



Global Equity ETF Strategy

Q3 2022 Hypothetical/Model Performance Highlights (%)

| | |
|-------------------|-------|
| Portfolio (gross) | -7.36 |
| Portfolio (net) | -7.45 |
| Style Index | -6.82 |

Annualized Hypothetical/Model Performance (%)

as of Sep 30, 2022

| | 1YR | 3YR | 5YR | 10YR | Since Inception |
|--------------|--------|------|------|------|-----------------|
| Gross | -16.05 | 5.46 | 4.92 | 8.61 | 9.05 |
| Net | -16.39 | 5.04 | 4.50 | 8.18 | 8.61 |
| Style Index* | -20.66 | 3.74 | 4.44 | 7.28 | 7.56 |

Annual Hypothetical/Model Performance (%)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 YTD |
|--------------|-------|-------|--------|-------|-------|-------|----------|
| Gross | 14.25 | 22.30 | -11.74 | 24.74 | 15.36 | 18.16 | -20.68 |
| Net | 13.80 | 21.82 | -12.09 | 24.26 | 14.90 | 17.69 | -20.93 |
| Style Index* | 7.86 | 23.97 | -9.41 | 26.60 | 16.25 | 18.54 | -25.63 |

* Style index is MSCI ACWI Index

** Net of dividend taxes
Inception date: 8/1/2010

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 \$13.5 billion collectively under management and advisement as of 9/30/2022.

Investment Committee: Richard Bernstein; Michael Contopoulos; Philip Goldfarb; Matthew Griswold, CFA; Lisa Kirschner; Matthew Poterba, CFA; Vince Scozzari, CFA; Dan Suzuki, CFA Henry Timmons, CFA, Malvika Dhingra.

For investment minimums, please contact your financial advisor. Model 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 Equity ETF strategy underperformed its benchmark in 3Q22, posting a return of -7.36% compared to a -6.82% for its style index.*

Equity Positioning

The main detractors include the overweight in China and underweight in Consumer Discretionary stocks. This was partially offset by the overweight in Energy and the underweight in Communication Services stocks. The strategy held an average cash & cash equivalent weight of 3.2% (3.2ppt overweight) which contributed to performance.

Changes in Portfolio

Given our view that corporate profit growth will continue to slow and liquidity will continue to tighten, we further increased the defensiveness of the portfolio during the quarter. We shifted to a more conservative positioning through a combination of increasing cash and increasing our exposure to high quality dividend payers.

Outlook & Positioning

It's not all about a Fed pivot

Many of the recent market moves appear to have been driven by the intense examination of the public statements of US Federal Reserve ("the Fed") board members for clues regarding the possibility of a "pivot" by the central bank. This relentless parsing has caused short-term volatility spikes as investors rush to buy or sell speculative assets like technology stocks and cryptocurrencies at even the remotest suggestion from the Fed that they might curtail or maintain tight monetary policies.

Such speculative fervor seems very premature. First, the Fed has been clear that it believes monetary policy needs to be much more restrictive if they hope to rein in the persistent inflation pressures, even if it means putting the US economy into an economic recession. Second, it's not all about the Fed. There are two inputs to any classic valuation formula: interest rates and earnings. And investors seem to have forgotten the importance of earnings.

Profits recession ahead

We expect the US to enter a full-blown profits recession — i.e. negative corporate profits growth — by early next year, as corporations face the troublesome combination of weakening demand, rising labor costs, a very strong dollar, and the simple math of difficult comparisons with 2021-22's strong earnings growth. The combination of the Fed tightening monetary policy and profits decelerating means both primary inputs to valuation are worsening.

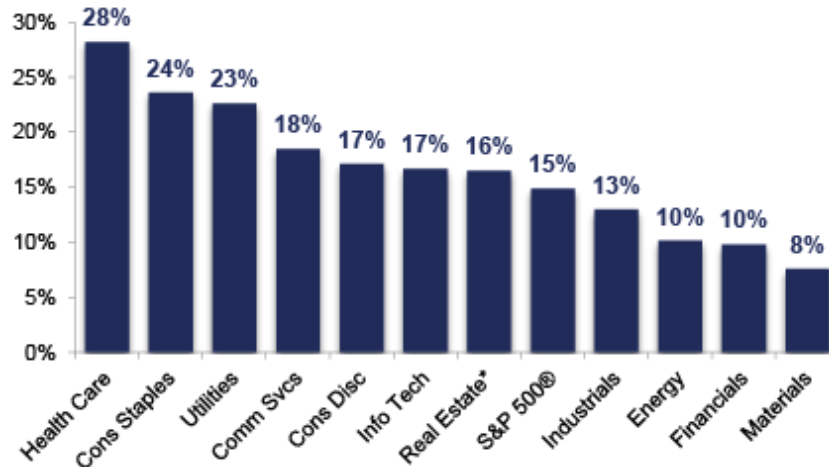
Focus on defensive investments

A popular debate centers on the relative attractiveness of cyclicals versus growth — stocks more exposed to the economy compared with companies that have superior secular profits growth. Unfortunately, history suggests neither of those two groups lead performance when profits decelerate. Rather, defensive sectors tend to lead equity markets during profits recessions.

