



Richard  
Bernstein  
Advisors

# Separately Managed Account ETF Portfolios

Core Plus Total Return ETF Strategy

Fourth Quarter 2023

Not FDIC Insured

Not Bank Guaranteed

May Lose Value

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## Firm Overview

## About RBA

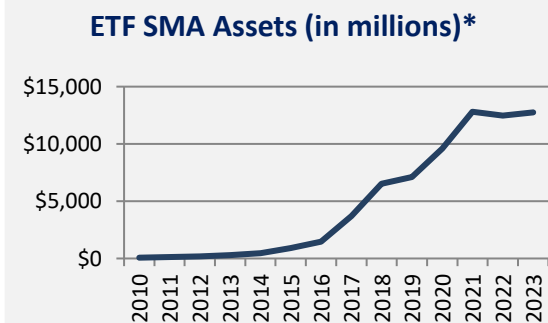
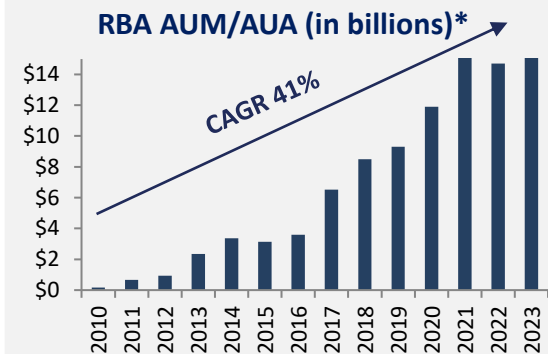
### RBA Overview

- ▶ Utilize a unique **top-down, macro approach** to investing that focuses on **profits, liquidity, and sentiment**
- ▶ Offer **long-only Multi-Asset, Global Equity, and Fixed Income** strategies
- ▶ AUM of over \$15.4 billion (as of 12/31/2023 including assets-under-advisement)
- ▶ **Attractive risk-adjusted returns** over longer time horizons
- ▶ Founded in 2009, RBA has over a 10-year track record

### Distribution and Partners

- ▶ **RBA**  
Multi-Asset, Global Equity and Fixed Income Retail SMAs, and Institutional Accounts
- ▶ **Eaton Vance**  
Subadvisor, Open-end Mutual Funds
- ▶ **First Trust**  
Income-Oriented & Thematic Equity Unit Trusts, US Equity SMA, and Thematic ETF
- ▶ **iM Global Partner**  
Responsible ETF, UCITS Funds, and Global Distribution Support

### Assets Under Management



\* As of 12/31/2023. CAGR calculation begins 12/31/10, which is RBA's first year-end of AUM/AUA.

## Experienced Investment Committee



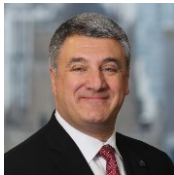
**Richard Bernstein, CEO and CIO**

Industry experience: 43 years. RBA experience: 14 years.  
Formerly Chief Investment Strategist at BofA Merrill Lynch.  
BA, Hamilton College, MBA, New York University.



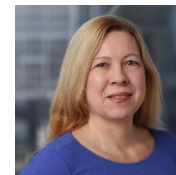
**Dan Suzuki, CFA, Deputy CIO and Chairman of Investment Committee**

Industry experience: 21 years. RBA experience: 5 years.  
Formerly Senior Equity Strategist at BofA Merrill Lynch.  
BS, Duke University.



**Matthew Griswold, CFA, Director of Investments and Risk Management**

Industry experience: 34 years. RBA experience: 13 years.  
Formerly Portfolio Manager at State Street Global Advisors.  
BS, Carnegie Mellon University.



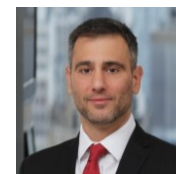
**Lisa Kirschner, Director of Research**

Industry experience: 30 years. RBA experience: 14 years.  
Formerly Senior Director at BofA Merrill Lynch.  
Indiana University.



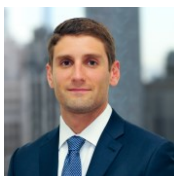
**Henry Timmons, CFA, Director of ETFs**

Industry experience: 21 years. RBA experience: 12 years.  
Formerly Portfolio Manager and Quantitative Analyst at GMO LLC.  
BS and MEng, Cornell University. MBA, Cornell University's SC Johnson College of Business.



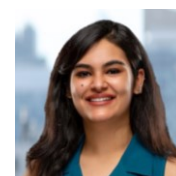
**Michael Contopoulos, Director of Fixed Income**

Industry experience: 24 years. RBA experience: 3 years.  
Formerly Chief Investment Strategist at Anchorage Capital & Head of Leveraged Finance Strategy at BofA Merrill Lynch.  
BA, Columbia University, MBA, New York University.



**Matt Poterba, CFA, Senior Analyst**

Industry experience: 11 years. RBA experience: 9 years.  
Formerly Associate Analyst at NERA Economic Consulting.  
BA, Hamilton College.



**Malvika Dhingra, Portfolio Analyst**

Industry experience: 1 year. RBA experience: 1 year.  
Formerly Analyst at PricewaterhouseCoopers.  
BA, University of Delhi, MS, Duke University's Fuqua School of Business.

