Richard Bernstein Advisors

The Leaders In Pactive® Management

Quarterly Commentary

Q2-2023

Core Plus Total Return ETF Strategy

Q2 2023 Performance Highlights (%)

Portfolio (gross)	-0.89
Portfolio (net)	-0.99
Style Index	-0.84

Annualized Performance (%)

as of Jun 30, 2023

	YTD	1Y	Since Inception
Gross	3.17	-1.57	-3.93
Net	2.97	-1.96	-4.30
Style Index*	2.09	-0.94	-5.06

Annual Performance (%)

	2021	2022
Gross	0.73	-13.80
Net	0.32	-14.15
Style Index*	-1.54	-13.01

** Style index is Bloomberg US Aggregate Bond Index*
*** 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 $16.2 billion collectively under management and advisement as of 6/30/2023.

Investment Committee: Richard Bernstein; Dan Suzuki, CFA; 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 slightly underperformed its benchmark in 2Q23, posting a return of -0.89% compared to a -0.84% for its style index.*

Positioning

The portfolio's overweight in long-term Treasuries was a drag on performance as interest rates rose in the quarter, but this was largely offset by the overweight in high quality floating rate bonds and loans.

Changes in Portfolio

As inflation continues to moderate and the Fed gets closer to completing its hiking campaign, we took the opportunity to trim our short maturity floating rate corporate bond exposure and used the proceeds to increase our exposure to agency mortgage-backed securities.

Outlook & Positioning

Our Core Plus Total Return strategy aims to provide investors with a compelling total return profile without taking unnecessary credit risk. With short term and high-quality floating rate debt paying yields not seen in over 15 years, our portfolio takes advantage of these rates to generate meaningful income without interest rate risk and with very little credit risk. With slowing inflation and an uncertain growth environment, we also believe there is meaningful total return potential at the long end of the Treasury Curve. It is the pairing of these 2 themes that we feel creates a simple but elegant core to a fixed income portfolio.

On the other hand, corporate credit remains one of the worst relative value opportunities in fixed income. Corporate bond spreads exist to compensate investors for uncertainty: uncertainty around earnings and revenue growth, corporate ratings, default rates and recovery rates. We believe spreads do not compensate you for growing uncertainty as Federal Reserve policy and lending standards remain extraordinarily tight, earnings growth remains negative, and attractive yield and total return opportunities can be found in areas of the market with much less credit 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 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.

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 Richard Bernstein, 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. 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.

Investment products:

Are Not FDIC Insured	May Lose Value	Not Bank Guaranteed