



Global Risk-Balanced Moderate ETF Strategy

Q4 2023 Performance Highlights (%)

Portfolio (gross)	8.02
Portfolio (net)	7.91
Style Index	8.66

Annualized Performance¹ (%)

as of Dec 31, 2023

	1YR	3YR	5YR	10YR	Since Inception
Gross	6.81	1.05	6.15	5.21	6.62
Net	6.38	0.64	5.68	4.65	5.93
Style Index*	13.74	1.67	6.75	5.10	6.13

Annual Performance (%)

	2017	2018	2019	2020	2021	2022	2023
Gross	17.42	-8.06	16.44	12.23	9.14	-11.49	6.81
Net	17.06	-8.34	15.62	11.86	8.71	-11.85	6.38
Style Index*	13.21	-4.52	17.16	12.58	8.31	-14.69	13.74

* 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.

***Net of dividend taxes

¹Returns greater than 1 year are annualized.
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 \$15.4 billion collectively under management and advisement as of 12/31/2023.

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 Global Risk-Balanced ETF Strategy underperformed its benchmark in 4Q23, posting a return of 8.02% compared to an 8.66% return for its style index*.

Equity Positioning

The Strategy was underweight equity over the period, holding an average weight of 48.7% (1.3ppt underweight) in 4Q23. The equity sleeve posted a return of 9.55%, underperforming the 11.03% return of its benchmark, the MSCI ACWI Index**. The underperformance was mainly driven by the overweight in energy, and China, and the underweight in information technology. The overweight in US aerospace & defense helped relative performance.

Fixed-Income Positioning

The Strategy was overweight fixed income during 4Q23, holding an average weight of 46.7% (1.7ppt overweight). The fixed income sleeve underperformed the 6.82% return of its benchmark, the Bloomberg US Aggregate Bond Index. The portfolio's overweight in AAA CLOs, and yield curve steepener, and underweight in investment grade corporate bonds detracted from performance. This was partially offset by the portfolio's overweight in long-term US Treasuries. The strategy was underweight cash, holding an average weight of 2.1%.

Commodities Positioning

The 2.5% average weight in gold was a contributor to performance this quarter.

Changes in Portfolio

Our indicators suggest that progress in corporate profits recovery is evident, accompanied by ample liquidity. While we remain concerned about the concentration of capital in US megacaps, many segments of the stock market remain undervalued and overlooked. Reflecting this favorable environment, our equity allocation has shifted from a modest underweight to a modest overweight, increasing our exposure to value stocks (those with cheaper valuations). Within fixed income, we trimmed our barbell of short and long-term US Treasuries and diversified our bond exposure by exchanging some duration for exposure to reasonably priced agency mortgage-backed securities (MBS). We consolidated our agency MBS exposure into a single ETF (JMBS), which seeks out superior risk-adjusted income and return opportunities within the MBS sector.

2023 Performance Review

For the full year, the Strategy underperformed its benchmark, posting a return of 6.81% compared to 13.74% for its style index*. The portfolio's underweight in equities, and overweight in fixed income detracted from performance. Within equities, the portfolio's overweight in defensive sectors and China, and underweight in information technology, US communication services, and US consumer discretionary detracted from performance. The overweight in energy in the fourth quarter further detracted from performance. The underweight in financials in the first quarter helped relative performance. Within fixed income, the portfolio's overweight in long-term US Treasuries, and underweight in investment grade corporate bonds hurt performance. This was partially offset by the portfolio's overweight in AAA CLOs.

Outlook & Positioning

Our "4 for '24" theme is largely based on a potential replay of the 2000's Lost Decade. We envision an extended period during which the Magnificent 7 significantly underperform, but other sectors, industries, countries, and investment themes that are currently being ignored could present excellent opportunities.

With this backdrop, our portfolios enter 2024 with four embedded themes: (1) US Small Caps, (2) US Cyclical, (3) Non-US and Emerging Markets, (4) Industrials as a play on deglobalization.

The profits cycle has begun to recover and seems poised to accelerate until at least mid-2024. If profits are accelerating or decelerating, it is typically attributable to cyclical companies' earnings because stable companies' earnings are simply too stable to cause a cycle.

Smaller capitalization stocks are more cyclical than are larger capitalization stocks and tend to outperform when profits accelerate. More important, the range of small cap outperformance is skewed positively when profits accelerate.

We are also overweight traditional cyclical sectors such as energy, materials, and industrials. In contrast, according to the latest Bank of America Global Fund Manager Survey, fund managers are underweight these sectors relative to their "normal" portfolio weights.

When the US bull market began in 2009, investors were enamored with non-US, particularly emerging market, stocks. Fourteen years later, the opposite is true and investors strongly favor US stocks. Fundamentals and sentiment though increasingly favor non-US stocks, and we have an underweight US equity allocation.

Lastly, it may be critical for the US economy to rebuild its productive infrastructure as globalization continues to contract. Energy infrastructure, utility infrastructure, private sector manufacturing infrastructure, and related real estate, ports, roadways, and rail are as important to the future of the US economy as AI might be. However, when compared to AI, few investors are paying as much attention to this theme, which suggests greater opportunity.

RBA's portfolios have typically been diversifiers within an overall portfolio. That role today seems a very good one to play. The speculative rally in the equity markets in 2023 is giving rise to what we think will be a once-in-a-generation investment opportunity in 2024. Like the opportunities after the Technology Bubble, there seem to be plenty of attractive investments. They just aren't in the seven stocks that are investors' favorites.

IMPORTANT DISCLOSURE

The performance was calculated by Richard Bernstein Advisors LLC (the "Adviser") for the Global Risk Balanced 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 risk-adjusted long-term growth by employing a top-down style to construct a global tactical asset allocation portfolio with flexible guardrails. Accounts in this Strategy obtain desired exposure via ETF vehicles.

The Strategy returns represents the all-asset composite return from October 1, 2011 until December 31, 2015 and thereafter represents the composite returns of the Global Risk Balanced Moderate ETF strategy maintained by RBA. The Global Risk Balanced Moderate ETF strategy is presented after December 31, 2015.

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. The firm's complete list of composite returns are available upon request.

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 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, 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
----------------------	----------------	---------------------