**Average Industry Experience: 23 Years**

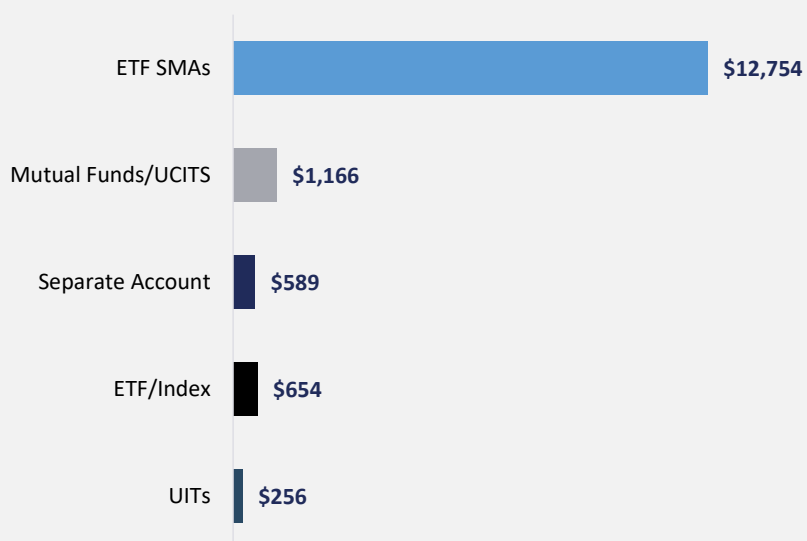
**Average RBA Experience: 9 Years**

## Top-Down Approach With a Long History

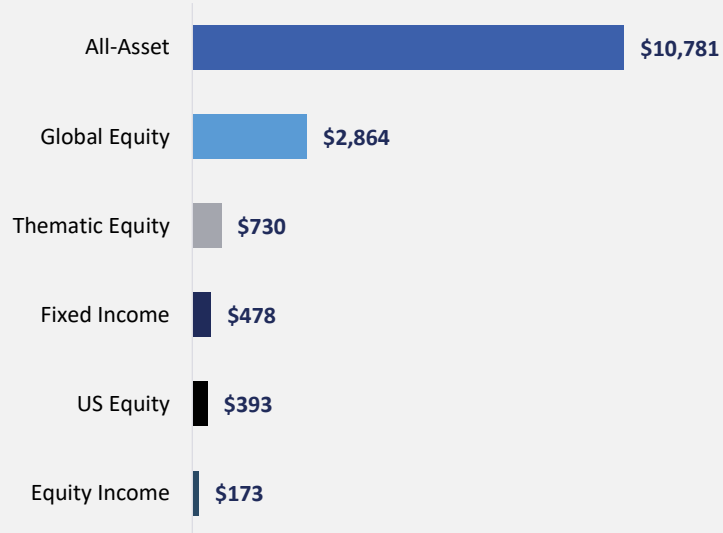
- ▶ Time tested strategy used in research and management for over 30 years.
- ▶ Process driven. **NOT** event-driven.
- ▶ *Ex ante* risk assessment rather than *ex post*.
- ▶ Not dependent on any one member of the Investment Committee.
- ▶ Eight-person team with an average of 23 years of research and portfolio management experience.
- ▶ Consistently structured weekly meetings with more frequent topic-specific meetings when necessary.

## RBA AUM/AUA\*

### Assets by Product – in millions

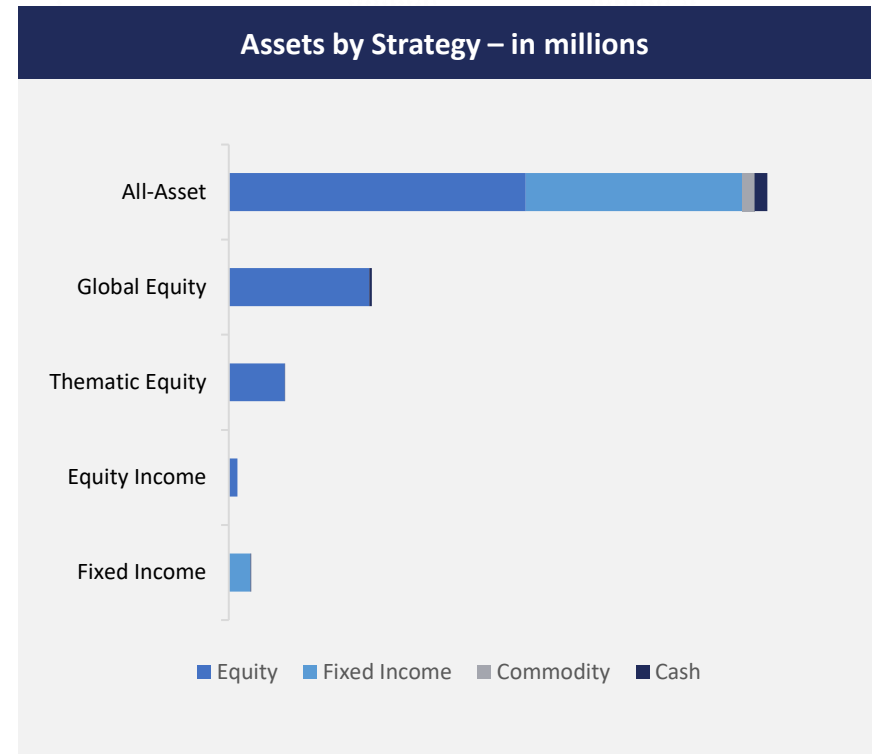
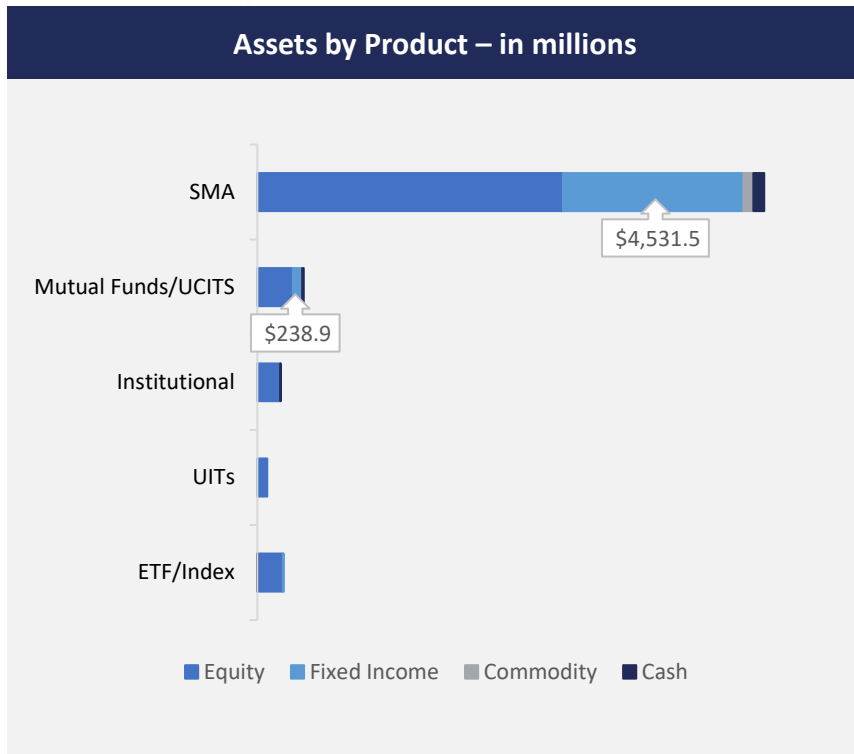


### Assets by Strategy – in millions



\*as of 12/31/2023, including assets under advisement (AUA).

## RBA manages nearly \$4.8 Billion in Fixed Income Assets\*



\*as of 12/31/2023, including assets under advisement (AUA).

