



**ITEM 1- BROCHURE COVER PAGE**

**PART 2A OF FORM ADV: FIRM BROCHURE**

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**February 28, 2021**

This Brochure provides information about the qualifications and business practices of Richard Bernstein Advisors LLC. If you have any questions about the contents of this Brochure, please contact us at 212-692-4000 or [www.rbadvisors.com](http://www.rbadvisors.com). The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Richard Bernstein Advisors LLC is a registered investment adviser. Registration of an investment adviser with the SEC or with any state securities authority does not imply any particular level of skill or training. The oral and written communications of an investment adviser provide you with information based on which you determine to hire or retain the adviser.

Additional information about Richard Bernstein Advisors LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Nothing contained in this Brochure constitutes a 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.**

## **ITEM 2 – MATERIAL CHANGES**

This Item 2 discusses only specific material changes made to this Brochure by Richard Bernstein Advisors LLC (the “Firm”). The Firm has not made any changes to this Brochure since the last annual update of the Brochure on February 28, 2020, aside from updates throughout to reflect the various types of clients of the Firm, enhanced discussion of risks associated with the services provided by the Firm, in addition to other non-material changes, such as updates to dates and numbers, stylistic changes and clarifications.

The Brochure may be requested by contacting the Firm’s Chief Compliance Officer (“CCO”), Michael H. Meyer, at 212-692-4030 or [mmeyer@rbadvisors.com](mailto:mmeyer@rbadvisors.com).

Additional information about the Firm is also available via the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## ITEM 4 – ADVISORY BUSINESS

### A. General Description of Advisory Firm.

Richard Bernstein Advisors LLC (“RBA” or the “Firm”) is an investment adviser focusing on longer-term investment strategies that combine top-down, macroeconomic analysis and quantitatively-driven portfolio construction. RBA strives to be a leading provider of innovative investment solutions for investors, and we believe that our competitive edge is our research-driven macro style of investing. That research starts with Richard Bernstein, the Firm’s Chief Executive Officer (“CEO”) and Chief Investment Officer (“CIO”), who is widely recognized in the area of style investing and asset allocation. He has over 40 years’ experience on Wall Street, including most recently as the Chief Investment Strategist at Merrill Lynch & Co. He is much-noted on equity, style and asset allocation; and was voted to *Institutional Investor* magazine’s annual “All-America Research Team” 18 times, including ten as the top-ranked analyst in his category and only one of 57 analysts to be inducted into the Institutional Investor All-American Research Hall of Fame. Mr. Bernstein has also authored two books on style investing, including “Style Investing – Unique Insight into Equity Management,” which is widely viewed as the seminal book on style-oriented investment strategies.

We believe that our top-down macro approach is a unique style of equity and asset allocation and differentiates the Firm from the more common and traditional bottom-up approach of many asset managers. Our extensive array of macro indicators allows us to construct portfolios for clients that are innovative, risk-controlled, and focused on overall portfolio construction rather than on individual stock selection.

RBA offers its advisory services to a variety of clients, across various different formats. We distribute our services mainly through partnerships with some of the world’s leading financial institutions, where we provide clients sub-advisory services through separately managed accounts (“SMAs”) and wrap fee programs. RBA also provides tailored asset-allocation models for discretionary wrap programs and equity income-oriented portfolios for open-end and/or closed-end registered investment companies, unit investment trusts (“UITs”) as well as serve as an index provider to exchange-traded funds (“ETFs”). We also offer advisory services directly for institutions and individuals through SMAs.

RBA was founded in 2009 as a Delaware limited liability company and is headquartered in New York City. The Firm became a registered investment adviser with the SEC (SEC File Number: 801-71501) in 2010. The Firm is principally owned by Mr. Bernstein.

### B. Description of Advisory Services.

#### ***Separately Managed Accounts***

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RBA provides discretionary investment advisory services to SMA clients, primarily through financial intermediaries, for example, broker-dealers and registered investment advisers, often through wrap fee programs (see below), including UITs. RBA also provides discretionary investment advisory services directly to individuals and institutions. SMA clients generally select an investment strategy after consultation with RBA or their primary advisor. Some relationships involve dual contract arrangements whereby both RBA and the client's primary advisory have an advisory agreement with the client. As detailed below, clients are permitted to impose reasonable restrictions if such restrictions are not materially different from a strategy's investment objectives. Clients who impose investment restrictions should be aware that the performance of their accounts may differ from that of the investment strategies not subject to investment restrictions.

### ***Wrap Fee Programs***

RBA provides investment strategies to accounts under wrap fee programs sponsored by other unaffiliated financial institutions or "wrap sponsors." The wrap sponsors recommend and assist clients in selecting an appropriate RBA investment strategy, taking into account their financial situation and investment objectives. RBA's role is to manage the client's account according to the strategy selected. In a wrap fee program, the wrap sponsor may provide investment advisory, execution and custodial services to clients in return for an all-inclusive – or "wrap" – fee paid to the sponsor. RBA receives a portion of the wrap fee for providing these strategies. RBA manages its wrap fee program accounts in substantially the same manner as its SMA clients employing the same investment strategy. RBA will allow reasonable investment restrictions if they do not differ materially from a strategy's investment objectives. Clients who impose investment restrictions should be aware that the performance of their accounts may differ from that of the investment strategies not subject to investment restrictions.

### ***Model Portfolio Provider (also known as Unified Managed Account Programs)***

RBA provides investment strategies via model portfolios to other investment advisers, including several ETF asset allocation driven models. As the model portfolio provider, RBA designs, monitors and updates the portfolio. The investment advisers may then implement the model portfolio for their clients and adjust the model portfolio as recommended by RBA. While RBA typically does not have discretion over client assets as a model portfolio provider, investment advisers may grant shared trading authority to RBA or "dual-discretion" over the clients' assets whereby RBA has discretion to execute trades on behalf of the clients.

### ***Pooled Investment Vehicles***

RBA offers its advisory (or sub-advisory) services to a variety of different pooled investment vehicles, including open-ended registered investment companies ("mutual funds"), UITs, ETFs, collective investment trusts, and investment vehicles exempt from registration under the Investment Company Act of 1940, as amended (such vehicles, "private funds"). RBA currently serves as the sub-adviser to two mutual funds, Eaton Vance Richard Bernstein Equity Strategy and the Eaton Vance Richard Bernstein All Asset Fund. In

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addition, RBA also serves as the adviser or sub-adviser to UITs. A UIT is a pooled investment vehicle in which investors own a fractional undivided interest (i.e., units) in a portfolio of securities. RBA may also act as a non-discretionary sub-adviser to certain ETFs whereby it provides model portfolios to them. We tailor our advisory services for a fund to such fund's overall investment program, and not to the needs of any underlying investor therein.

RBA has entered into an investment advisor agreement with Global Trust Company ("GTC") to serve as investment adviser with respect to the assets of collective investment funds under the Richard Bernstein Advisors Collective Investment Trust (the "Trust") established by GTC. GTC serves as Trustee of the Trust. The Trust was established to provide for the collective investment and reinvestment of assets of tax-exempt employee benefit plans.

RBA has entered an investment management agreement with certain private funds to serve as investment adviser. RBA or its affiliate may serve as the general partner or manager for such funds. Interests in the private funds are offered to a limited number of selected institutional and other sophisticated investors. Investments in the private funds are subject to a number of restrictions with regard to investments, transfers and withdrawals.

This document should not be considered an offering document for any mutual fund, UIT, ETF, collective investment trust, private fund or other pooled investment vehicle. Please see the respective fund's offering materials such as the prospectus, statement of additional information, and other reports to investors for complete disclosures relating to such fund.

### ***Index Provider Services***

RBA has created and licensed indexes covering a range of asset classes. RBA maintains multiple indexes, including Richard Bernstein Advisors Quality Income Index (the "Quality Income Index") and Richard Bernstein Advisors American Industrial Renaissance® Index (the "Renaissance Index"). The Quality Income Index is a risk-weighted index of companies in the global high dividend yield universe which meet RBA's criteria for quality income. The Renaissance Index is designed to measure the performance of small- and mid-cap U.S. companies in the industrial and community banking sectors. RBA licenses the right to use indexes to unaffiliated third parties but has no discretion over the assets that are to be managed by the third party manager pursuant to the index. In certain instances, RBA may also receive an index support fee to provide marketing, due diligence support or other assistance to licensees of the index.

### ***Published Research and Investment Commentary***

RBA may also provide published research and investment commentary to clients. RBA may also provide targeted advice based on the individual needs of its clients. Customized advice is provided on a case-by-case basis and is developed to suit the needs of the client.

### ***C. Managing the Individual Needs of Clients.***

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RBA offers custom solutions through SMAs for both high net worth individual and institutional investors. RBA offers specific equity investment strategies and generally does not modify its investment strategy based on an individual client's financial situation, investment experience, risk tolerance, or investment objective if it differs from the investment objective of RBA's strategy. Notwithstanding the foregoing, RBA may allow reasonable investment restrictions that do not materially affect its investment strategy.

**D. Assets Under Management.**

As of December 31, 2020, RBA had approximately \$11,836,336,752 in assets under management/advisement of which approximately \$4,713,504,023 were managed on a discretionary basis and approximately \$7,122,832,729 were managed on a non-discretionary basis. Assets under advisement or "non-discretionary" assets include client assets over which RBA does not have discretion such as for its model portfolio provider services. In addition, as of December 31, 2020, unaffiliated third parties maintained approximately \$72,782,723 in assets for products which utilize RBA's Index Provider Services.

