Aa1	AA+	AA+
<i>Various Purpose General Obligation Refunding Bonds, Series R-2017C</i>									
WA	1/10/2017	Competitive	State of Washington	\$ 49,965,000	Piper Jaffray & Company	(206) 628-2882	Aa1	AA+	AA+
<i>\$25,200,000 Motor Vehicle Fuel Tax G.O. Bonds, Series 2017E and \$24,765,000 Motor Vehicle Fuel Tax G.O. Refunding Bonds, Series R-2017D</i>									

NOTE: Subscribers can access our complete municipal bond calendar on our website at: <http://www.brinkeradvisor.com>

BRINKER FIXED INCOME ADVISOR - RECOMMENDED NO-LOAD MUTUAL FUNDS

FUND NAME	SYMBOL	DURATION	EXP. RATIO	2011	2012	2013	2014	2015	2016	Yield	12-31-16 PRICE
--- SHORT-TERM BOND TAXABLE ---											
Fidelity Floating Rate High Income	FFRHX	0.3 yrs	0.70%	1.72%	6.81%	3.92%	0.41%	(1.17%)	9.92%	3.53%	\$9.64
Metropolitan West Low Duration Bond	MWLDX	1.35 yrs	0.62%	1.12%	7.54%	1.93%	1.39%	0.20%	1.24%	1.27%	\$8.71
Osterweis Strategic Income Fund	OSTIX	1.5 yrs	0.83%	4.06%	8.55%	6.58%	1.26%	(0.93%)	10.95%	4.80%	\$11.21
T. Rowe Price Short-Term Bond	PRWBX	1.9 yrs	0.47%	1.46%	2.86%	0.30%	0.60%	0.60%	1.58%	1.30%	\$4.71
Vanguard Short-Term Bond Index	VBISX	2.8 yrs	0.16%	2.96%	1.95%	0.07%	1.16%	0.85%	1.41%	1.61%	\$10.43
Vanguard Short-Term Federal	VSGBX	2.3 yrs	0.20%	2.76%	1.44%	(0.35%)	1.17%	0.73%	1.14%	1.24%	\$10.69
Vanguard Short-Term Investment-Grade	VFSTX	2.6 yrs	0.20%	1.92%	4.52%	0.97%	1.76%	1.03%	2.72%	1.91%	\$10.63
Vanguard Short-Term Treasury	VFISX	2.3 yrs	0.20%	2.26%	0.69%	(0.10%)	0.71%	0.45%	1.08%	1.01%	\$10.64
--- SHORT-TERM BOND TAX-EXEMPT ---											
Fidelity Limited Term Municipal Income	FSTFX	2.8 yrs	0.48%	4.34%	2.25%	0.10%	2.28%	1.18%	(0.45%)	1.10%	\$10.43
T. Rowe Price Tax-Free Short-Intermediate	PRFSX	2.9 yrs	0.49%	4.59%	2.14%	0.53%	1.90%	1.06%	(0.30%)	0.97%	\$5.54
Vanguard Limited-Term Tax-Exempt	VMLTX	2.5 yrs	0.20%	3.70%	1.77%	0.49%	1.79%	1.32%	(0.16%)	1.55%	\$10.84
Vanguard Short-Term Tax-Exempt	VWSTX	1.2 yrs	0.20%	1.59%	0.99%	0.48%	0.65%	0.45%	0.35%	1.07%	\$15.72
--- INTERMEDIATE-TERM BOND TAXABLE ---											
Dodge & Cox Income	DODIX	4.0 yrs	0.43%	4.76%	7.94%	0.64%	5.48%	(0.59%)	5.61%	2.60%	\$13.59
DoubleLine Total Return Bond	DLTNX	3.7 yrs	0.72%	9.16%	9.00%	(0.23%)	6.47%	2.07%	1.92%	3.13%	\$10.62
Fidelity Capital & Income	FAGIX	4.05 yrs	0.75%	(1.91%)	16.41%	9.71%	6.14%	(0.92%)	10.73%	4.39%	\$9.71