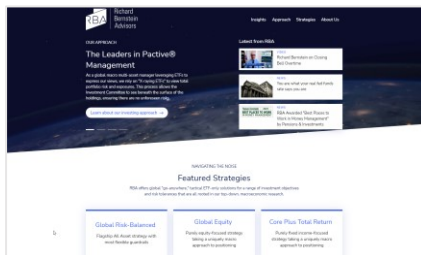


## RBA Digital Presence

### Insights and Webinars

RBA market analysis and commentary includes

- ▶ Monthly Insights, Quick Insights, Fixed Income Insights, Research Insights & ETF Insights
- ▶ Quarterly Webinars



**27,000+**  
Insights  
Subscribers



Quarterly webinars draw **2,000+** Investment Professionals

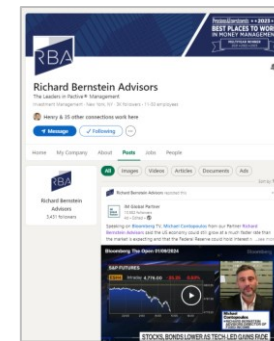
\*as of 12/31/2023.

### Social Media

RBA has a strong presence on social media channels

 **3K+** LinkedIn Followers

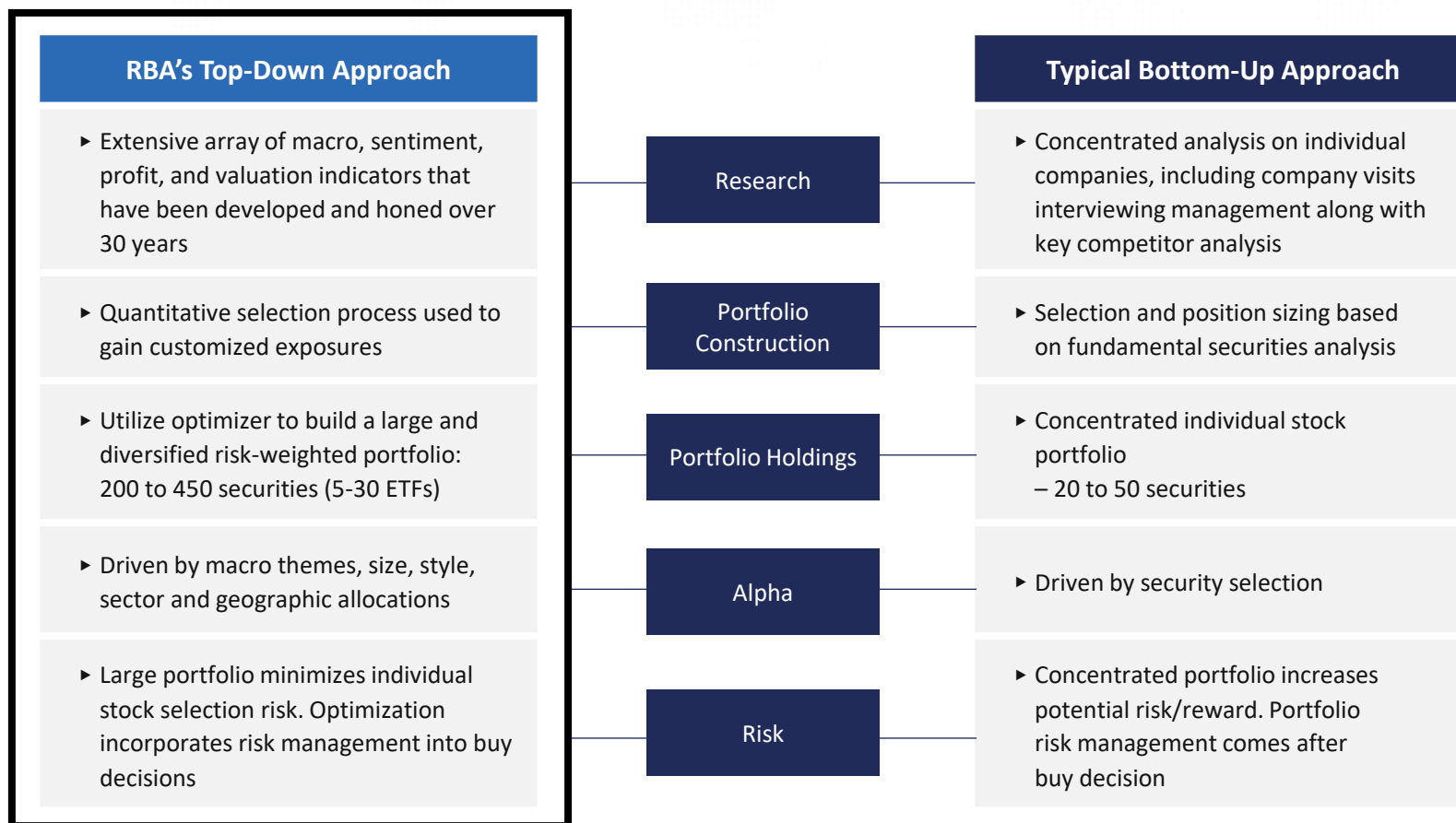
 **19K+** Twitter Followers



## RBA's Unique Multi-Asset Investment Strategy

Investment Approach	Investment Process
<ul style="list-style-type: none"> <li>▶ RBA has unparalleled experience in equity, fixed income and asset allocation.</li> <hr/> <li>▶ Utilize in-house macro research to assess profits, liquidity, and sentiment.</li> <hr/> <li>▶ RBA drives alpha through asset selection, size, style, sector, rating, duration and geography, and not through individual stock selection.</li> <hr/> <li>▶ History of positioning shows RBA's thinking is non-consensus.</li> <hr/> <li>▶ Conservative risk-balanced approach to total returns.</li> <hr/> <li>▶ All mandates are global go-anywhere.</li> </ul>	<p style="text-align: center;"><i>Profit Cycles, Not Economic Cycles, Drive Financial Markets</i></p> <div style="text-align: center;"> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;"> <p><b>FAVOR</b></p> <ul style="list-style-type: none"> <li>- Small-caps</li> <li>- Value</li> <li>- Cyclical sectors</li> <li>- Lower quality</li> <li>- Discounted dividend and bond yield</li> <li>- High Beta</li> <li>- Emerging markets</li> </ul> </div> <div style="width: 45%;"> <p><b>FAVOR</b></p> <ul style="list-style-type: none"> <li>- Large-caps</li> <li>- Stable Growth</li> <li>- Defensive sectors</li> <li>- Higher quality</li> <li>- Secure dividend yield</li> <li>- Low Beta</li> <li>- Developed markets</li> </ul> </div> </div> <p style="text-align: center; margin-top: 20px;"><b>Stock / Bond Selection</b></p> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;"> <div style="border: 1px solid #ccc; border-radius: 15px; padding: 5px 15px;">Size</div> <div style="border: 1px solid #ccc; border-radius: 15px; padding: 5px 15px;">Style</div> <div style="border: 1px solid #ccc; border-radius: 15px; padding: 5px 15px;">Geography</div> <div style="border: 1px solid #ccc; border-radius: 15px; padding: 5px 15px;">Duration</div> <div style="border: 1px solid #ccc; border-radius: 15px; padding: 5px 15px;">Commodities</div> </div>