**ITEM 5 – FEES AND COMPENSATION**

The extent and nature of advisory services that RBA provides will vary depending upon the specific arrangements it makes with each client. As a result, RBA's fees will differ among its client accounts due to a number of factors, such as the size of the account, relationships to other accounts, the historical or projected nature of trading for the account, and the extent of supplemental client services to be provided to the account.

**A. Advisory Fees and Compensation.**

***Separately Managed Accounts***

RBA receives an annual management fee from each SMA client ranging up to 1.25% per annum, depending on the investment strategy. In addition to an asset-based management fee, RBA is entitled to receive performance-based compensation from certain SMA clients. Performance-based compensation may be structured in a variety of ways, generally ranging up to 20% of net profits achieved over a high water mark and/or hurdle. Any performance compensation arrangements comply with Section 205 of the Investment Advisers Act of 1940, as amended, and the rules thereunder. The services rendered to each SMA will be pursuant to a written management contract generally terminable by either party on 30 days' (or less, depending on the contract) prior written notice. Fees are negotiable and may differ from the above range. Accounts managed with the same investment strategy may not have the same fee structure. For dual contract and sub-advisory relationships, RBA will receive a portion of the fee paid to the primary advisor which generally will be less than the amounts set forth in the range above. Please see each SMA client's applicable governing documents for specific fee terms applicable to the SMA client.

***Wrap Programs***



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The wrap sponsors contract with the client to perform investment management and/or custodial services. Clients pay a single all-inclusive – or “wrap” – fee, typically quarterly in advance, to the wrap sponsor based on assets under management. From the all-inclusive fee, the sponsor will pay RBA an annual management fee based on the amount of assets under RBA’s management. The wrap fee is set forth in the sponsor’s brochure. In a dual contract arrangement, the client signs an agreement with both RBA and the wrap sponsor. For these clients, the specific manner in which fees are calculated and paid to RBA is established in a separate agreement between RBA and the wrap sponsor.

### ***Model Portfolio Provider***

For its model portfolio provider services, RBA has agreements with model portfolio sponsors to provide model portfolios for a fee. RBA’s model portfolio fees are negotiable and will vary from sponsor to sponsor, but typically do not exceed 0.40% per annum on the value of the client assets allocated to RBA’s model portfolios.

### ***Pooled Investment Vehicles***

RBA generally receives an annual management fee of up to 1.25% per annum from the mutual fund, UIT, ETF, collective investment trust, private fund or other pooled investment vehicle, as applicable. The services rendered to each mutual fund, UIT, ETF, collective investment trust, private fund or other pooled investment vehicle will be pursuant to a written management contract generally terminable by either party on 60 days’ (or less, depending on the contract) prior written notice. In the case of an ETF, RBA typically serves as model portfolio provider and does not have discretion over the ETF’s assets. As noted above, services to mutual funds, UITs, ETFs, collective investment trusts, private funds or other pooled investment vehicles may be provided pursuant to an advisory agreement or sub-advisory arrangement. The amount of fees charged may depend on the product’s investment objective and investment strategy, size of the fund and other factors. Fees may be reduced at specified higher asset levels. Management fees and performance compensation (if any) are deducted directly from investors’ assets in the applicable fund.

Additional information regarding the fees and expenses for the mutual funds, UITs, ETFs, collective investment trusts, private funds or other pooled investment vehicles can be found in the respective product’s offering materials and/or governing documents.

### ***Index Provider Services***

In connection with the licensing of its indexes, RBA is entitled to receive a fee based on the market value of assets managed by the third party using the indexes. RBA generally receives this fee on a monthly or quarterly basis, typically paid in arrears. The rates for such fee will generally range up to 0.50% per annum depending on certain factors including, but not limited to, the level of assets managed by the unaffiliated third party manager pursuant to an index, and the frequency which RBA provides the index component information (monthly or weekly basis). Such fees may be negotiable. RBA may also receive an index support fee to

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provide marketing, due diligence support or other assistance to licensees of an index. The basic fee structure for such services will be a percentage of the assets managed pursuant to the index and/or fixed-fee, which vary according to the contract.

### ***Published Research and Investment Commentary***

RBA may also provide investment advisory services through published research and investment commentary and asset allocation models periodically provided to unaffiliated brokers and independent investment advisers pursuant to written contracts. RBA currently has several such arrangements in place. The basic fee structure for such services will be a percentage of assets under management and/or fixed-fee, which vary according to the contract.

#### **B. Payment of Fees.**

Asset-based fees may be billed quarterly or monthly, in arrears or in advance, and performance-based compensation, if any, is generally payable both annually and at the time of withdrawal, in accordance with the governing documents of the client. If a client's fees are paid in advance, RBA will refund to the client a *pro rata* portion of the fee for any period with respect to which the fee was prepaid but RBA's services have been terminated. The specific manner in which fees are charged by RBA is established in each client's written agreement with RBA. Clients may elect to be billed directly for fees, or authorize RBA to debit fees from their accounts. In the case of quarterly billing, asset-based fees may be pro-rated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of *de minimis* contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee. Upon the termination of an account, any prepaid, unearned fees will be promptly refunded, and any earned but unpaid fees will be due and payable.

Some clients direct RBA to provide billing statements to the custodian and further direct the custodian to pay RBA's fees from the assets of the account. Those clients that do so, and also elect to receive a copy of RBA's statements, are encouraged to compare any statements received from RBA with the statements received from the custodian. RBA will invoice published research and investment commentary clients directly.

#### **C. Additional Fees and Expenses.**

RBA's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that may be incurred by a client. Clients may incur charges imposed by custodians, brokers and other third parties, including, but not limited to, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes imposed on brokerage accounts and securities transactions. Underlying funds to which RBA may allocate client capital (including, but not limited to, mutual funds and ETFs) also charge their own various management and operating fees and expenses that are disclosed in the respective underlying fund's prospectus. To the extent a client invests in an underlying fund, such client will bear its pro rata portion of the fees and expenses of the

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underlying fund. Such other charges, fees, taxes, costs and commissions are exclusive of, and in addition to, RBA's fee, and RBA does not receive any portion of these other charges, fees, taxes, costs and commissions. Clients should consult such underlying funds' prospectuses for a complete description of all fees and expenses.

For more information on RBA's brokerage practices, please see Item 12.

### ***Supervised Persons' and Third Parties' Sales Incentive Compensation***

Some of RBA's supervised persons may accept incentive compensation for the sale of RBA's advisory products other than mutual funds or other pooled vehicles. You should be aware that RBA's supervised persons do not recommend non-RBA investment products or services.

RBA has previously retained and may in the future retain third parties to assist in the marketing of RBA's advisory services. Such firms will receive a portion of the advisory fees related to clients referred by such third parties.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

### ***Performance-Based Fees***

As set forth in Item 5, RBA is entitled to receive performance-based compensation from certain clients (i.e., performance allocation, performance fee or incentive fee). Performance-based compensation arrangements create an incentive for RBA to recommend investments that may be riskier or more speculative than those that might be recommended under a different fee arrangement, such as a management fee only arrangement.

Similarly, RBA charges asset-based fees to clients which vary. Different fees incentivize RBA to dedicate increased resources and allocate more profitable investment opportunities or best investment ideas to clients whose fees (asset-based or performance-based arrangements) are more profitable for RBA. A similar conflict exists from managing accounts containing assets owned by RBA and/or its employees.

As described below, RBA has implemented procedures designed to mitigate these conflicts from influencing the allocation of investment opportunities among clients.

### ***Side-by-Side Management***

RBA simultaneously manages the portfolios of the various products, according to the same or similar investment strategy (i.e., side-by-side management). The simultaneous management of these different investment products creates certain conflicts of interest, as the fees for the management of certain types of products are higher than others. Nevertheless, when managing the assets of such accounts, RBA seeks to treat all such accounts fairly and equitably over time.

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Although RBA seeks to treat all portfolios within an investment strategy fairly and equitably over time, such portfolios will not necessarily be managed the same at all times. Specifically, there is no requirement that RBA use the same investment practices consistently across all portfolios. RBA will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible portfolios, and one account's performance will not necessarily be reflective of the performance of another account managed using a similar strategy, due to a variety of factors including the nature of the services provided by RBA, the structure of the accounts, differences in cash flows and the timing of trading. As a result, although RBA manages multiple portfolios with similar or identical investment objectives, or may manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, may differ from portfolio to portfolio.

Refer to Item 12 for more information on RBA's trade aggregation, trade allocation and trade rotation policies and practices.

## **ITEM 7 – TYPES OF CLIENTS**

RBA offers investment advisory services to individuals, pension and profit-sharing plans, investment companies, state or municipal government entities, insurance companies, charitable organizations, registered investment companies, private funds, collective investment trusts, investment advisers, corporations and other business entities, model portfolio providers and other financial intermediaries.

In general, RBA requires a minimum account size of \$10,000,000 for direct SMA clients. Account minimums may be waived at the discretion of RBA. RBA has the right to terminate an account if it falls below a minimum size.

Details of minimum investment requirements for the mutual funds, UITs, ETFs, collective investment trusts, private funds or other pooled investment vehicles can be found in the respective product's offering materials.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. Methods of Analysis and Investment Strategies.**

#### ***Advisory and Model Portfolio Services***

RBA's core investment strategy seeks an above-average total return over the long term through a combination of top-down macroeconomic analysis and quantitatively driven portfolio construction. Macroeconomic indicators will be used to allocate portfolio assets in markets around the world and among various asset classes. Individual security selection is based on quantitative screening and optimization to achieve desired market exposures while seeking to control security-specific and other observable market risks.

