



Richard  
Bernstein  
Advisors

Proactive Approach to investing

Quarterly Commentary

Q2-2025

# Global Moderate ETF Strategy

## Q2 2025 Performance Highlights (%)

Portfolio (gross)	5.18
Portfolio (net)	4.41
Style Index	6.39

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

as of Jun 30, 2025

	1YR	3YR	5YR	10YR	Since Inception
Gross	10.25	6.82	5.56	6.03	6.84
Net	7.01	3.68	2.45	2.91	3.69
Style Index*	11.28	10.06	6.68	6.13	6.67

## Annual Performance (%)

	2018	2019	2020	2021	2022	2023	2024
Gross	-6.57	15.90	12.68	8.26	-10.84	6.49	6.78
Net	-9.35	12.51	9.38	5.08	-13.50	3.35	3.64
Style Index*	-4.52	17.16	12.58	8.31	-14.69	13.74	9.45

\* Style index is 50% MSCI ACWI Index net of dividend taxes, 45% 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:  
9/30/2011

## 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 Dhirga; Matthew Grissold, 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 Global Moderate ETF Strategy underperformed its benchmark in 2025, posting a return of 5.18% compared to a 6.39% return for its style index\*.

## Equity Positioning

The Strategy was neutral weight equity over the period, holding an average weight of 50.3% (0.3ppt overweight) in 2025. The equity sleeve underperformed the 11.53% return of its benchmark, the MSCI ACWI Index\*\*. The overweight in U.S. value and high dividend-paying stocks, allocation to international high-quality stocks, and underweight in U.S. mega-cap growth stocks detracted from performance. The portfolio's overweight to defensive stocks and selection in financials were also detractors. This was partially offset by the portfolio's allocation to non-China emerging markets and underweight in China.

## Fixed-Income Positioning

The Strategy was neutral weight fixed income over the period, holding an average weight of 44.7% (0.3ppt underweight). The fixed income sleeve underperformed the 1.21% return of its benchmark, the Bloomberg US Aggregate Bond Index. 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. The strategy was underweight cash, holding an average weight of 1.7% which helped performance.

## Commodities Positioning

The 3.4% average weight in gold was not a significant contributor to performance.

## 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, and reduced exposure to short-term Treasuries. We used the proceeds to increase exposure to mortgage-backed securities and intermediate Treasuries. In May, we reduced exposure to non-China emerging markets in favor of international high-quality exposure. We eliminated our exposure to small caps and trimmed exposure to consumer discretionary, financials, and industrials. We increased our allocation to defensive sectors including staples, healthcare, and utilities.

## Outlook & Positioning

As we enter the second half of 2025, we expect the investment landscape to be increasingly shaped by late-cycle dynamics and a decelerating global profits cycle. While inflation has moderated from prior peaks, US core pricing pressures remain sticky, limiting the ability for the Federal Reserve to ease policy. Geopolitical risks, tariff uncertainty and excessive risk-taking add to potential headwinds and we expect corporate margins to come under pressure and investor sentiment to weaken over the next several quarters.

In this environment it becomes harder to justify the continued enthusiasm for cyclical growth stocks and instead prefer certainty and quality. Historically, such environments reward discipline, diversification, and a focus on strong fundamentals, not speculative concentration.

We believe this is an opportune time to focus on segments of the market that tend to perform well during profit deceleration. We are overweight high-quality, dividend-paying, and value-oriented equities; areas we believe offer better risk-adjusted return potential in the current environment. High and stable dividend paying equities and international quality stocks offer

competitive earnings growth at more attractive valuations compared to the mega-cap growth segment, while a tilt toward defensive sectors adds resilience and portfolio stability. In our multi-asset portfolios, we also hold gold as a ballast against uncertainty and avoid the rich valuations of corporate credit. These exposures align with our discipline around managing to profit and liquidity cycles and are designed to deliver more consistent performance during late-cycle conditions.

Our top-down, macro-driven approach seeks to avoid the speculative excesses of the moment by focusing on fundamentals. As the profit cycle decelerates, the fundamentals – not hype – are likely to reassert their importance in driving investment outcomes. In this environment, broad diversification and risk-aware portfolio construction remain essential to navigating market uncertainty. We remain focused on areas where fundamentals and risks are better compensated.

**IMPORTANT DISCLOSURE**

The performance was calculated by Richard Bernstein Advisors LLC (the “Advisor”) for for the Global Moderate 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 September 30, 2011. The Strategy seeks capital preservation with some moderate appreciation potential over a medium to long-term investment horizon by employing a top-down style to construct a global tactical asset portfolio. Accounts in this Strategy obtain desired exposure via ETF vehicles.

The benchmark is composed as follows: 50% MSCI ACWI USD Net, 45% 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 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 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, 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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