



Richard
Bernstein
Advisors

Proactive Approach to investing

Quarterly Commentary

Q2-2025

Core Plus Total Return ETF Strategy

Q2 2025 Performance Highlights (%)

Portfolio (gross)	0.76
Portfolio (net)	0.01
Style Index	1.21

Annualized Performance¹ (%)

as of Jun 30, 2025

	YTD	1Y	3Y	Since Inception
Gross	3.28	5.93	1.79	-0.76
Net	1.75	2.81	-1.21	-3.69
Style Index*	4.02	6.08	2.55	-1.01

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 100% Bloomberg US Aggregate Bond Index

¹Returns greater than 1 year are annualized.

** Net of dividend taxes

Inception date:
12/23/2020

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 \$16.6 billion collectively under management and advisement as of 6/30/2025.

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 Profile 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 Profile for further information.

Past performance is no guarantee of future results.

The Core Plus Total Return ETF Strategy underperformed its benchmark in 2025, posting a return of 0.76% compared to a 1.21% for its style index*.

Positioning

The portfolio's overweight in mortgage-backed securities and underweight in investment grade corporate credit detracted from performance. This was partially offset by the portfolio's allocation in a yield curve steepener.

Changes in Portfolio

During the quarter, RBA made several changes to the portfolio. In April, with the profit cycle nearing a peak and certainty increasingly scarce, we sold our exposure to BBB collateralized loan obligation (CLOs) and yield curve steepener position. We used the proceeds to increase exposure to short-term and intermediate Treasuries. The fixed income sleeve is now roughly neutral benchmark duration and maintains an overweight to agency mortgage-backed securities (MBS) and no exposure to corporate credit, awaiting better opportunities in credit and duration to emerge in the months ahead.

Outlook & Positioning

As we enter the second half of 2025, the investment landscape is increasingly shaped by late-cycle dynamics and a decelerating global profit cycle. While inflation has moderated from prior peaks, core U.S. pricing pressures remain sticky, limiting the Federal Reserve's ability to ease policy. Layered on top are geopolitical risks, tariff uncertainty, and signs of excessive risk-taking—all of which contribute to a more fragile backdrop.

In this environment, continued enthusiasm for corporate credit becomes harder to justify. Fixed income markets value certainty above all else – certainty of coupon, and certainty of principal repayment. When uncertainty rises, spreads should widen to compensate. Yet despite this backdrop, corporate bond spreads remain near historic tight.

As the saying goes in fixed income, the road to hell is paved with carry. When your only source of return is yield, and upside is capped, risks become asymmetric. Consider that investment grade corporate spreads sit in just the 6th percentile historically. A modest 25bp widening—still leaving spreads at a rich 30th percentile—would erase nearly two years of excess return over Treasuries.

Against this backdrop, we prefer the certainty and structural advantages offered by agency mortgage-backed securities. Agencies offer comparable yields to investment grade corporates, with no credit risk, shorter duration, and greater price appreciation potential should rates fall.

Our macro-driven approach avoids unnecessary excesses and emphasizes resilience. In this uncertain environment, risk-aware portfolio construction is essential. We continue to focus on segments where compensation is more aligned with the underlying risk.

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 reflects the deduction of an assumed 3.00% annual fee rate which is intended to equal or exceed the combined maximum advisory program fees and maximum investment management fees charged to advisory platform clients. Returns are calculated by applying the assumed annual fee rate to the gross monthly returns. This combined fee will normally include all charges for trading costs, portfolio management fees, custody and other administrative fees. Actual fees may vary depending on the individual sponsor's fee. Investment management fees are negotiated directly with advisory program sponsors. Fees are negotiable where circumstances warrant. 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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