



Richard  
Bernstein  
Advisors

Proactive Approach to Investing

Quarterly Commentary

Q1-2025

# Global Aggressive ETF Strategy

## Q1 2025 Performance Highlights (%)

Portfolio (gross)	-0.24
Portfolio (net)	-0.99
Style Index*	-0.57

## Annualized Performance<sup>1</sup> (%)

as of March 31, 2025

	1YR	3YR	5YR	Since Inception
Gross	3.88	3.22	9.95	8.56
Net	0.81	0.18	6.72	5.37
Style Index*	6.82	5.96	12.23	8.89

## Annual Performance (%)

	2018	2019	2020	2021	2022	2023	2024
Gross	-10.44	22.76	14.84	14.48	-11.04	9.23	9.49
Net	-13.11	19.19	11.48	11.13	-13.70	6.02	6.28
Style Index*	-7.39	22.55	14.82	14.43	-16.43	18.78	14.38

\* Style index is 80% MSCI ACWI Index net of dividend taxes, 15% Bloomberg US Aggregate Bond Index and 5% Bloomberg 1-3 month T-Bill Index.

<sup>1</sup>Returns greater than 1 year are annualized.

\*\* Net of dividend taxes

Inception date: 6/30/2016

## Richard Bernstein Advisors

RBA employs a macrodriven, top-down style to construct global tactical equity and asset allocation portfolios. The investment team uses quantitative indicators and the firm's macro-economic analysis to invest in global equity, fixed income asset classes, sub-asset classes and sectors using only US-listed ETFs. The firm currently has \$15.7 billion collectively under management and advisement as of 3/31/2025.

Investment Committee: Richard Bernstein; Michael Contopoulos; Malvika Dhingra; Matthew Griswold, CFA; Lisa Kirschner; Matthew Poterba, CFA; Henry Timmons, CFA. For investment minimums, please contact your financial advisor. Performance information included in this factsheet is as of current quarter-end and subject to change. Prior period returns may have been restated to conform to this presentation. All other information is as of the most recent quarter end. See disclosure at the end of the factsheet for further information.

**Past performance is no guarantee of future results.**

The Global Aggressive ETF Strategy outperformed its benchmark in 1Q25, posting a return of -0.24% compared to a -0.57% return for its style index\*.

## Equity Positioning

The Strategy was overweight equity over the period, holding an average weight of 81.8% (1.8ppt overweight) in 1Q25. The equity sleeve outperformed the -1.32% return of its benchmark, the MSCI ACWI Index\*\*. Within equities, the overweight in U.S. value and high dividend-paying stocks, allocation to international high-quality stocks, and underweight in U.S. megacap growth stocks helped performance. This was partially offset by the overweight in small cap stocks and the underweight in international developed markets and China.

## Fixed-Income Positioning

The Strategy was underweight fixed income over the period, holding an average weight of 14.0% (1.0ppt underweight). The fixed income sleeve outperformed the 2.78% return of its benchmark, the Bloomberg US Aggregate Bond Index. The portfolio's underweight in investment grade corporate bonds, and allocation in a yield curve steepener helped performance. This was partially offset by the portfolio's slightly shorter duration and overweight in collateralized loan obligations (CLOs). The strategy was underweight cash, holding an average weight of 1.9%.

## Commodities Positioning

The 2.3% average weight in gold was a significant contributor to performance.

## Changes in Portfolio

During the quarter, RBA made several changes to the portfolio. We increased the overall quality of the portfolio and selectively added to our defensive exposure in anticipation of earnings nearing their peak. At the same time, we increased our exposure to low beta cyclicals by adding Financials. While we remain overweight US small caps and non-China emerging markets due to their improving profit cycles, we have begun to pare back these overweights as an initial shift toward higher quality. Within international developed markets, we further increased exposure to higher quality assets to navigate the changing environment.

## Outlook & Positioning

We entered 2025 believing the year would read like a 2 Act play; with Act 1 marked by stronger-than-expected profit growth and Act 2 bringing higher volatility as earnings peak in Q2 or Q3. Despite the recent tariff induced volatility, underlying economic conditions in the first quarter remained healthy and we continue to expect strong Q1 earnings. Further, while investor focus has been anchored on a narrow set of equities over the past year, we saw a broadening of performance in the first quarter and expect that to continue for the foreseeable future.

However, equity markets have entered a period of adjustment, as higher equity risk premiums reflect growing market uncertainty. In recent weeks, investors have begun to reprice risk more broadly, driven by increasing trade uncertainty causing shifting expectations around inflation, interest rates, and corporate profitability. This evolving environment is reintroducing risk differentiation across sectors, styles, and regions. We expect the tariff headwinds to pull forward our expectations for the peak in the profit cycle and accelerate the move towards Act 2, though, and have searched for certainty amongst a sea of uncertainty.

With this transition in mind, we began to increase the quality of our portfolios in February and anticipate further increases in quality and defensives as the profit cycle nears its peak and we

enter Act 2. Our portfolios are overweight healthcare and utilities, two defensive sectors, as well as value, which is higher quality by many measures than growth. Our portfolios maintain overweight positions in U.S. small-cap equities and non-China emerging markets due to their improving profit cycles, but we have pared these overweights as an initial shift toward Act 2. Core inflation remains sticky, suggesting that monetary policy may remain more constrained than the market currently anticipates. In this environment, inflation-sensitive assets like gold play an important role in diversified portfolios. As the US market adjusts to peaking profit growth, restrictive fiscal policy, and tight monetary policy our focus remains on areas where fundamentals are improving, and risks are better compensated.