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Dependent on the outlook for U.S. and global corporate profits, RBA makes top-down assessments of the relative attractiveness of, among others, stocks vs. bonds, treasuries vs. corporates, emerging-market vs. developed-market, growth vs. value, large-cap vs. small-cap, cyclical vs. non-cyclical sectors and asset allocations based on macroeconomic indicators. It is expected that the macroeconomic analysis will evolve over time and may include consideration of the following: historical risk and return characteristics; global market valuations; global yield curves; asset class, regional, and country correlations; profit cycle analyses and style and sector rotation; expected beta; estimate revisions and earnings surprises; investor sentiment and other factors. After determining what it believes to be the optimal asset class allocations, RBA seeks attractive investment opportunities by quantitatively screening for stocks within the targeted segments that historically have had the most compelling characteristics given the Firm's macroeconomic assessment. Those characteristics are likely to change as a function of RBA's changing assessment of global economic and profit environments. Individual ETF selection will be based on quantitative screening and risk-analysis, as well as qualitative review, to achieve desired market exposures.

The Firm emphasizes and de-emphasizes various global market segments and asset classes at different times in accordance with the CIO's evolving views, grounded in his well-published research on "style investing" and the relationships between economic and profit cycles, on the one hand, and equity market segment performance, on the other. The Firm will attempt to implement its strategies, and better capture its targeted macroeconomic exposures, through portfolio or "basket" trades whenever possible, de-emphasizing individual stock or bond selection.

The Firm expects generally to pursue its core strategy by allocating assets primarily among equity, fixed-income, commodity, currency and cash investments. Certain strategies will incorporate long and short selling in order to implement market views. Occasionally, it may utilize other asset classes, including short-term instruments (such as higher quality money-market instruments and other securities with remaining maturities of one year or less), or invest in protective options or futures positions, in an effort to protect one or more of its portfolios against market volatility. The Firm may include ETFs in its portfolios and, if appropriate in light of a particular investment mandate, may seek to express its market view primarily or entirely through a portfolio of ETFs.

The Firm may invest in both developed and emerging markets. It may invest in fixed-income securities of any credit quality. Such investment may include, but are not limited to, corporate bonds, securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, obligations of other sovereign nations, municipal obligations, mortgage-backed securities and inflation-linked debt securities. It may invest in stocks of companies of any capitalization, real estate investment trusts, exchange-traded notes ("ETNs"), and ETFs and other pooled investment vehicles. Investment in cash or cash equivalents may include U.S. and foreign bank certificates of deposit, fixed time deposits, repurchase agreements, bankers' acceptances and other short-term instruments.

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Because RBA gauges, in each case, the exposures of the overall portfolio and not the relative merits of individual companies' prospects, it anticipates that portfolio turnover will be low. In order to foster a disciplined strategy, the Firm expects that portfolio rebalancings, including both purchases and sales of securities, will generally occur at regular intervals, and that the frequency of major rebalancings will be determined largely by market volatility and the duration of economic and profit cycles. Individual securities may be sold because of unusual company-specific events that cause abnormal security-specific volatility. "Abnormal" volatility means positive or negative price performance that is statistically exaggerated relative to historical trading pattern. Other potential catalysts for selling a security include exceeding an internal policy guideline, a material drop in daily market liquidity, corporate actions and a substantial change in a security's style characteristics. ETFs may also be sold relative to the desired portfolio exposures during periodic rebalancings. The Firm expects that individual securities will rarely be bought or sold based solely on the attractiveness of the respective companies without regard to the characteristics of the overall portfolio.

The Firm may, when consistent with a portfolio's investment objective, buy or sell options or futures contracts on a security or on an index of securities (long or short), and may use derivatives to hedge market risk on equity securities, increase exposure to certain markets or market segments, and manage exposure to foreign currencies.

Portfolios (overall, and individual position sizes and concentrations) will be routinely monitored in an effort to ensure that they maintain the desired macroeconomic exposures and to minimize extraneous or unintended portfolio risk exposures, and they will be rebalanced as appropriate. Holdings will be adjusted for company-specific events that might distort portfolio composition. Using widely recognized third party portfolio attribution systems, RBA will seek to determine whether the sources of actual portfolio performance are consistent with the anticipated drivers of expected returns. Thus, both portfolio performance and the causes of portfolio performance (both positive and negative) will be closely reviewed. RBA anticipates that unless constrained by specific fund or account mandate, major changes in asset allocation (e.g., moving from stocks to bonds) and strategy (e.g., moving from large-cap growth to small-cap value) will occur, on average, approximately every three years, depending on the volatility of global markets and the duration of economic and profit cycles.

RBA does not currently expect to participate in any initial public offerings ("IPOs"). Accordingly, the Firm has not adopted an allocation policy with respect to IPOs. In the unlikely event that this expectation changes, the Firm will adopt such a policy to govern its allocation of such offerings among its various client accounts.

RBA may from time to time invest excess (i.e., otherwise uninvested) client funds in cash equivalents and other short-term instruments, as well as in the overnight repurchase agreement ("repo") market.

Some of RBA's strategies are designed for and implemented through UITs which consist of a unmanaged portfolio of securities which are held for a predetermined period of time. The



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process generally involves screening a large universe of stocks in an effort to identify a group of securities that meet certain quantitative criteria. Portfolio construction is finalized using a proprietary portfolio optimization process which seeks to control risks through security selection and varied position weights.

***Index Provider Services – Description of Index or Portfolio Replication Construction***

The Richard Bernstein Advisors American Industrial Renaissance® Index is designed to measure the performance of small- and mid-cap U.S. companies in the industrial and community banking sectors. To construct the index, RBA begins with the Russell 2500 index and eliminates companies not directly related to manufacturing and related infrastructure, and banking. Banks will then be chosen from states considered to be traditional manufacturing hubs. Bank stocks will be limited to approximately 10% of the index at rebalance. RBA screens to exclude companies with non-U.S. sales greater than or equal to 25% and for positive 12-month forward earnings estimates. RBA uses a proprietary portfolio optimization method to weight each individual constituent company. No position will exceed approximately 4% of the total index at rebalance. Other criteria: \$6 minimum share price, \$200 million minimum market cap and liquidity of at least \$500k trading volume on average each day. At each quarter the index is rebalanced such that each company meets the criteria as set forth above and each segment of the index is capped at its predetermined weight.

The Richard Bernstein Advisors Quality Income Index attempts to control the risks associated with investing in higher-yielding stocks, yet maintain attractive current income. The index incorporates several layers of risk control in order to attempt to minimize the probability of dividend cuts and the related underperformance. To construct the index, RBA starts with all equity securities in their global high dividend yield universe. We will then screen for debt levels and for consistency of earnings/cash flow to potentially eliminate companies headed for a dividend cut or omission. RBA uses a proprietary portfolio optimization method to weight the securities. Other criteria: \$6 minimum share price, \$200 million minimum market cap, liquidity of at least \$1 million trading volume on average each day. No position will exceed approximately 2% of the total index at rebalance. At each quarter the index is rebalanced such that each company meets the criteria as set forth above and each segment of the index is capped at its predetermined weight.

**B. Material, Significant, or Unusual Risks Relating to Investment Strategies.**

Where RBA provides discretionary advisory services – for example, as either adviser or sub-adviser to a fund or SMA – there may be risks associated with its active and quantitative management. The success of an actively managed portfolio depends upon the investment skills and analytical abilities of RBA to develop and effectively implement strategies that achieve the portfolio's investment objectives. Subjective decisions may cause a fund or SMA to incur losses, or to miss profit opportunities on which it might otherwise have capitalized.

In addition to financial publications, third party research materials, ratings-agency reports and regulatory filings, RBA uses quantitative research models and databases (both proprietary and third party), investment techniques and analyses in managing client

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portfolios, in an effort to achieve desired macroeconomic exposures and other targeted portfolio characteristics, but there can be no assurance that these quantitative approaches will achieve the desired results.

Contribution and withdrawal activities by clients may impact RBA's management of an account and its ability to achieve the account's objectives.

The investment strategies provided by RBA do not represent a complete investment program, and an investor may lose money by investing in it. All investments carry a certain amount of risk, and there is no guarantee that a fund or SMA will achieve its investment objectives. An investment in a fund or SMA is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other agency, entity or person.

**C. Risks Associated With Particular Types of Securities.**

In connection with providing its advisory and model portfolio services, RBA invests and/or recommends different types of securities which involve a number of different types of risks, among them those described below. Certain of the risks described below will apply indirectly to investors in mutual funds, UITs, ETFs, collective investment trusts, private funds or other pooled investment vehicles advised or sub-advised by RBA.

**Equity Investing Risk.** A portfolio may be sensitive to stock market volatility, and the stocks in which a portfolio is invested may be more (or less) volatile than the stock market as a whole. The value of equity investments and related instruments may decline in response to conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; currency, interest rate and commodity price fluctuations; or issuer- or sector-specific events. Market conditions may affect certain types of securities to a greater extent than other types of securities. If the stock market declines, the value of a stock portfolio will also likely decline, and although stock values may rebound, there is no assurance that they will return to previous levels. Preferred stocks may also be sensitive to changes in interest rates, typically falling in value when rates rise.

**Smaller Companies Risk.** Stocks of smaller, less seasoned companies are generally subject to greater price fluctuations, less liquidity, higher transaction costs and higher investment risk than those of larger, more seasoned issuers. Smaller companies may have limited product lines, markets or financial resources, and they may be dependent on a limited management group or lack substantial capital reserves or an established performance record. There is generally less publicly available information about such companies than for larger, more established companies.