## RBA Top Down – vs. – Typical Bottom Up





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**Separately Managed Account ETF  
Portfolios**

# Separately Managed Account ETF Portfolios

## Go Anywhere SMAs

### Core Plus Total Return SMA Portfolio Highlights

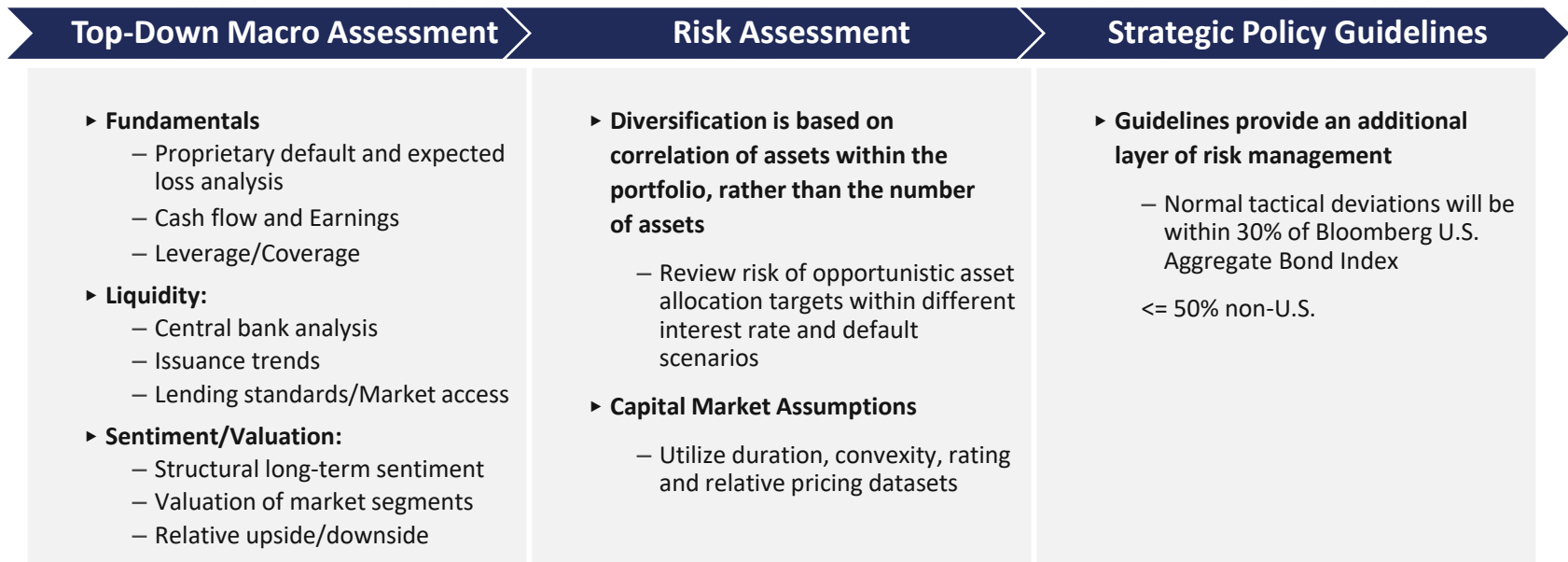
- ▶ “Go-anywhere” ETF based fixed income allocation strategies that invest across fixed income market segments
- ▶ Prioritization is total return with a secondary mandate of generating income
- ▶ Managing within risk parameters will be a focus of our approach
- ▶ Over time, and under normal market conditions, the portfolios should consistently be invested in a mix of quality/maturity/asset classes to pursue our objective
- ▶ Strategic policy guidelines are in place to provide an additional layer of risk-management

### Flexible Asset Allocations

- ▶ **Fixed Income**
  - Domestic
  - Foreign
  - Investment grade
  - High-yield
  - Corporate
  - Government
  - Municipal
  - Agency
  - Inflation-linked
  - Mortgage-backed
  - Interest Rate Hedging
- ▶ **Cash**

# Separately Managed Account ETF Portfolios

## Investment Process



## Asset Allocation Decisions

- Emerging vs. Developed
- High Quality vs. Low Quality
- Maturity
- Sovereign vs. Corporate Bonds
- Long vs. Short Duration
- Investment grade vs. High Yield

# Separately Managed Account ETF Portfolios

## ETF Selection & Implementation Process

### ETF Portfolio Selection & Construction

#### Quantitative screening with qualitative review ( >200 ETF universe )

- ▶ Prefer AUM > \$100 million
- ▶ Prefer trading history > 1 year
- ▶ Liquidity: ETF share volume + underlying basket volume
- ▶ Bid/Ask spread
- ▶ Legal structure
- ▶ Construction methodology
- ▶ Discount / premium to NAV
- ▶ Sponsor reputation and transparency
- ▶ Exposure: fit to targeted market segments: region, style, sector, credit quality, duration, etc.
- ▶ Minimize fees relative to market-segment peers
- ▶ Minimize tracking error relative to market-segment peers

### Resulting In

#### ETF Portfolios

- ▶ Typically 5-30 ETFs
- ▶ Maximize contribution from top-down macro-economic views
- ▶ Minimize portfolio risk through asset class portfolio risk measurement
- ▶ Minimize credit-specific risk through usage of ETFs





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**RBA Core Plus  
Total Return ETF Strategy**



## Fixed Income Core Plus Portfolio Construction

### Portfolio Construction

- ▶ **Strategic and Tactical** – Top down and bottom-up research process to determine strategic and tactical direction of risk
- ▶ **Cyclical vs Defensive** – High quality vs low quality, credit vs. rate risk
- ▶ **Duration** – Relative and absolute duration targeting based on macro indicators, liquidity and rate cycles
- ▶ **Sector/Region** – Fundamental and macro models to determine optimal asset class and region allocations
- ▶ **Yield Curve** – Rich/Cheap analysis across maturities and asset classes based on fundamental and historical relative value analysis
- ▶ **Valuation** – Quantitative techniques and scenario analysis to determine upside/downside

## Strategic Policy Guidelines

- ▶ Benchmark: Bloomberg US Aggregate Bond Index
- ▶ Exposure guardrails are +/- 30% of benchmark weights for fixed income sectors: Corporates, Treasuries, Mortgages, Municipals
- ▶ Allocation Ranges: US Fixed Income 20%-100%, Non-US Fixed Income 0%-50%, Cash 0%-30%

Asset Class	Long-Term "Neutral" Asset Allocation	Allocation Ranges	Current Allocation as of 12/31/2023
<b>Total Fixed Income</b>	<b>100%</b>	<b>100%</b>	<b>97.7%</b>
US Fixed Income		20% - 100%	97.7%
Non-US Fixed Income		0% - 50%	0.0%
<b>Total Cash/Other (Commodities, Currencies, etc.)</b>	<b>0%</b>	<b>0% - 30%</b>	<b>2.3%</b>
Cash		0% - 30%	2.3%

Source: Richard Bernstein Advisors LLC, Bloomberg. Percent of total net assets. Allocations are subject to change due to active management. Percentages may not total 100% due to rounding.