Fidelity High Income	SPHIX	3.5 yrs	0.73%	3.41%	14.89%	6.68%	1.53%	(5.40%)	15.97%	6.33%	\$8.71
Fidelity Intermediate Bond	FTHRX	4.0 yrs	0.45%	6.15%	4.93%	(0.64%)	3.31%	0.68%	2.76%	2.04%	\$10.79
Fidelity Investment Grade Bond	FBNDX	5.5 yrs	0.45%	7.91%	6.23%	(1.74%)	5.81%	(1.57%)	5.33%	2.47%	\$7.79
Fidelity Strategic Income	FSICX	4.9 yrs	0.71%	4.64%	10.90%	0.38%	3.78%	(1.62%)	8.76%	3.57%	\$10.66
Fidelity Total Bond	FTBFX	5.2 yrs	0.45%	7.39%	6.53%	(0.92%)	5.54%	(0.42%)	5.85%	2.89%	\$10.52
Harbor Funds Harbor Bond	HABDX	5.95 yrs	0.51%	3.48%	9.32%	(1.46%)	4.78%	0.23%	3.24%	2.62%	\$11.34
Loomis Sayles Bond	LSBRX	3.6 yrs	0.89%	3.48%	14.77%	5.52%	4.49%	(7.06%)	8.40%	3.29%	\$13.50
Metropolitan West Total Return Bond	MWTRX	4.9 yrs	0.67%	5.20%	11.43%	0.20%	5.83%	(0.05%)	2.33%	1.63%	\$10.54
T. Rowe Price Spectrum Income	RPSIX	5.15 yrs	0.69%	4.16%	10.16%	3.02%	3.88%	(2.02%)	8.18%	3.12%	\$12.39
Vanguard GNMA	VFIIIX	4.8 yrs	0.21%	7.68%	2.35%	(2.22%)	6.65%	1.33%	1.84%	2.07%	\$10.54
Vanguard High-Yield Corporate	VWEHX	4.5 yrs	0.23%	7.11%	14.36%	4.54%	4.58%	(1.39%)	11.17%	4.98%	\$5.83
Vanguard Intermediate-Term Bond Index	VBIIIX	6.5 yrs	0.16%	10.61%	6.91%	(3.54%)	6.85%	1.21%	2.74%	2.77%	\$11.24
Vanguard Intermediate-Term Investment-Grade	VFICX	5.5 yrs	0.20%	7.50%	9.14%	(1.37%)	5.81%	1.53%	3.82%	2.72%	\$9.64
Vanguard Intermediate-Term Treasury	VFITX	5.3 yrs	0.20%	9.80%	2.67%	(3.09%)	4.32%	1.50%	1.18%	1.81%	\$11.09
Vanguard Total Bond Market Index	VBMFX	5.9 yrs	0.16%	7.55%	4.05%	(2.26%)	5.76%	0.30%	2.49%	2.33%	\$10.65
--- INTERMEDIATE-TERM BOND TAX-EXEMPT ---											
American Century Interm.-Term Tax-Free Bond	TWTIX	4.7 yrs	0.47%	9.17%	5.13%	(2.26%)	5.79%	2.47%	(0.38%)	1.67%	\$11.12
Fidelity Intermediate Municipal Income	FLTMX	4.9 yrs	0.36%	7.96%	4.95%	(1.50%)	6.71%	2.23%	(0.01%)	1.75%	\$10.21
T. Rowe Price Summit Municipal Intermediate	PRSMX	4.4 yrs	0.50%	8.94%	5.28%	(1.16%)	7.05%	2.83%	(0.05%)	1.64%	\$11.69
Vanguard California Inter-Term Tax-Exempt	VCAIX	5.3 yrs	0.20%	10.15%	6.63%	(0.83%)	8.00%	3.18%	(0.19%)	2.18%	\$11.53
Vanguard Intermediate-Term Tax-Exempt	VWITX	5.1 yrs	0.20%	9.61%	5.70%	(1.56%)	7.25%	2.86%	0.07%	2.21%	\$13.89
--- LONG-TERM BOND TAXABLE ---											
T. Rowe Price Corporate Income	PRPIX	7.5 yrs	0.62%	7.68%	11.15%	(1.42%)	8.25%	(0.66%)	5.08%	2.92%	\$9.43