**Credit Risk.** Investments in fixed income and other debt obligations, including loans, (referred to below as "debt instruments") are subject to the risk of non-payment of scheduled principal and interest. Changes in economic conditions or other circumstances may reduce the capacity of the party obligated to make principal and interest payments on such instruments and may lead to defaults. Such non-payments and defaults may reduce the



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value of such investments. The value of debt instruments also may decline because of concerns about the issuer's ability to make principal and interest payments. In addition, the credit ratings of debt instruments may be lowered if the financial condition of the party obligated to make payments with respect to such instruments deteriorates. In the event of bankruptcy of the issuer of a debt instrument, a client could experience delays or limitations with respect to its ability to realize the benefits of any collateral securing the instrument.

**Fixed-Income and Convertible Security Risk.** Portfolio securities may be sensitive to increases in prevailing interest rates and the creditworthiness of issuers. Fixed-income securities rated below investment grade and comparable unrated securities have speculative characteristics because of the credit risk associated with their issuers. Changes in economic conditions or other circumstances typically have a greater effect on the ability of issuers of lower-rated securities to make principal and interest payments than they do on issuers of higher-rated instruments. An economic downturn typically leads to a higher non-payment rate, and a lower-rated instrument may lose significant value before a default occurs. Lower-rated investments are generally subject to greater price volatility and illiquidity than higher-rated ones.

**Lower Rated Investments Risk.** Investments rated below investment grade and comparable unrated investments (sometimes referred to as "junk") have speculative characteristics because of the credit risk associated with their issuers. Changes in economic conditions or other circumstances typically have a greater effect on the ability of issuers of lower rated investments to make principal and interest payments than they do on issuers of higher rated investments. An economic downturn generally leads to a higher non-payment rate, and a lower rated investment may lose significant value before a default occurs. Lower rated investments typically are subject to greater price volatility and illiquidity than higher rated investments.

**Foreign and Emerging Market Investment Risk.** Portfolios may have significant exposure to foreign instruments. Investments in securities of non-U.S. issuers and the governments of non-U.S. countries involve special risks not usually associated with investing in securities of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, difficulty in repatriating funds, social, political and economic instability and adverse diplomatic developments; the possibility of the imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. In addition, there may be different types of, and lower quality, information available about a non-U.S. company than a U.S. company. There is also less regulation, generally, of the securities markets in many foreign countries than there is in the United States, and such markets may not provide the same protections that are available in the United States. With respect to certain countries, there may be the possibility of political, economic or social instability, the imposition of trading controls, import duties, tariffs or other protectionist measures, various laws enacted for the protection of creditors, and

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greater risks of nationalization or diplomatic developments that could materially adversely affect investments in those countries. In addition, certain countries may restrict or prohibit investment opportunities in issuers or industries deemed important to national interests. Such restrictions may affect the market price, liquidity and rights of securities that may be purchased by a client. Investment in non-U.S. countries may also be subject to withholding or other taxes, which may be significant and may reduce the investment returns. Non-U.S. markets may also be affected, directly or indirectly, by trade disputes or tariffs, the effect of which may be difficult to predict. Depositary receipts (ADRs) are subject to many of the same risks associated with investing directly in foreign securities, including political and economic risks. All of these non-U.S. risks are typically greater in less developed or emerging market countries.

In November 2020, the President of the United States issued an executive order (“CCMC Order”) prohibiting U.S. persons, from transacting in securities of any Chinese company identified by the Secretary of Defense as a “Communist Chinese military company” (“CCMC”) or in instruments that are derivative of, or are designed to provide investment exposure to, prohibited CCMC securities. The prohibition took effect on January 11, 2021. It is unclear whether the CCMC Order will continue in effect going forward, but to the extent that it does and any company in a client account’s portfolio is identified as a CCMC at any time, it may have a material adverse effect on the client account. Also, in December 2020, the Holding Foreign Companies Accountability Act (“HFCAA”) was signed into law. When implemented, the HFCAA could cause securities of foreign issuers (including China) to be de-listed from U.S. stock exchanges if these companies do not permit U.S. oversight of the auditing of their financial information. The potential impact of the HFCAA is unclear at this time, but to the extent that client accounts currently transact, or have exposure to, securities of an affected foreign company, there could be a material adverse impact on the account’s ability to achieve its investment objective and cause additional tracking error.

**Eurozone Risk.** A number of countries in the European Union (“EU”) have experienced, and may continue to experience, severe economic and financial difficulties. In particular, many EU nations are susceptible to economic risks associated with high levels of debt. As a result, financial markets in the EU have been subject to increased volatility and declines in asset values and liquidity. Responses to these financial problems by European governments, central banks, and others, including austerity measures and reforms, may not work, may result in social unrest, and may limit future growth and economic recovery or have other unintended consequences. The risk of investing in securities in the European markets may also be heightened due to the referendum in which the United Kingdom left the EU (known as “Brexit”). One or more other countries may also abandon the euro and/or withdraw from the EU, placing its currency and banking system in jeopardy. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far-reaching. Clients may have exposure to European markets and may have exposure to transactions tied to the value of the euro; such exposures could negatively affect the value and liquidity of the Fund’s investments. All of these developments may continue to significantly affect the economies of all EU countries, which in turn may have a material adverse effect on a client’s investments in such countries, other countries that depend on EU

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countries for significant amounts of trade or investment, or issuers with exposure to debt issued by certain EU countries.

The United Kingdom left the EU on January 31, 2020, subject to a transitional period which ended December 31, 2020. During the transitional period, although the United Kingdom was no longer a member state of the EU, it remained subject to EU law and regulations as if it were still a member state. The United Kingdom and the EU negotiated the terms of their future trading relationship during the transitional period. The results of the negotiations may give rise to significant uncertainties and instability in the financial markets. Clients will face risks associated with the uncertainty and consequences following Brexit, including with respect to volatility in exchange rates and interest rates. Brexit could adversely affect European or worldwide political, regulatory, economic or market conditions and could contribute to instability in global political institutions, regulatory agencies and financial markets. Brexit has also led to legal uncertainty and could lead to politically divergent national laws and regulations as a new relationship between the United Kingdom and EU is defined and the United Kingdom determines which EU laws to replace or replicate. Any of these effects of Brexit could adversely affect any of the companies to which a client account has exposure and any other assets in which a client account invests. The political, economic and legal consequences of Brexit are not yet fully known. In the short term, financial markets may experience heightened volatility, particularly those in the United Kingdom and Europe, but possibly worldwide. The United Kingdom and EU may be less stable than they have been in recent years, and investments in the United Kingdom and the EU may be difficult to value, or subject to greater or more frequent volatility. In the longer term, there is likely to be a period of significant political, regulatory and commercial uncertainty as the United Kingdom seeks to negotiate its long-term exit from the EU and the terms of its future trading relationships.

**ETN Risk.** ETNs are debt obligations and their payments of interest or principal are linked to the performance of a reference investment (typically an index). ETNs are subject to the performance of their issuer and may lose all or a portion of their entire value if the issuer fails or its credit rating changes. An ETN that is tied to a specific index may not be able to replicate and maintain exactly the composition and weighting of the components of that index. ETNs also incur certain expenses not incurred by the reference investment and the cost of owning an ETN may exceed the cost of investing directly in the reference investment. The market trading price of an ETN may be more volatile than the reference investment it is designed to track. An account may purchase an ETN at prices that exceed its net asset value and may sell such investments at prices below such net asset value. An account may not be able to liquidate ETN holdings at the time and price desired, which may impact account performance.

**Derivatives Risk.** The use of derivatives may lead to losses resulting from adverse movements in the price or value of the underlying asset, index, rate or instrument, due to failure of a counterparty or to tax or regulatory constraints. Derivatives may create investment leverage in a portfolio, magnifying a portfolio's exposure to the underlying investment. The risks associated with derivatives use in a portfolio may be heightened when they are used to enhance return or as a substitute for a position or security, rather than solely

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to hedge the risk of another investment held in the account. When derivatives are used to gain exposure to a particular market or market segment, their performance may not correlate as expected to the performance of that market or segment, thereby causing the account to fail to achieve its original purpose in using such derivatives. Derivatives used for hedging purposes may not reduce portfolio risk if they are not sufficiently correlated to the position being hedged. A decision as to whether, when and how to use derivatives involves the exercise of specialized skill and judgment, and even a well-conceived transaction may be unsuccessful because of subsequent market behavior or unexpected events. Derivative instruments may be difficult to value, illiquid, and subject to wide swings in valuation caused by changes in the value of the underlying asset, index, rate or instrument. The loss on a derivatives transaction may substantially exceed the initial investment.

**Real Estate Risk.** Real estate investments, including real estate investment trusts (“REITs”), are subject to special risks associated with real estate. Real estate investments are sensitive to factors such as changes in real estate values, property taxes, cash flow of underlying real estate assets, occupancy rates, government regulations affecting zoning, land use and rents, and the management skill and creditworthiness of the issuer. Real estate investments may also be subject to liabilities under environmental and hazardous waste laws, among others. Changes in underlying real estate values may have an exaggerated effect to the extent that REITs concentrate investments in particular geographic regions or property types.

**Risk Associated with Active Management.** The success of a client’s account that is actively managed depends upon investment skills and analytical abilities of RBA to develop and effectively implement strategies that achieve the client’s investment objective. Subjective decisions made by RBA may cause a client portfolio to incur losses or to miss profit opportunities on which it may otherwise have capitalized.

**General Investing Risks.** The investment strategies offered by RBA are not intended to be a complete investment program. Clients generally should have a long-term investment perspective and be able to tolerate potentially sharp declines in value and/or investment losses. Investment advisers, other market participants and many securities markets are subject to rules and regulations and the jurisdiction of one or more regulators. Changes to applicable rules and regulations could have an adverse effect on securities markets and market participants, as well as on the ability to execute a particular investment strategy.