## Portfolio Snapshot: Asset Allocation

### Asset Allocation as of 12/31/2023

#### Fixed Income (97.7% = Underweight)\*

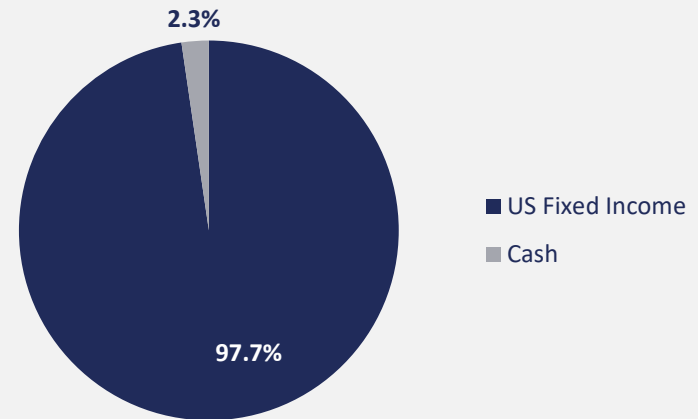
► **Overweight**

- Securitized/Mortgages, Long-Term Nominal Treasuries, Preferred

► **Underweight**

- Medium & Short-Term Nominal Treasuries, Investment Grade Corporates, Non-US Sovereign Debt

#### Cash & Equivalents (2.3% = Overweight)\*

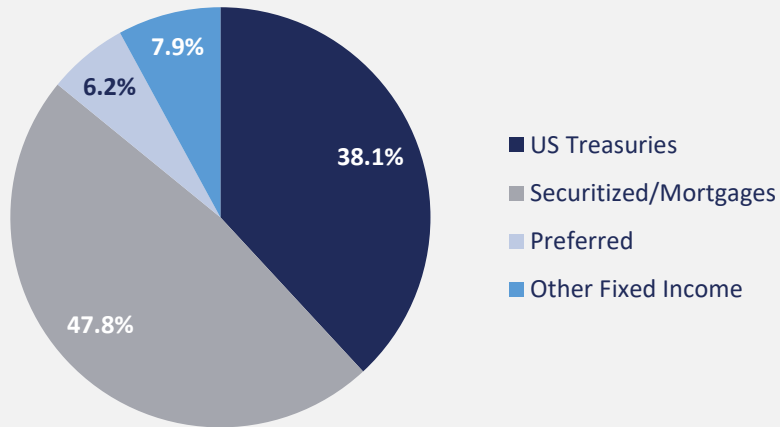


\*Overweight, equalweight and underweight are in comparison to our long-term strategic allocation policy.  
Source: Richard Bernstein Advisors LLC, Bloomberg. Percent of total net assets. Allocations are subject to change due to active management.  
Percentages may not total 100% due to rounding.

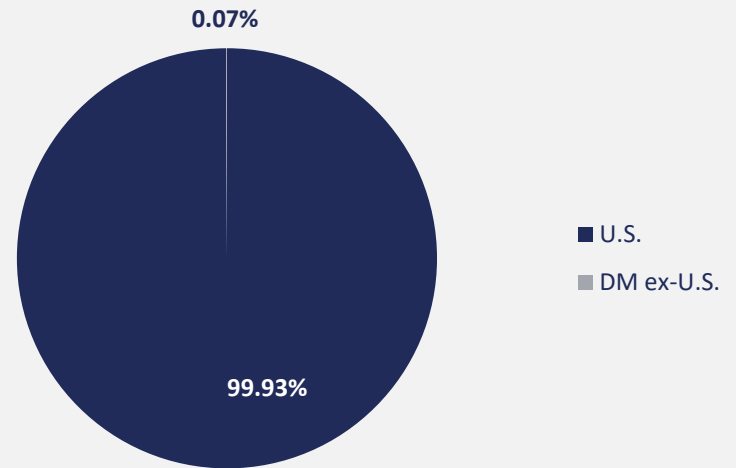
# RBA Core Plus Total Return ETF Strategy

## Portfolio Snapshot: Fixed Income & Region Allocation

Fixed Income Allocation as of 12/31/2023



Fixed Income Region Allocation as of 12/31/2023



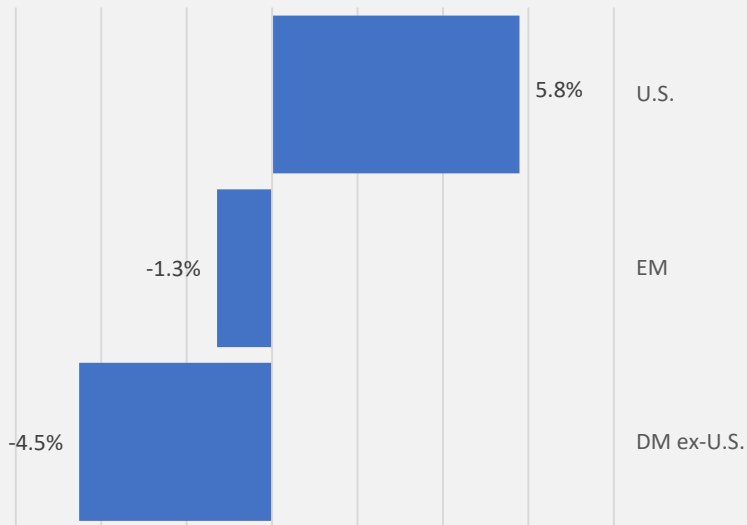
Source: Richard Bernstein Advisors LLC, Bloomberg. Allocations are subject to change due to active management. Percentages may not total 100% due to rounding. Weightings are calculated on a fixed-income-only basis.