BRINKER FIXED INCOME ADVISOR - RECOMMENDED NO-LOAD MUTUAL FUNDS

FUND NAME	SYMBOL	DURATION	EXP. RATIO	2011	2012	2013	2014	2015	2016	Yield	12-31-16 PRICE
T. Rowe Price U.S. Treasury Long-Term	PRULX	17.3 yrs	0.52%	28.36%	3.18%	(13.22%)	23.60%	(1.89%)	0.71%	2.34%	\$12.15
Vanguard Inflation-Protected Securities	VIPSX	8.1 yrs	0.20%	13.24%	6.78%	(8.92%)	3.83%	(1.83%)	4.52%	0.07%	\$12.98
Vanguard Long-Term Bond Index	VBLTX	15.0 yrs	0.16%	22.04%	8.49%	(9.13%)	19.72%	(3.47%)	6.40%	3.90%	\$13.51
Vanguard Long-Term Investment-Grade	VWESX	13.2 yrs	0.21%	17.17%	11.66%	(5.86%)	18.17%	(2.20%)	7.80%	3.95%	\$10.06
Vanguard Long-Term Treasury	VUSTX	16.7 yrs	0.20%	29.27%	3.47%	(13.02%)	25.28%	(1.54%)	1.19%	2.81%	\$11.74
--- LONG-TERM BOND TAX-EXEMPT ---											
Fidelity California Municipal Income	FCTFX	6.4 yrs	0.46%	11.23%	8.43%	(1.73%)	10.58%	3.53%	(0.16%)	1.82%	\$12.69
Fidelity Municipal Income	FHIGX	7.0 yrs	0.48%	10.64%	7.92%	(2.94%)	10.59%	3.31%	(0.01%)	2.18%	\$12.86
Fidelity New York Municipal Income	FTFMX	6.5 yrs	0.46%	9.59%	6.53%	(2.97%)	9.41%	3.74%	0.13%	1.91%	\$13.02
Fidelity Tax-Free Bond	FTABX	6.9 yrs	0.25%	10.90%	8.18%	(2.83%)	10.73%	3.21%	0.37%	2.32%	\$11.27
T. Rowe Price Summit Municipal Income	PRINX	4.9 yrs	0.50%	10.62%	9.86%	(3.74%)	11.56%	3.49%	0.41%	2.30%	\$11.66
T. Rowe Price Tax-Free High Yield	PRFHX	5.9 yrs	0.69%	10.97%	13.65%	(4.51%)	14.99%	3.85%	1.38%	3.01	\$11.69
T. Rowe Price Tax-Free Income	PRTAX	4.5 yrs	0.52%	10.25%	8.57%	(3.41%)	10.53%	3.15%	0.32%	2.00%	\$10.03
Vanguard California Long-Term Tax-Exempt	VCITX	7.4 yrs	0.20%	11.47%	8.92%	(2.54%)	11.80%	4.36%	0.05%	2.73%	\$11.82
Vanguard High-Yield Tax-Exempt	VWAHX	7.1 yrs	0.20%	10.97%	9.36%	(3.22%)	10.62%	4.13%	0.82%	3.36%	\$11.01
Vanguard Long-Term Tax-Exempt	VWLTX	6.9 yrs	0.20%	10.68%	8.08%	(2.95%)	11.07%	3.97%	0.62%	2.82%	\$11.38
--- INTERNATIONAL BOND FUNDS ---											
Loomis Sayles Global Bond	LSGLX	6.6 yrs	1.00%	3.50%	7.81%	(2.99%)	0.10%	(5.30%)	3.31%	1.42%	\$15.08
PIMCO Foreign Bond	PFBDX	7.5 yrs	0.90%	7.92%	6.28%	(6.01%)	0.64%	(7.23%)	3.40%	1.57%	\$9.21
T. Rowe Price International Bond	RPIBX	9.2 yrs	0.83%	2.63%	6.10%	(3.81%)	(3.77%)	(5.70%)	2.20%	1.53%	\$8.31
Vanguard Total International Bond Index	VTIBX	7.8 yrs	0.17%	--	--	--	8.83%	1.04%	4.67%	0.68%	\$10.84
--- HYBRID BOND FUNDS ---											
Fidelity Convertible Securities	FCVSX	---	0.56%	(7.33%)	16.82%	24.06%	9.26%	(9.36%)	5.97%	2.63%	\$26.71
Vanguard Convertible Securities	VCVSX	4.1 yrs	0.38%	(6.75%)	14.47%	19.17%	2.38%	(1.42%)	6.62%	1.97%	\$12.73
Vanguard Wellesley Income	VWINX	6.5 yrs	0.23%	9.63%	10.06%	9.19%	8.07%	1.28%	8.08%	2.64%	\$25.47

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BRINKER FIXED INCOME ADVISOR NO-LOAD MUTUAL FUND MODEL PORTFOLIOS

The Brinker Fixed Income Advisor **Aggressive Portfolio** seeks to maximize fixed income returns. This portfolio is best suited for fixed income investors willing to accept a higher degree of investment risk for potentially higher returns. (\$100,000 value on 3/31/2005)