**Concentration Risk.** A strategy that concentrates its investments in a particular sector of the market (such as the utilities or financial services sectors) or a specific geographic area (such as a country or state) may be affected by events that adversely affect that sector or area and the value of a portfolio using such strategy may fluctuate more than that of a less concentrated portfolio.

**Sector Risk.** A strategy that, under certain market conditions, invest a significant portion of its investments in one or more sectors may be affected by events that adversely affect such sector(s) and may fluctuate more than that of a strategy that invests more broadly.

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**Liquidity Risk.** Clients are exposed to liquidity risk when trading volume, lack of a market maker or trading partner, large position size, market conditions, or legal restrictions impair our ability to sell particular investments or to sell them at advantageous market prices. Consequently, clients may have to accept a lower price to sell an investment or continue to hold it or keep the position open, sell other investments to raise cash or abandon an investment opportunity, any of which could have a negative effect on the account's performance. These effects may be exacerbated during times of financial or political stress.

**Currency Risk.** In general, the value of investments in, or denominated in, foreign currencies increase when the U.S. dollar is weak (*i.e.*, is losing value relative to foreign currencies) or when foreign currencies are strong (*i.e.*, are gaining value relative to the U.S. dollar). When foreign currencies are weak or the U.S. dollar is strong, such investments generally will decrease in value. The value of foreign currencies as measured in U.S. dollars may be unpredictably affected by changes in foreign currency rates and exchange control regulations, application of foreign tax laws (including withholding tax), governmental administration of economic or monetary policies (in the U.S. or abroad), intervention (or the failure to intervene) by U.S. or foreign governments or central banks, and relations between nations. A devaluation of a currency by a country's government or banking authority will have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets and currency transactions are subject to settlement, custodial and other operational risks. Exposure to foreign currencies through derivative instruments will be subject to *Derivatives Risks* described above.

**Options Risk.** RBA may utilize options in furtherance of its investment strategies. Option positions may include both long positions, where RBA is the holder of put or call options, as well as short positions, where RBA is the seller (writer) of an option. Although option techniques can increase investment return, they can also involve a higher level of risk compared with their underlying securities.

**Futures Risk.** RBA may utilize futures contracts on a security or on an index of securities. Futures positions may include both long and short positions. Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses and, like other leveraged investments, any trade may result in losses in excess of the amount invested.

**Risk of Commodity-Related Investments.** The value of commodities investments will generally be affected by overall market movements and factors specific to a particular industry or commodity, which may include weather, embargoes, tariffs, and health, political, international and regulatory developments. Economic and other events (whether real or perceived) can reduce the demand for commodities, which may reduce market prices and cause the value of a client portfolio to fall. The frequency and magnitude of such changes cannot be predicted. Exposure to commodities and commodities markets may subject a client portfolio to greater volatility than investments in traditional securities. No active trading market may exist for certain commodities investments, which may impair the ability



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to sell or to realize the full value of such investments in the event of the need to liquidate such investments. In addition, adverse market conditions may impair the liquidity of actively traded commodities investments. Certain types of commodities instruments (such as total return swaps and commodity-linked notes) are subject to the risk that the counterparty to the instrument will not perform or will be unable to perform in accordance with the terms of the instrument.

**Interest Rate Risk.** As interest rates rise, the value of a client portfolio invested primarily in fixed-income securities or similar instruments is likely to decline. Conversely, when interest rates decline, the value of such a client portfolio is likely to rise. Securities with longer maturities are more sensitive to changes in interest rates than securities with shorter maturities, making them more volatile. A rising interest rate environment may extend the average life of mortgages or other asset-backed receivables underlying mortgage-backed or asset-backed securities. This extension increases the risk of depreciation due to future increases in market interest rates. In a declining interest rate environment, prepayment of certain types of securities may increase. In such circumstances, RBA may have to reinvest the prepayment proceeds at lower yields. A strategy that is managed toward an income objective may hold securities with longer maturities and thereby be more exposed to interest rate risk than a strategy focused on total return.

**Duration Risk.** Duration measures the expected life of a fixed-income security, which can determine its sensitivity to changes in the general level of interest rates. Securities with longer durations tend to be more sensitive to interest rate changes than securities with shorter durations. A portfolio with a longer dollar-weighted average duration can be expected to be more sensitive to interest rate changes than a portfolio with a shorter dollar-weighted average duration. Duration differs from maturity in that it considers a security's coupon payments in addition to the amount of time until the security matures. As the value of a security changes over time, so will its duration.

**Maturity Risk.** Interest rate risk will generally affect the price of a fixed income security more if the security has a longer maturity. Fixed income securities with longer maturities will therefore be more volatile than other fixed income securities with shorter maturities. Conversely, fixed income securities with shorter maturities will be less volatile but generally provide lower returns than fixed income securities with longer maturities. The average maturity of a client portfolio's investments will affect the volatility of the portfolio's rate of return.

**Underlying Fund Risk.** Allocating client assets to an underlying fund (including, but not limited to, mutual funds and ETFs) exposes a client portfolio to all of the risks of the underlying fund's investments and subjects it to a pro rata portion of the underlying fund's fees and expenses. As a result, the cost of investing in an underlying fund may exceed the cost of investing directly in each of the underlying fund's positions. In addition, with respect to ETFs, shares trade on an exchange at a market price which may vary from the ETF's net asset value. ETFs may be purchased at prices that exceed the net asset value of their underlying investments and may be sold at prices below such net asset value. Because the market price of ETF shares depends on the demand in the market for them, the market price

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of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track, and a client account may not be able to liquidate ETF holdings at the time and price desired, which may impact its performance.

**Short Sale Risk.** Short sale risk includes, among other things, the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the client portfolio.

**Systems Risk.** RBA relies on computer programs and systems in its proprietary modeling to evaluate securities, monitor its portfolios, and to generate reports that are critical to oversight of its activities. In addition, certain systems are operated by third parties, including counterparties and service providers. These programs, whether operated by RBA or a third party, may be subject to defects, failure and interruptions, including, but not limited to, those caused by computer “worms,” viruses and power failures. Any such defect or failure could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect RBA’s ability to monitor its investment portfolios and risks.

**Risk of Leveraged Transactions.** Certain types of investment transactions may give rise to a form of leverage. Such transactions may include, among others, the use of when-issued, delayed delivery or forward commitment transactions, residual interest bonds, short sales and certain derivative transactions. A client portfolio may be required to segregate liquid assets or otherwise cover the portfolio’s obligation created by a transaction that may give rise to leverage. To satisfy the portfolio’s obligations or to meet segregation requirements, portfolio positions may be required to be liquidated when it may not be advantageous to do so. Leverage may cause the value of a client portfolio to be more volatile than if it had not been leveraged, as certain types of leverage may exaggerate the effect of any increase or decrease in the value of securities in a client portfolio. The loss on leveraged transactions may substantially exceed the initial investment.

**Municipal Bond Market Risk.** The amount of public information available about municipal bonds is generally less than that for corporate equities or bonds and the investment performance of a client portfolio may be more dependent on the research capabilities of the adviser. The secondary market for municipal bonds also tends to be less well-developed and less liquid than many other securities markets, which may adversely affect the ability to sell bonds at attractive prices. In addition, municipal obligations can experience downturns in trading activity and the supply of municipal obligations may exceed the demand in the market or demand can exceed supply. During such periods, the spread can widen between the price at which an obligation can be purchased and the price at which it can be sold. Less liquid obligations can become more difficult to value and be subject to erratic price movements. The increased presence of non-traditional participants in the municipal markets may lead to greater volatility in the markets.

**Asset-Backed Securities Risk.** Asset-backed securities represent interests in “pools” of assets, including consumer loans or receivables held in trust. If asset-backed securities are subordinated to other interests in the same pool, investors may only receive payments after

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the pool's obligations to other investors have been satisfied. An unexpectedly high rate of defaults on the assets held by a pool may limit substantially the pool's ability to make payments of principal or interest to an investor, reducing the values of those securities or in some cases rendering them worthless. The risk of such defaults is generally higher in the case of mortgage pools that include so-called "subprime" mortgages. An investment in other asset-backed securities is subject to risks similar to those associated with mortgage-backed securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.

**Tax Risks.** Certain of the investment strategies offered by RBA contain tax management components ("Tax Management Strategies"). Market conditions and future tax legislation may limit RBA's ability to execute Tax Management Strategies effectively. Tax laws and regulations are complex and subject to interpretation. There can be no assurance that the Internal Revenue Service will not challenge the tax treatment of the Tax Management Strategies, which could materially impact investment results. RBA's offering of Tax Management Strategies should not be construed as financial, legal or tax advice. ***RBA does not provide tax advice. Clients seeking a Tax Management Strategy must consult their independent financial, legal and tax advisors as to the tax consequences of such an investment strategy.***

**Pandemic Risks.** An outbreak of disease or similar public health threat, or fear of such an event could have a material adverse impact on the performance of client accounts. In addition, outbreaks of disease could result in increased government restrictions and regulation, including quarantines, which could adversely affect the Fund's operations. In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China. The World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern" and a pandemic. The U.S. government has also implemented enhanced screenings, quarantine requirements and travel restrictions in connection with the COVID-19 outbreak. As of the date of this Brochure, the COVID-19 pandemic has significantly and negatively impacted the global economy, disrupted global supply chains and created significant volatility and disruption of financial markets. The extent of the impact of the COVID-19 pandemic on the financial performance of client accounts, including RBA's ability to execute a client account's investment strategy in the expected time frame, will depend on future developments, including the duration and spread of the pandemic and the impact of the pandemic on local, national and global financial markets, all of which are uncertain and cannot be predicted. An extended period of global supply chain and economic disruption could materially affect the performance of client accounts, results of operations, access to sources of liquidity and financial condition.