**IMPORTANT DISCLOSURE**

The performance was calculated by Richard Bernstein Advisors LLC (the "Adviser") for the Global Aggressive ETF Strategy ("Strategy") as described below. The Strategy's asset allocation recommendations are subject to guideline allocation limitations at the major asset class level (i.e., equity, fixed income and cash) that may change over time.

The Strategy has an inception date of June 30, 2016. The Strategy seeks risk-adjusted long-term growth for an aggressive risk tolerance by employing a top-down style to construct a global tactical asset allocation portfolio. Accounts in this Strategy obtain desired exposure via ETF vehicles.

The benchmark is composed as follows: 80% MSCI ACWI USD Net, 15% Bloomberg US Aggregate Index Unhedged USD, and 5% Bloomberg US Treasury Bills: 1-3 Months Index Unhedged. The benchmark is rebalanced daily.

Past performance is no guarantee of future results. Performance is shown in USD and includes reinvestment of dividends and other earnings. Results are shown on a "gross" and "net" basis. Gross-of-fee returns are reduced by actual trading costs incurred and platform fees but are before deduction of any advisory or other fees. Net performance is shown net of a model annual advisory fee of 0.40% deducted on a monthly basis, the highest fee charged by the Adviser. Taxes have not been deducted.

Index and portfolio data herein have been supplied by outside sources, including, Richard Bernstein Advisors LLC, and are believed to be reliable as of the date indicated. The source for ETF returns is Richard Bernstein Advisors LLC. The source for risk measures is Morningstar.

**About Risk:** Any investment is subject to risk. ETFs are subject to risks similar to those of stocks, such as market risk, and investors who have their funds invested in accordance with the model portfolio may experience losses. Additionally, fixed income (bond) ETFs are subject to interest rate risk, which is the risk that debt securities in a portfolio will decline in value because of increases in market interest rates. Foreign investments may be subject to greater risk than domestic investments. Investments in foreign instruments or currencies can involve greater risk and volatility than U.S. investments because of adverse market, economic, political, regulatory, geopolitical or other conditions. In emerging countries, these risks may be more significant. The value of commodities investments will generally be affected by overall market movements and factors specific to a particular industry or commodity, including weather, embargoes, tariffs, or health, political, international and regulatory developments. An imbalance in supply and demand in the income market may result in valuation uncertainties and greater volatility, less liquidity, widening credit spreads and a lack of price transparency in the market. As interest rates rise, the value of certain income investments is likely to decline. Investments in income securities may be affected by changes in the creditworthiness of the issuer and are subject to the risk of non-payment of principal and interest. The value of income securities also may decline because of real or perceived concerns about the issuer's ability to make principal and interest payments. Smaller companies are generally subject to greater price fluctuations, limited liquidity, higher transaction costs and higher investment risk than larger, established companies. Derivatives instruments can be used to take both long and short positions, be highly volatile, result in economic leverage (which can magnify losses), and involve risks in addition to the risks of the underlying instrument on which the derivative is based, such as counterparty, correlation and liquidity risk. If a counterparty is unable to honor its commitments, the value may decline and/or the portfolio could experience delays in the return of collateral or other assets held by the counterparty. Investing in an exchange-traded fund (ETF) exposes the Strategy to all of the risks of that ETF and, in general, subjects the Strategy to a pro rata portion of the Strategy's fees and expenses.

Nothing contained herein constitutes tax, legal, insurance or investment advice, or the recommendation of or an offer to sell, or the solicitation of an offer to buy or invest in any investment product, vehicle, service or instrument. Such an offer or solicitation may only be made by delivery to a prospective investor of formal offering materials, including subscription or account documents or forms, which include detailed discussions of the terms of the respective product, vehicle, service or instrument, including the principal risk factors that might impact such a purchase or investment, and which should be reviewed carefully by any such investor before making the decision to invest. RBA information may include statements concerning financial market trends and/or individual stocks, and are based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. Historic market trends are not reliable indicators of actual future market behavior or future performance of any particular investment which may differ materially, and should not be relied upon as such. The investment strategy and broad themes discussed herein may be inappropriate for investors depending on their specific investment objectives and financial situation. Information contained in the material has been obtained from sources believed to be reliable, but not guaranteed. You should note that the materials are provided "as is" without any express or implied warranties. **Past performance is not a guarantee of future results.** All investments involve a degree of risk, including the risk of loss. No part of RBA's materials may be reproduced in any form, or referred to in any other publication, without express written permission from RBA. Links to appearances and articles by employees of Richard Bernstein Advisors, whether in the press, on television or otherwise, are provided for informational purposes only and in no way should be considered a recommendation of any particular investment product, vehicle, service or instrument or the rendering of investment advice, which must always be evaluated by a prospective investor in consultation with his or her own financial adviser and in light of his or her own circumstances, including the investor's investment horizon, appetite for risk, and ability to withstand a potential loss of some or all of an investment's value. Graphs, charts, and tables are provided for illustrative purposes only. Investing is subject to market risks. Investors acknowledge and accept the potential loss of some or all of an investment's value. Views represented are subject to change at the sole discretion of Richard Bernstein Advisors LLC. Richard Bernstein Advisors LLC does not undertake to advise you of any changes in the views expressed herein.

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