



Richard
Bernstein
Advisors

Proactive Approach to Investing

Quarterly Commentary

Q3-2025

Core Plus Total Return ETF Strategy

Q3 2025 Performance Highlights (%)

Portfolio (gross)	2.01
Portfolio (net)*	1.26
Style Index**	2.03

Annualized Performance¹ (%)

as of Sep 30, 2025

	YTD	1YR	3YR	Since Inception
Gross	5.36	3.08	4.58	-0.30
Net*	3.02	0.04	1.50	-3.25
Style Index**	6.13	2.88	4.92	-0.54

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

* Net performance reflects the deduction of an assumed 3.00% annual fee. See disclosure at the end of the Commentary for further information.

** Style Index is Bloomberg US Aggregate Bond Index

¹Returns greater than 1 year are annualized.
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 \$17.5 billion collectively under management and advisement as of 9/30/2025.

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 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 Profile for further information.

Past performance is no guarantee of future results.

The Core Plus Total Return ETF Strategy performed similarly to its benchmark in 3Q25, posting a return of 2.01% compared to a 2.03% for its style index**.

Positioning

The overweight in mortgage-backed securities modestly contributed to performance, though this was partially offset by the underweight in investment-grade corporate bonds. The overweight in municipals was also a slight contributor to performance.

Changes in Portfolio

During the quarter, RBA made changes to the portfolio. RBA reduced exposure to long-duration Treasuries following their rally and reallocated proceeds into municipal bonds, where valuations appear more attractive. Municipal bonds currently offer the most compelling value within fixed income, with spreads wider than average and pre-tax yields comparable to Treasuries. As rates have declined, discounted municipals now trade within the de minimis threshold, making potential price appreciation eligible for more favorable capital gains treatment.

Outlook & Positioning

As we enter the final quarter of 2025, RBA's Core Plus Total Return ETF Strategy remains positioned for a late-cycle environment marked by rising credit stress and persistent inflation pressures. Despite stable growth, signs of strain are becoming more apparent. Business Development Companies (BDCs) have been hit hard, banks are increasing reserves for potential losses, and the rise in significant risk transfers reflects tightening credit conditions typical of this stage of the cycle. Default rates among smaller borrowers have climbed sharply relative to large companies, underscoring our preference for quality and liquidity over yield chasing.

Importantly, investors are being poorly compensated for taking credit risk. Investment-grade corporate spreads remain near cycle tight, leaving little incremental yield relative to safer sectors. We see no need to stretch for income when Treasuries, agency mortgages, and municipals offer comparable yields with materially lower risk. Within municipals, we are particularly constructive on the long end of the curve, which remains cheap and should benefit from renewed retail demand. Overall, our positioning emphasizes high-quality income and flexibility – prioritizing safety and liquidity until credit markets once again offer true value.

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.

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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