# RBA Core Plus Total Return ETF Strategy

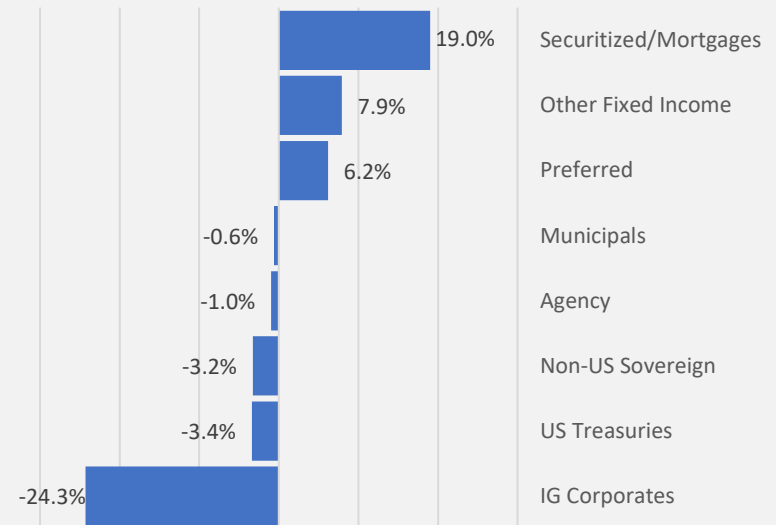
## Portfolio Snapshot: Fixed Income & Region Allocation

### Relative Allocation and Region Weights as of 12/31/2023

Fixed Income Allocation Positioning – Relative to Bloomberg US Aggregate Bond Index (%)



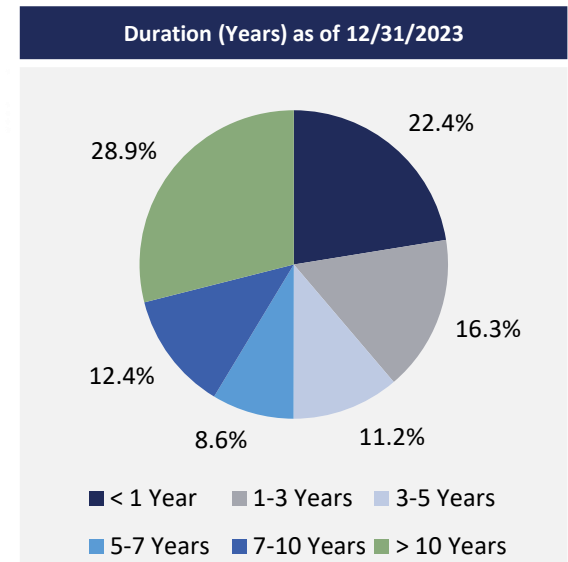
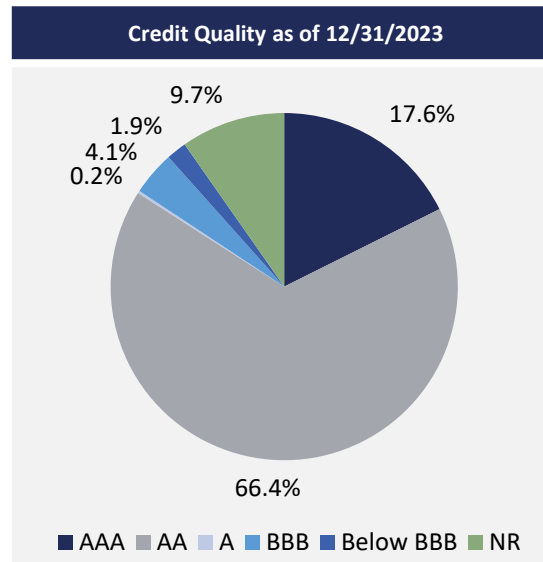
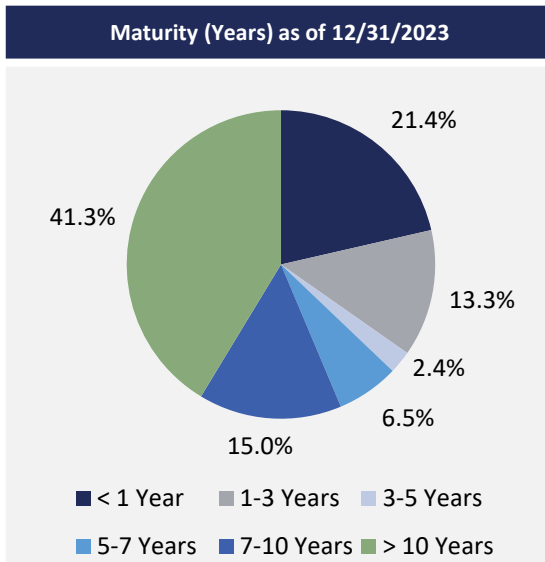
Fixed Income Region Positioning – Relative to Bloomberg US Aggregate Bond Index (%)



Source: Richard Bernstein Advisors LLC, Bloomberg. Weightings are calculated on a fixed-income-only basis. Allocations are subject to change due to active management. Percentages may not total 100% due to rounding. Benchmark: Bloomberg US Aggregate Bond Index.

# RBA Core Plus Total Return ETF Strategy

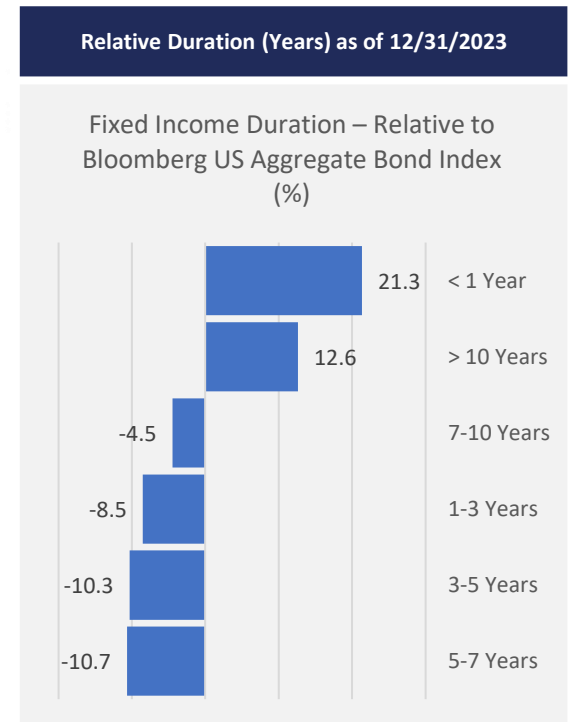
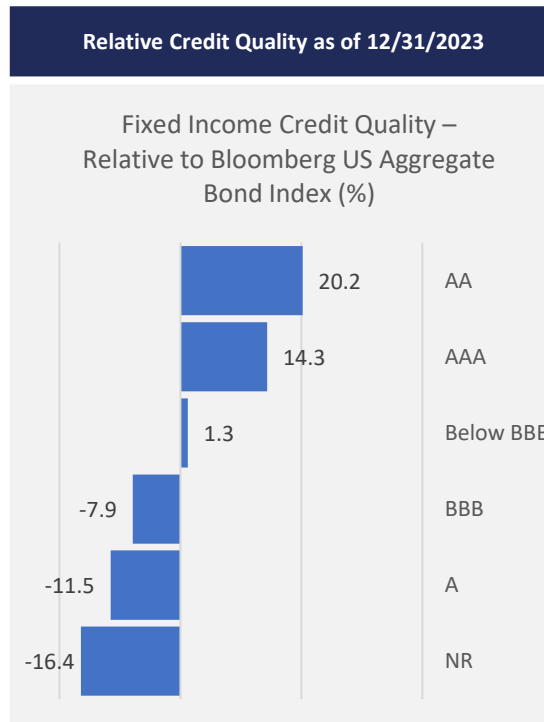
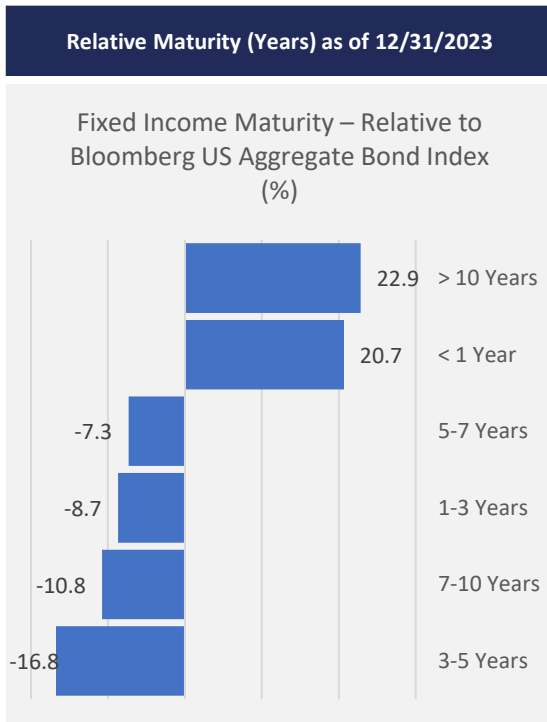
## Portfolio Snapshot: Maturity, Credit Quality and Duration