**Cybersecurity.** RBA's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although RBA has implemented various measures to protect the confidentiality of its internal data and to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease



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to function properly, RBA will likely have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in RBA's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to clients. Such a failure could harm RBA's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. RBA will seek to notify affected clients of any known cybersecurity incident that will likely pose substantial risk of exposing confidential personal data about such clients to unintended parties.

**Other Risks, Information and Sources of Information.** Client accounts are also subject to investment style risk. A client account invested in one of our investment strategies involves the risk that the investment strategy may underperform other investment strategies or the overall market. RBA does not offer any products or services that guarantee rates of return on investments for any time period to any client. All clients assume the risk that investment returns may be negative or below the rates of return of other investment advisers, market indices or investment products.

**Force Majeure.** Global markets are interconnected, and events like hurricanes, floods, earthquakes, forest fires and similar natural disturbances, war, terrorism or threats of terrorism, civil disorder, public health crises, and similar "Act of God" events have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term and wide-spread effects on world economies and markets generally. Clients may have exposure to countries and markets impacted by such events, which could result in material losses.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in RBA's advisory services. Investors should read the applicable offering materials, prospectus, or similar account opening documents for such client, if any, in addition to consulting with their own financial and tax advisers.

## **ITEM 9 – DISCIPLINARY INFORMATION**

There are no legal or disciplinary events to report.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### ***Commodity Activities***

RBA has claimed an exemption from registration with the U.S. Commodity Futures Trading Commission as a commodity trading advisor with respect to the certain products.

### ***Broker-Dealer Affiliations***

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RBA, at its own expense, pays Foreside Fund Services, LLC (“Foreside”), an unaffiliated FINRA registered broker-dealer, a fee for certain distribution-related services for mutual funds and other products managed by RBA. Certain employees of RBA serve as registered representatives of Foreside to facilitate the distribution of such products.

### ***Material Relationships and Arrangements***

As described elsewhere in this Brochure, RBA acts as sub-adviser to two Eaton Vance Management sponsored mutual funds, serves as the index provider to an ETF sponsored by First Trust Portfolios LP and serves as the sub-adviser to certain UIT products. In addition, RBA also has various relationships with unaffiliated broker-dealers and investment advisers for its SMA services.

### ***Other Potential Conflicts of Interest***

The Firm’s CIO is currently a paid contributor to CNBC, the financial news network, and a paid member of the Alfred P. Sloan Foundation's endowment investment committee. Mr. Bernstein receives royalties on two books from the publisher John Wiley & Sons, all of which he donates to charity.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, PERSONAL TRADING AND CYBER SECURITY**

### **A. Code of Ethics.**

RBA strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. These standards are incorporated into RBA's Code of Ethics (the “Code of Ethics”), which, *inter alia* (“among other things”), requires related persons (including, but not limited to, those with access to information on client transactions) to report personal securities transactions (“PSTs”) and holdings to the Firm on a periodic basis, and to pre-clear with the Firm certain types of PSTs. The Code of Ethics also articulates certain general principles that all personnel are expected to adhere to, namely, that the interests of the Firm's clients always come first; that employees must not take any inappropriate advantage of their positions at the Firm; that information concerning the identity of portfolio securities, or the financial circumstances of any client, must be kept confidential; and that independence in the investment decision-making process must be maintained at all times. The purpose of the Code of Ethics is to avoid even the appearance of a conflict of interest, to resolve any potential conflicts of interest before they materialize, and to detect and prevent fraud, deception or misconduct with respect to client transactions. To that end, the Firm has adopted, as part of its compliance policies and procedures (its “Compliance Guidelines”), policies and procedures designed to detect and prevent insider trading and the misappropriation or misuse of material, non-public information (its “Insider Trading Policies”).

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RBA's Insider Trading Policies prohibit the Firm and its personnel from trading, or recommending trading, for clients or themselves, in securities of an issuer while in possession of material, non-public information ("Inside Information") about the issuer, and from disclosing any such information to any person not entitled to receive it. By reason of its various activities, the Firm from time to time becomes privy to Inside Information or becomes otherwise restricted from effecting transactions in certain investments that might otherwise have been initiated. RBA has adopted policies and procedures (including, without limitation, annual employee training) reasonably designed to shield its investment professionals in most cases from access to Inside Information, so that investment decisions may be made on the basis of public information only. Among other things, such policies and procedures seek to control and monitor the flow of Inside Information to and within the Firm, as well as prevent trading based on Inside Information. Accordingly, RBA may not have access to Inside Information that other market participants or counterparties are eligible to receive.

A copy of the Code of Ethics will be provided to any client or prospective client upon request.

Firm personnel are required to periodically certify as to their compliance with the Firm's Code of Ethics and Insider Trading Policies.

**B. Securities in Which You or a Related Person Has a Material Financial Interest.**

RBA acts as sub-adviser to the Eaton Vance Richard Bernstein Multi-Market Equity Strategy Fund and Eaton Vance Richard Bernstein All Asset Fund, which are open-end registered investment companies.

**C. Investing in Securities That You or a Related Person Recommends to Clients.**

The Firm's principals, employees or other related persons (collectively, its "personnel") from time to time engage in personal trading of securities and other instruments for their own accounts, including, without limitation, securities and other instruments in which the Firm's clients are invested. Conversely, RBA from time to time buys or sells securities on behalf of a client, or recommends to a client that it buy or sell securities, that are owned by one or more of the Firm's personnel, or in which one or more of them otherwise has an interest. Such related-person purchases or sales may be effected at the same or different times, and at the same or different prices, as client purchases or sales. The Firm, as part of its Compliance Guidelines, has adopted a Code of Ethics that, *inter alia*, places restrictions on personal trading by Firm personnel, requiring, for example, that they disclose their personal securities holdings and transactions, if any, to the Firm on a periodic basis, and pre-clear with the Firm certain types of PSTs.

In addition, RBA occasionally seeds proprietary accounts for the purpose of evaluating a new investment strategy that eventually may be available to clients through an SMA or other investment product. Such proprietary accounts also may serve the purpose of establishing a performance record to enable RBA to offer such an account's investment style to clients. RBA's management of accounts with proprietary interests alongside nonproprietary client

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accounts creates an incentive to favor the proprietary accounts over the nonproprietary accounts in the allocation of investment opportunities, time, aggregation and timing of investments. RBA has established allocation policies and procedures that require RBA investment personnel to make purchase and sale decisions and allocate investment opportunities among client accounts consistent with its fiduciary obligations, including avoiding favoring any accounts over others over time. In particular, under RBA's trade rotation policy, proprietary accounts go last in the rotation. Refer to Item 12 for more information on RBA's trade aggregation, trade allocation and trade rotation policies and practices.

D. Conflicts of Interest Created by Contemporaneous Trading.

As stated in items 11A and 11C, Firm personnel from time to time engage in personal trading of securities and other instruments for their own accounts, including, without limitation, securities and other instruments in which the Firm's clients are invested. The Firm's Code of Ethics requires that the Firm maintain a list of companies about which a determination has been made that it is prudent to restrict trading activity (the "Restricted List"). This might include, for example, a company about which "Investment Personnel" (including the Firm's Chief Technology Officer and his direct reports, its CCO, and any member of the Firm's Investment Committee or Trading Desk) may have acquired Inside Information, or an investment position where the Firm may have a securities filing obligation.

Additionally, the Firm will maintain a "Watch List" of companies as to which a determination has been made that it is prudent to restrict employees' trading in securities of such companies. Any security in which the Firm transacts for a client shall be included on the Watch List for a period that (i) commences on the date the transaction commences and (ii) ends at the close of business three (3) full business days after completion of the transaction; *provided, however*, that for Investment Personnel only, a security shall be included on the Watch List for a period that (x) commences upon the security's inclusion in a list of securities approved by the Firm's Investment Committee for investment by a client and (y) ends at the close of business three (3) full business days after it is no longer held in any client's portfolio.

As a general rule, trades will not be allowed for clients, or for the personal accounts of employees, in the securities of a company appearing on the Restricted List, except with approval of the CCO. Similarly, any determination to remove a company from the Restricted List must be approved by the CCO.

As a general rule, PSTs will not be allowed for securities of a company appearing on the Watch List, except with approval of the CCO. Similarly, any determination to remove a company from the Watch List must be approved by the CCO.

Restrictions with regard to securities on the Restricted List and the Watch List are also deemed to extend to options, rights or warrants relating to those securities and any securities convertible into those securities.

E. Cyber Security Policy

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RBA is becoming increasingly dependent on devices, services and applications that connect to the internet such as smartphones, email, social media, and cloud computing services. While these services increase efficiencies and revenues, this dependence increases our chances of being targeted by cyber-attacks. For these reasons, RBA has instituted a cyber-security policy to help in identifying, mitigating and protecting against cyber-security threats. Password updates, software updates, firewall protections, physical barriers to entry and limited access to sensitive client data are several protections put in place to mitigate cyber related threats. That being said, RBA acknowledges that security threats can never be completely eliminated and clients remain subject to cyber related risks.

## **ITEM 12 – BROKERAGE PRACTICES**

The section below is not applicable with respect to RBA's Index Provider Services.