Fund Name	Symbol	Yield	Duration	Weighting	Value 12/31/16
DoubleLine Total Return Bond Fund	DLTNX	3.13%	3.7 years	20%	32,701
Fidelity Floating Rate High Income Fund	FFRHX	3.53%	0.3 years	15%	25,798
Loomis Sayles Bond Fund	LSBRX	3.29%	3.6 years	20%	34,522
Osterweis Strategic Income Fund	OSTIX	4.80%	1.5 years	25%	48,485
Vanguard Wellesley Income Fund	VWINX	2.64%	6.5 years	20%	34,906
		3.54%	3.17 years	100%	\$176,413

The estimated weighted average duration of this portfolio is 3.17 years. This suggests a one percent increase in corresponding interest rates would result in a 3.17% decline in the portfolio. Since inception on 3/31/2005, this portfolio has returned 76.41%.

The Brinker Fixed Income Advisor **Moderate Portfolio** seeks higher fixed income returns. This portfolio is best suited for fixed income investors willing to accept a moderate degree of investment risk. (\$100,000 value on 3/31/2005)

Fund Name	Symbol	Yield	Duration	Weighting	Value 12/31/16
DoubleLine Total Return Bond Fund	DLTNX	3.13%	3.7 years	20%	31,387
Fidelity Floating Rate High Income Fund	FFRHX	3.53%	0.3 years	10%	16,508
Loomis Sayles Bond Fund	LSBRX	3.29%	3.6 years	15%	24,754
Metropolitan West Low Duration Bond Fund	MWLDX	1.27%	1.3 years	20%	31,981
Osterweis Strategic Income Fund	OSTIX	4.80%	1.5 years	20%	36,629
Vanguard Wellesley Income Fund	VWINX	2.64%	6.5 years	15%	25,138
		3.08%	2.82 years	100%	\$166,395

The weighted average duration of this portfolio is 2.82 years. This suggests a one percent increase in corresponding interest rates would result in a 2.82% decline in the portfolio. Since inception on 3/31/2005, this portfolio has returned 66.40%.

The Brinker Fixed Income Advisor **Conservative Portfolio** invests in the safest investment vehicles. This portfolio is best suited for fixed income investors who wish to minimize risk. (\$100,000 value on 3/31/2005)

Fund Name	Symbol	Yield	Duration	Weighting	Value 12/31/16
DoubleLine Total Return Bond Fund	DLTNX	3.04%	3.7 years	30%	47,289
Loomis Sayles Bond Fund	LSBRX	3.12%	3.6 years	10%	16,183
Metropolitan West Low Duration Bond Fund	MWLDX	1.19%	1.3 years	25%	40,871
Osterweis Strategic Income Fund	OSTIX	4.80%	1.5 years	15%	26,338
Vanguard Prime Money Market Fund	VMMXX	0.62%	0.0 years	10%	13,756
Vanguard Wellesley Income Fund	VWINX	2.51%	6.5 years	10%	17,647
		2.55%	2.67 years	100%	\$162,083

The weighted average duration of this portfolio is 2.67 years. This suggests a one percent increase in corresponding interest rates would result in a 2.67% decline in the portfolio. Since inception on 3/31/2005, this portfolio has returned 62.08%.

The Brinker Fixed Income Advisor **Tax-Exempt Portfolio** invests in tax-exempt investment vehicles. This portfolio is best suited for fixed income investors in high income tax brackets. (\$100,000 value on 5/31/2005)

Fund Name	Symbol	Yield	Duration	Weighting	Value 12/31/16
Vanguard High-Yield Tax-Exempt Fund	VWAHX	3.36%	7.1 years	20%	29,591
Vanguard Intermediate-Term Tax-Exempt Fund	VWITX	2.21%	5.1 years	40%	61,051
Vanguard Long-Term Tax-Exempt Fund	VWLTX	2.82%	6.9 years	20%	32,309
Vanguard Tax-Exempt Money Market Fund	VMSXX	0.62%	0.0 years	20%	26,617
		2.24%	4.84 years	100%	\$149,567

The weighted average duration of this portfolio is 4.84 years. This suggests a one percent increase in corresponding interest rates would result in a 4.84% decline in the portfolio. Since inception on 5/31/2005, this portfolio has returned 49.57%.

NOTE: Subscribers in CA, MA, NJ, NY, OH, PA should consider substituting state specific funds where appropriate.

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