Source: Richard Bernstein Advisors LLC, Bloomberg. Allocations are subject to change due to active management. Percentages may not total 100% due to rounding. Weightings are calculated on a fixed-income-only basis.

# RBA Core Plus Total Return ETF Strategy

## Portfolio Snapshot: Maturity, Credit Quality and Duration



Source: Richard Bernstein Advisors LLC, Bloomberg. Allocations are subject to change due to active management. Percentages may not total 100% due to rounding. Weightings are calculated on a fixed-income-only basis.

# RBA Core Plus Total Return ETF Strategy

## Portfolio ETF Holdings

Holdings as of 12/31/2023		
ETF Name	Ticker	Portfolio Weight %
Janus Henderson Mortgage-Backed Securities ETF	JMBS	29.7
iShares 10-20 Year Treasury Bond ETF	TLH	26.8
Janus Henderson AAA CLO ETF	JAAA	17.0
SPDR Portfolio Short Term Treasury ETF	SPTS	10.8
Quadratic Interest Rate Volatility and Inflation Hedge ETF	IVOL	7.8
Global X US Preferred ETF	PFFD	6.0
SPDR Bloomberg 1-3 Month T-Bill ETF	BIL	2.0

Source: Richard Bernstein Advisors LLC, Bloomberg. Percent of total net assets.  
Allocations are subject to change due to active management.

While the material reflects all of the recommended securities in the Strategy as of the dates indicated, the specific securities purchased, sold or selected for a particular client's account may differ from those identified and described above, including in light of such client's individual circumstances. The specific securities identified and described may not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable.