### **A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.**

#### **1. *Research and Other Soft-Dollar Benefits***

RBA, in its capacity as investment adviser to client accounts, if and to the extent consistent with current SEC interpretation and guidance, may pay a broker commissions (or markups or markdowns, with respect to certain types of riskless principal transactions) for effecting client transactions in excess of the amount another broker might have charged, in recognition of the overall value of brokerage or research products or services provided or paid for by the broker that RBA considers to be of benefit to its clients, provided that such products and services fall within the safe harbor created by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended. This means, *inter alia*, that RBA must determine that (1) each particular brokerage or research product or service received constitutes eligible "research" or eligible "brokerage", (2) each particular brokerage or research product or service received provides lawful and appropriate assistance to RBA in carrying out its investment decision-making responsibilities, and (3) the amount of so-called "soft-dollar" commissions paid to each such broker is reasonable in light of the value to the Firm's clients of the brokerage and research products and services received from that broker. RBA believes that it is important to its investment decision-making process to have access to, *inter alia*, independent research (*i.e.*, research generated by third parties outside the Firm), and accordingly expects to use soft-dollar commissions to pay for products and services that fall within the scope of Section 28(e).

Eligible products and services may include, for example, research reports on particular companies, industries, sectors or macroeconomic themes; quantitative, statistical or economic surveys and analyses; analyses of technical market action; pricing and appraisal services; credit, risk measurement and performance analyses; accounting and tax law interpretations; analyses of political and legal developments that might affect portfolio securities; and analyses of corporate responsibility issues. Such research products and

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services are generally received primarily in the form of written reports, telephone contacts, and personal meetings with analysts. Additionally, if and to the extent consistent with current SEC interpretation and guidance, such services may also be provided in the form of access to computer-generated data; computer software; and meetings arranged with economists, academics, and government representatives. In some cases, research services are generated by third parties but provided to the Firm by or through brokers.

RBA utilizes commission sharing arrangements ("CSAs") with certain brokers. Under a CSA, RBA requests brokers effecting transactions on behalf of its clients to allocate a portion of the total commission to a pool of commission credits. At our direction, the pool is used to pay brokers and independent research providers for research products and services. CSAs may be used for both proprietary and third party research products and services. The use of CSAs is intended to assist RBA in providing credits to brokers or third party research providers who, in its judgment, provide the best access to analysts and management, and to independent research providers, while using reliable executing brokers which RBA believes will benefit its clients. CSAs benefit RBA because we do not have to produce or pay for the research and services we obtain through them.

Also consistent with Section 28(e), research products or services obtained with soft dollars generated by one or more client accounts may be used by the Firm to service one or more other client accounts. Where a product or service obtained with soft dollars provides both research and non-research assistance to the Firm (a so-called "mixed-use" item), RBA, if and to the extent consistent with current SEC interpretation and guidance, will make a reasonable allocation of the total cost between what may properly be paid for with soft dollars and what may not. In making such mixed-use cost allocations – between administrative benefits to the Firm, on the one hand, and products or services that provide lawful and appropriate assistance to the manager in carrying out its investment decision-making responsibilities, on the other – a conflict of interest may arise by reason of RBA's allocation of such costs between items that primarily benefit the Firm and those that primarily benefit its clients.

The Brokerage Committee (defined below) periodically reviews the amount and nature of research products and services provided by brokers, as well as the extent to which such products and services are believed to be of value and are relied upon, and will attempt to allocate a portion of its clients' brokerage business on the basis of that consideration (if and to the extent consistent with "best execution"). Brokers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker may be less than the suggested allocation, but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all the considerations described above. A broker is not excluded from receiving business because it has not been identified as providing research products or services. Investment information received from RBA's brokers may be used by the Firm in servicing all its accounts, and not all such information need be used in connection with the specific client account(s) that generated the commissions used to purchase such information. RBA believes that such investment information benefits all its clients by supplementing the research and resources otherwise available to them.



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## **2. Brokerage for Client Referrals**

RBA does not select or recommend brokers based on client referrals from such brokers.

## **3. Directed Brokerage**

RBA generally has discretionary authority to trade, invest and manage its clients' assets on a day-to-day basis, including the discretionary authority to determine the securities to be bought or sold by or on behalf of clients, the amount to be bought or sold, the broker to be used for each transaction, and the commission rates (or markups or markdowns, with respect to certain types of riskless principal transactions) to be paid.

From time to time, certain clients may request that RBA direct brokerage to a particular broker, including in some cases a broker affiliated with an adviser to the client who recommended that the client invest with the Firm. Such requests may be in respect of a particular trade or series of trades, or in respect of all trading in such client's account with the Firm. Subject to its obligation to seek best execution (*cf.* "Best Execution", below), RBA may consider requests by clients to direct brokerage in determining its selection of brokers.

## **4. Best Execution**

RBA has adopted guidelines for reviewing and evaluating the process by which it seeks to obtain "best execution". These guidelines are designed to fairly evaluate the overall quality and costs of a broker's execution services, including prices, commission rates (or markups or markdowns, with respect to certain types of riskless principal transactions), speed of execution, the operational facilities of the broker (including back-office and processing capabilities), the type and size of the transaction, the creditworthiness and stability of the broker, the broker's reputation for reliability and financial responsibility, and the broker's provision or payment (or rebates to the Firm for payment) of the costs of brokerage or research products or services that RBA considers to be of benefit to its clients. The Firm need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Accordingly, if RBA determines in good faith that the commissions (or markups or markdowns, as the case may be) charged by a broker are reasonable in relation to the value of the brokerage or research products or services provided by such broker, the Firm's accounts may (if and to the extent consistent with current SEC interpretation and guidance) pay commissions to such broker in excess of the amount another broker might have charged (*cf.* "Research and Other Soft-Dollar Benefits", above.) If RBA decides, based on the factors set forth above, to execute transactions through Alternative Trading Systems ("ATs"), such as electronic communications networks, "dark pools" or broker-dealer internalization systems, it will also consider, when choosing among ATs, such factors as liquidity provided, relative ease of use, flexibility, and the level of care and attention given to orders.

RBA maintains policies and procedures on trading-related matters as part of its Compliance Guidelines, and has established a Brokerage Committee, comprised of investment and

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financial professionals within the Firm (among them, its CIO, director of trading and its chief financial officer), to provide oversight. The Brokerage Committee will meet periodically to approve brokers for the execution of client orders, review the quality of executions, and consider all policy issues related to commissions and trading. The Firm's traders will place client orders for execution only with brokers previously approved by its Brokerage Committee.

RBA may open "average-price" accounts with brokers. In such an account, buy and sell orders placed during a trading day on behalf of two or more client accounts are combined, and securities bought or sold pursuant to such orders are allocated among all participating accounts on an average-price basis. On partial fills, trade executions will generally be allocated across participating client accounts ratably, based on the number of shares on order for each such account; and trade orders will generally be allocated across client accounts ratably, based on the accounts' respective AUM. Any exception to those *pro rata* allocation protocols (*cf.* "Order Aggregation", below) will require an explanation (that, in the case of partial fills, will have to be entered in the Firm's Order Management System before that system will allow the trade to be posted), and the system (or, in the case of a non-ratable allocation of orders, the analyst or portfolio manager) will then generate an exception report for purposes of compliance monitoring and review.

From time to time, RBA may execute over-the-counter trades on an agency, rather than a principal, basis. In these situations, the executing broker may acquire or dispose of a security through a market-maker (a practice known as "interpositioning"). The transaction may thus be subject to both a commission and a markup or markdown. RBA believes that the use of a broker in such instances is consistent with the Firm's duty to seek best execution for its clients. The use of a broker can provide anonymity in connection with a transaction. In addition, a broker may, in certain cases, have greater expertise or capability in connection with both accessing the market and executing a transaction.

From time to time, RBA may cause a client's account to engage in a "step-out" transaction, in which the account pays commissions in respect of the transaction to one broker, but the transaction is executed by a different broker. RBA will only engage in step-out transactions on behalf of a client to the extent that doing so is consistent with best execution.

## **5. Trade Errors**

RBA may on occasion experience errors with respect to trades executed on behalf of client accounts. Trade errors may result from a variety of situations, including, for example, the placement of orders (either purchases or sales) in excess of the amount of securities intended; the sale of a security when it should have been purchased; the purchase of a security when it should have been sold; the purchase or sale of the wrong security; the purchase or sale of a security contrary to regulatory restrictions or client investment guidelines or restrictions; and incorrect allocations of securities (*cf.* "Order Aggregation", below). Errors that do not result in transactions in client accounts (such as errors that result in the loss of an investment opportunity) will not be viewed as trade errors. RBA will endeavor to detect trade errors prior to settlement and correct and/or mitigate them



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expeditiously and in such a manner that seeks to minimize losses that clients may incur. In the case of a trade error caused by third party (*e.g.*, counterparty) mistake, RBA will attempt to recover from such third party any losses resulting from such error. RBA will generally reimburse losses suffered by client accounts that are not registered investment companies managed or sub-advised by RBA ("RIC Clients") only to the extent such losses result from a trade error caused by RBA's gross negligence or willful misconduct. To the extent a trade error results from a mistake by a third party (*e.g.*, a counterparty, such as an executing broker), RBA will attempt to recover any resulting losses on behalf of the affected client account(s); but if and to the extent any such losses are not recovered after a reasonable effort, clients other than RIC Clients will generally not be reimbursed by RBA for such losses. Losses suffered by clients other than RIC Clients that are the result of action taken by RBA at the direction of an unaffiliated third party authorized to direct RBA to take such action will generally not be reimbursed. RBA may, however, in its discretion, choose to reimburse non-RIC Clients for trade error losses even if not obligated to do so. RBA will reimburse RIC Clients for all losses incurred from trade errors, including, without limitation, errors caused by third party mistake, regardless of whether or not RBA is successful in recovering such losses from the responsible third party. RBA has established, as part of its Compliance Guidelines, internal policies and procedures regarding the manner in which such trade error resolutions and, if applicable, reimbursements are to be made. In making such determinations, RBA has a conflict of interest (for example, with respect to a client other than a RIC Client, RBA will determine whether a trade error loss was caused by RBA's gross negligence, in which case such loss will generally be reimbursable, or simple negligence, in which case it will not). In addition, gains from trade errors will not be used to offset losses from trade errors (*i.e.*, there is no "netting" of trade errors), unless the applicable trades constitute a single transaction (for example, when both "legs" of a combined long and short order are executed incorrectly), and soft dollars will not be used to correct trade errors.

