Richard Bernstein Advisors

Pactive® Approach to Investing

Quarterly Commentary

Q1-2025

Core Plus Total Return ETF Strategy

Q1 2025 Performance Highlights (%)

Portfolio (gross)	2.50
Portfolio (net)	1.74
Style Index*	2.78

Annualized Performance[1] (%)

as of March 31, 2025

	YTD	1Y	3Y	Since Inception
Gross	2.50	5.46	-0.31	-0.97
Net	1.74	2.35	-3.26	-3.90
Style Index*	2.78	4.88	0.52	-1.34

Annual Performance (%)

	2021	2022	2023	2024
Gross	0.73	-13.80	4.85	2.09
Net	-2.25	-16.38	1.76	-0.92
Style Index*	-1.54	-13.01	5.53	1.25

** Style index is Bloomberg US Aggregate Bond Index*
[1]Returns greater than 1 year are annualized.
*** Net of dividend taxes*
Inception date: 12/23/2020

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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 Core Plus Total Return ETF Strategy underperformed its benchmark in 1Q25, posting a return of 2.50% compared to a 2.78%for its style index*.

Positioning

The portfolio's underweight in investment grade corporate bonds, and allocation in a yield curve steepener helped performance. This was more than offset by the portfolio's shorter duration and overweight in collateralized loan obligations (CLOs).

Changes in Portfolio

During the quarter, RBA made changes to the portfolio. RBA trimmed the overweight in BBB collateralized loan obligations and used the proceeds to add to mortgage-backed securities (MBS). While this reduced credit risk, we remain only slightly underweight and still hold meaningful exposure. Our MBS overweight reflects our view that they offer stronger relative value compared to both Treasuries and corporate credit.

Outlook & Positioning

Fixed income investors value certainty above all else. With certainty comes the expectation of payment of coupon and ultimate payment of principle. As we have written over the last several months, certainty is now a scarcity. In fixed income, that means investors must position themselves away from credit risk and towards more risk-free assets.

Even before Liberation Day, the US profit cycle was likely to peak in Q2 or Q3 2025. Given the current trade war and the uncertainty it has created for businesses and consumers, we believe that peak is likely sooner rather than later. With profits peaking and inflation likely not soon headed towards the Federal Reserve's 2% mandate, we believe agency mortgage-backed securities and treasuries offer the best risk adjusted returns in fixed income.

Although the macro data, particularly unemployment, doesn't suggest an imminent economic recession, with risk premiums still tight, we do not believe investors are currently rewarded for what amounts to a "carry" trade- earning coupon with little potential upside but plenty of downside. Instead, we believe better times will soon present themselves for risky credit and prefer maintaining a high-quality portfolio around the benchmark duration while we wait for spreads to widen.

IMPORTANT DISCLOSURE

The performance was calculated by Richard Bernstein Advisors LLC (the "Adviser") for the Core Plus Total Return 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., fixed income and cash) that may change over time.

The Strategy has an inception date of December 23, 2020. The Strategy seeks to generate superior risk-adjusted returns as compared to the aggregate bond universe over a full market cycle 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 Strategy benchmark is 100% Bloomberg U.S. Aggregate Bond Index. 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 Fund to all of the risks of that ETF and, in general, subjects the Fund to a pro rata portion of the Fund's fees and expenses.

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