# RBA Core Plus Total Return ETF Strategy

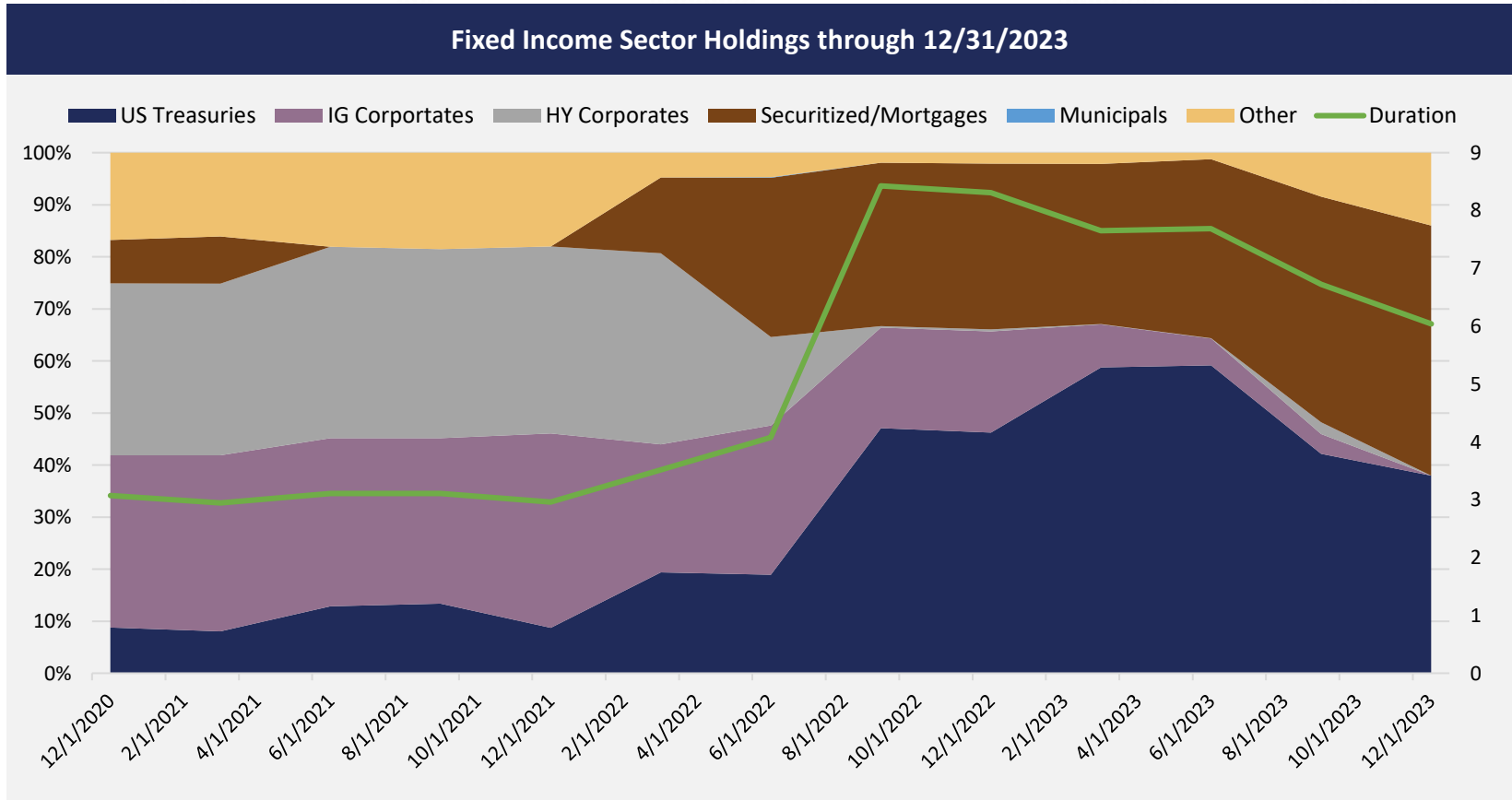
## Fixed Income Characteristics

Characteristics as of 12/31/2023		
Characteristics	Allocation	Benchmark
Effective Duration (Years)	6.0	6.2
Average Maturity (Years)	8.8	8.4
Average Coupon Rate (%)	2.8	3.1
Yield to Maturity (%)	5.0	4.5

Source: Richard Bernstein Advisors LLC, Bloomberg. Percent of total net assets.  
Allocations are subject to change due to active management.  
Benchmark: Bloomberg US Aggregate Bond Index.

# RBA Core Plus Total Return ETF Strategy

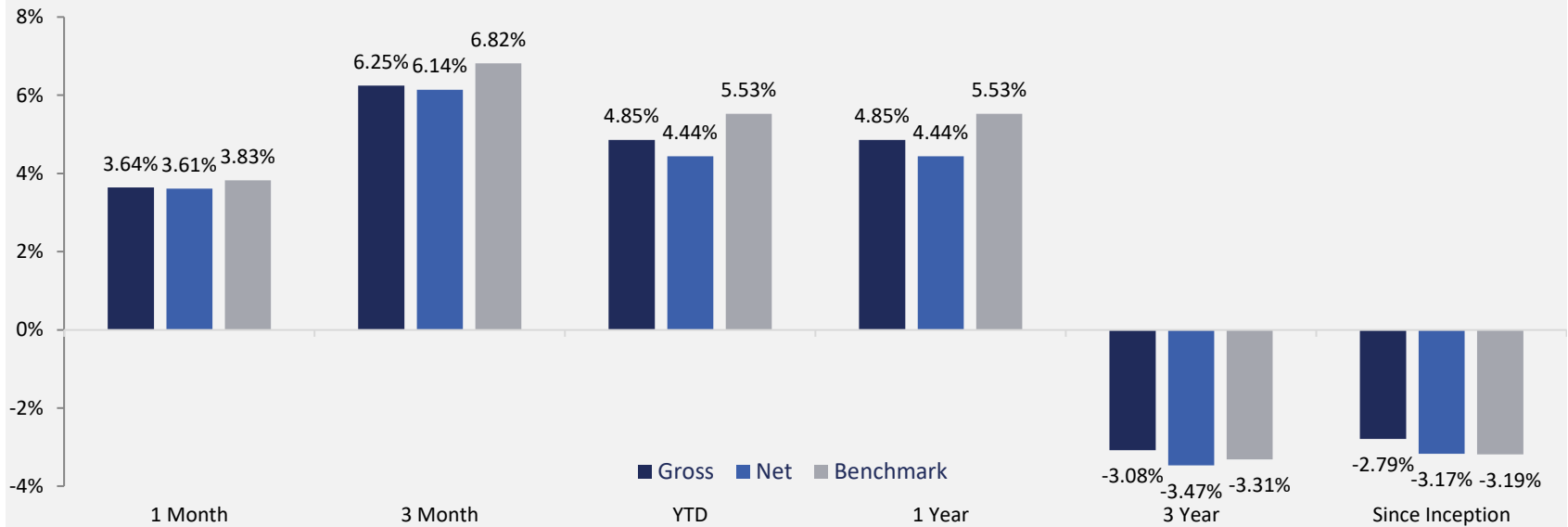
## Historical Fixed Income Sector Holdings



Source: Richard Bernstein Advisors LLC, Bloomberg. Weightings are calculated on a fixed-income only basis. Allocations are subject to change due to active management.

# RBA Core Plus Total Return ETF Strategy

## Strategy Performance<sup>1</sup> (%) as of 12/31/2023



Annual Returns	2023	2022	2021
RBA Core Plus Total Return ETF Strategy (Gross)	4.85%	-13.80%	0.73%
RBA Core Plus Total Return ETF Strategy (Net)	4.44%	-14.15%	0.32%
Benchmark*	5.53%	-13.01%	-1.54%

Source: Richard Bernstein Advisors LLC

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

RBA Core Plus Total Return ETF Strategy composite returns include the reinvestment of dividends and are presented in USD. Gross performance results presented are net of transaction costs, withholding taxes, direct expenses and the fees and expenses of underlying funds, but before advisory fees, custody fees and other indirect expenses.

Net performance numbers are a hypothetical illustration based on a 0.40% annualized advisory fee applied monthly. Net fees do not reflect actual strategy performance and are for illustrative purposes only. Actual account performance may vary.

Inception: 12/23/2020

\*Benchmark: 100% Bloomberg US Aggregate Bond Index, see "Index Descriptions" at end of document.

Past performance is not a guarantee of future results. Please Important Disclosures for additional information regarding the portfolio performance shown and for effects of fees. Management and performance of individual accounts may vary for reasons that include the existence of different implementation practices and requirements in different investment programs.

# RBA Core Plus Total Return ETF Strategy

## Performance 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.

## Distribution

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[www.RBAdvisors.com](http://www.RBAdvisors.com)

## Index Descriptions

*The following descriptions, while believed to be accurate, are in some cases abbreviated versions of more detailed or comprehensive definitions available from the sponsors or originators of the respective indices. Anyone interested in such further details is free to consult each such sponsor's or originator's website.*

Past performance of an index is no guarantee of future results. Unless otherwise stated, index returns do not reflect the effect of any applicable sales charges, commissions, expenses, taxes or leverage, as applicable. It is not possible to invest directly in an index. Historical performance of the index illustrates market trends and does not represent the past or future performance of the models.

Each index reflects an unmanaged universe of securities without any deduction for advisory fees or other expenses that would reduce actual returns, as well as the reinvestment of all income and dividends. An actual investment in the securities included in the index would require an investor to incur transaction costs, which would lower the performance results. **Indices are not actively managed and investors cannot invest directly in an index.**

**US Fixed Income: Bloomberg U.S. Aggregate Index:** An unmanaged index that tracks domestic investment-grade bonds, including corporate, government, and mortgage-backed securities.

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.

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