Relative earnings growth is a primary driver of stock returns. Earnings growth in defensive stocks that are less economically sensitive tend to look very boring and too stable when the

economy is booming, but they become quite attractive during profits recessions when broad earnings growth turns negative. Consumer staples, healthcare, and utilities have historically been the three best performing sectors during such periods. One needs to remember that no matter what goes on in the economy, people still eat. They might switch from steak to bologna, however, so necessities rather than dreams and desires usually dominate successful investment themes during profits recessions.

Average Performance When Profits Decelerate: S&P 500® Sectors (Sept. 1989 – Dec. 2020 total returns)



Source: Richard Bernstein Advisors LLC, S&P Global, FTSE, Bloomberg Finance L.P. For Index descriptions see Index Descriptions at end of document. Dec. 2020 was the end of the last full profits deceleration cycle. Real Estate performance is proforma as it was not a stand alone sector until 9/30/16 and was included within the Financials Sector. We use the FTSE Nareit All Equity REITS Total Return Index as a proxy for its performance from 9/1989 through 10/2002 when the GICS Real Estate Industry Index performance becomes available for data from that point on. Communication Services was Telecom Services prior to GICS reclassification in 9/30/18.

It also seems unrealistic to assume that lower quality credits will go untouched by tighter monetary conditions. After all, isn't that the whole point to tightening? Indeed, credit spreads have already begun to widen as the Fed has raised rates, and we expect a profits recession in 2023 to cause credit spreads to widen further.

There comes a point in every cycle during which investors believe the markets will "look beyond the recession". This provides comfort to those holding more cyclical assets, but the markets have never ignored a profits or economic recession. Investors should resist the knee-jerk reaction of rushing to speculative assets based solely on the Fed potentially reversing course. We believe that portfolios also need to reflect the realities of an approaching profits recession.

IMPORTANT DISCLOSURE

The performance was calculated by Richard Bernstein Advisors LLC (the "Adviser") for the Richard Bernstein Global Equity ETF Strategy ("model") as described below. The Adviser provides the model or a substantially similar model to various platform sponsors which, as of September 30, 2022, have over 5,200 accounts and approximately \$1.1 billion invested in the model. The performance shown above is based on the specific recommendations provided by the Adviser and not on the performance of any individual advisory account. The model'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 Adviser believes that the sponsors generally implement its recommendations as provided, but sponsors have discretion to implement the model differently. Additionally, the performance shown is based on an entire specified holding period. However, some positions as detailed in the changes section may have been added, deleted or modified during the specified holding period, impacting the specific contribution of the holding.

The Adviser has calculated model portfolio performance from August 1, 2010 for the equity-only sleeve portion of the Richard Bernstein Global Aggressive ETF Strategy, including cash. The model was carved-out by grossing up all of the equity holdings to total 100% with cash included. During the period from August 1, 2010 through March 31, 2013, the Adviser provided asset allocation recommendations for each sub-asset class (including the non-equity portion) to a platform sponsor, which then selected exchange-traded funds ("ETFs") with the assistance of the Adviser by mapping each sub-asset class recommendation to a specific ETF. For the period after March 31, 2013, the model portfolio performance reflects the Adviser's asset allocation recommendations for each sub-asset class and its actual ETF recommendations in real time. As the portfolio is a model, it does not reflect any investor's actual experience and investors may have achieved greater or lesser performance than the model portfolio. The model performance shown does not reflect any material market or economic factors that may have affected the actual performance of the model portfolio if the Adviser had actually been managing the portfolio during the relevant time periods.

Results are shown on a "gross" and "net" basis. Gross model portfolio performance is before deduction of any investment management or other fees. Net model portfolio performance is shown net of annual advisory fee of 0.40%, the highest fee charged by the Adviser. Neither the gross nor net model portfolio performance reflects the deduction of brokerage or custodial fees. Returns reflect implementation of asset allocation changes and the market price of ETFs as of the market close, and the reinvestment of dividends and interest on cash balances. Taxes have not been deducted. Actual performance of client portfolios may differ materially due to a variety of reasons, including but not limited to, the timing of cash deposits and withdrawals, reinvestment of dividends, length of time positions are held, discretionary trading in the account, and client restrictions. The investment advisory fee schedule of the Adviser is described in its Part 2 of the Form ADV.

The benchmark has been constructed using the indexes identified above. The indexes were chosen because they represent the broad based markets in the international equity, U.S. Fixed Income and Money Market asset classes. The index weightings percentages are based on a long-term "neutral" allocation to each index determined by the Adviser. Benchmark index results shown are not reduced by fees as an index is unmanaged. Further, securities contained in an index will vary from those in the model portfolio and actual managed accounts. Indices are shown for convenience purposes only and are not available for direct investment.

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.

MSCI ACWI Index is an unmanaged free-float-adjusted market-capitalization-weighted index designed to measure the equity market performance of developed and emerging markets. S&P 500® Index is an unmanaged index of large-cap stocks commonly used as a measure of U.S. stock market performance. You cannot invest directly in an index.

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 Bloomberg.

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.

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