**B. Trade Allocation and Order Aggregation.**

RBA provides advisory services to more than one client, whose respective investment mandates (and corresponding investment programs) might or might not be the same or substantially similar. It is the Firm's policy to allocate investment opportunities among participating accounts fairly and equitably over time. While this generally means that each such opportunity will be allocated on a *pari passu* (ratable) basis among those accounts for which participation in that opportunity is considered appropriate, in accordance with the relative sizes of those different accounts' respective investment portfolios, RBA may also consider other factors, including, for example, differences among accounts based on their respective investment objectives and programs, cash availability, projected liquidity needs, existing portfolio positions, and tax considerations; any relevant legal restrictions, including any that might arise in foreign jurisdictions; and the desirability of avoiding a possible odd-lot or *de minimis* allocation. Such considerations, among others, could result in allocations of certain investments among clients on other than a *pari passu* basis, which could result in differential performance among those clients, despite their having the same or substantially similar investment programs. RBA will have no obligation to purchase, sell or exchange for one client a security or other financial instrument that it purchases, sells or exchanges for another client, if RBA believes in good faith at the time the investment decision is made,

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based on such considerations, that the subject transaction would be unsuitable or impractical for a particular client.

If the Firm determines that the purchase, sale or exchange of the same security is in the best interests of more than one client, it may (but is not obligated to) aggregate orders in order to reduce transaction costs to the extent permitted by law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating client account will receive the same average price, with transaction costs allocated *pari passu* based on the size of each account's participation in the order (or allocation, in the event of a partial fill), as determined by RBA. In the case of a partial fill, allocations generally will be made *pari passu* based on the initial order, but may be modified on a basis that the Firm deems appropriate, including, for example, in order to avoid odd-lot or *de minimis* allocations.

The Firm has implemented a trade rotation policy ("Rotation Policy") to provide approximately equal preference to clients where the purchase, sale or exchange of the same security is in the best interests of more than one client. When the Firm communicates a portfolio update to multiple clients, the Rotation Policy provides a method of rotating the clients. The Trading Desk, with consultation from the Firm's Investment Committee, is responsible for determining the rotation. The Firm's proprietary accounts do not trade until each client has received notice of the portfolio update and each discretionary client has received its allocation.

Even though RBA utilizes trade rotation, RBA's discretionary accounts and accounts to which RBA provides model portfolio or non-discretionary services may trade the same securities at the same time. In these circumstances, RBA will effect trading on the behalf of its clients and deliver model providers portfolio updates in a manner which it believes to be fair and equitable. Due to the nature of the trade rotation process, trading for RBA's discretionary accounts may be conducted at the same time as trading being conducted by model sponsors or accounts where the firm is not granted trading discretion. As a result, RBA's discretionary accounts may obtain more favorable execution prices than non-discretionary or model portfolio accounts or vice versa.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **A. Frequency and Nature of Review of Client Accounts.**

In connection with any portfolio for which RBA has discretionary authority, RBA will oversee any portfolio manager(s) actively engaged in managing the respective portfolio. RBA's team of investment professionals, including its CIO, will review each such portfolio's investments on a regular basis, as well as review investment opportunities on a regular basis.

Client accounts are generally invested according to one of RBA's model portfolios. Variations in account-specific factors such as investment restrictions, the timing and amount of cash flows, and clients' custodian limitations will cause client accounts to vary from the model portfolio, which itself is a representative client account that may have limitations of its own.

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Accounts are monitored for compliance with investment restrictions on a pre-trade and post-trade basis.

B. Factors Prompting Review of Client Accounts on Other than a Periodic Basis.

Certain market, geopolitical or economic events may prompt more frequent reviews.

C. Content and Frequency of Account Reports to Clients.

Statements containing portfolio information and performance results are distributed to clients monthly, quarterly or periodically, based upon client needs or preferences. In addition, formal meetings with clients are arranged quarterly, semi-annually, or annually at the request of the clients based on their need to discuss their portfolio and performance results. Wrap program clients should consult their program's disclosure statement for the types of reports they will receive from the program sponsor. Clients will receive account statements from their custodian. We encourage clients to review the account statements sent directly by their custodian to confirm the holdings and transactions in their accounts. Any statement sent directly by RBA is not intended to be a substitute for account statements and other reports provided directly by the custodian. If a client does not receive an account statement from its custodian, RBA encourages the client to follow-up directly with its custodian. Depending upon a client's arrangements with its custodian, the client and/or its custodian will receive trade confirmations from the broker-dealers that execute trades on its behalf.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

Aside from the arrangements described in Item 5 hereof, RBA does not receive any additional compensation from any third party in connection with providing investment advisory services to clients.

As described above, third party solicitors, for example, unaffiliated broker/dealers and investment advisers, who are directly responsible for introducing a client to RBA, may receive compensation from us for client referrals. Such arrangements will comply with the requirements set forth under the Investment Advisers Act of 1940, as amended, and/or applicable law, including a written agreement between RBA and the solicitor.

Clients referred by a third party solicitor are subject to a conflict of interest, as the third party solicitor is incentivized by the referral fee to refer clients to RBA, as opposed to another adviser where no such referral fee is paid. Referral fees paid to a third party solicitor are contingent upon a client engaging RBA to provide investment management services.

To the extent permitted by applicable law, the compensation of certain RBA personnel whose job responsibilities are related primarily to marketing, sales, or business development may be determined based in part on the amount of new client fees generated by their efforts. Accordingly, RBA personnel may have a conflict of interest in recommending products where

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RBA personnel receive compensation over other products where no compensation may be paid.

As discussed above in Item 10, RBA, at its own expense, pays Foreside, an unaffiliated FINRA registered broker-dealer, a fee for certain distribution related services for mutual funds and other products managed by RBA. Certain employees of RBA serve as registered representatives of Foreside to facilitate the distribution of such products.

## **ITEM 15 – CUSTODY**

RBA does not act as a custodian for client assets. For SMA clients, RBA may directly debit client accounts for the payment of advisory fees but does not take physical custody of any client funds and/or securities. Funds and securities will be held with a bank, broker-dealer or other independent, qualified custodian. SMA clients receive account statements monthly from the independent, qualified custodian holding their funds and securities. The account statements from the custodian will indicate the amount of advisory fees deducted from the account each billing period. Clients should carefully review account statements for accuracy.

In the case of the mutual funds, UITs, ETFs, collective investment trusts, private funds or other pooled investment vehicles advised or sub-advised by RBA, arrangements have been made with qualified custodians as disclosed in the relevant offering documents.

If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact RBA at 212-692-4000.

## **ITEM 16 – INVESTMENT DISCRETION**

### ***Advisory Services***

Except as described below, RBA generally has full discretionary authority to trade, invest and manage its clients' assets on a day-to-day basis, including the discretionary authority to determine the securities to be bought or sold by or on behalf of clients, the amount to be bought or sold, the broker to be used for each transaction, and the commission rates (or markups or markdowns, with respect to certain types of riskless principal transactions) to be paid. While RBA typically does not have discretion over client assets as a model portfolio provider, investment advisers may grant shared trading authority to RBA or "dual-discretion" over the clients' assets whereby RBA has discretion to execute trades on behalf of the clients.

When selecting securities and determining amounts to be bought or sold on behalf of clients, RBA observes the respective clients' investment guidelines, policies, limitations and restrictions. For fund clients, RBA's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

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In order to be effective, investment guidelines, policies, limitations and restrictions must be agreed to by RBA in writing with the respective client, generally at the outset of the advisory relationship.

### ***Index Provider Services***

RBA does not have investment discretion or manage client assets in connection with its Index Provider Services.

## **ITEM 17 – VOTING CLIENT SECURITIES**

RBA has adopted proxy voting policies and procedures designed to ensure that it votes proxies in the best interest of its clients and that it provides clients with information about how their proxies are voted. In light of our fiduciary duty to clients, and given the complexity of the issues that may be raised with proxy votes, we have retained Institutional Shareholder Services Inc. (“ISS”) to assist with the voting of client proxies. ISS is an independent third party that specializes in providing a variety of fiduciary-level proxy-related services to institutional investment managers. The services provided to us include in-depth research, voting recommendations, vote execution and recordkeeping.

At times, RBA and/or ISS may not be able to vote proxies on behalf of clients when clients’ holdings are in countries that restrict trading activity around proxy votes or when clients lend securities to third parties. We attempt to identify any conflicts of interests between your interests and our own interest within our proxy voting process. If we determine that RBA or one of our employees faces a material conflict of interest in voting your proxy (e.g., an employee of RBA may personally benefit if the proxy is voted in a certain direction), our procedures generally provide for ISS as an independent party to determine the appropriate vote. We will use our best judgment to vote proxies in the best interests of our clients and will typically follow the recommendations of ISS. In the event that we decide to vote a proxy (or a particular proposal within a proxy) in a manner different from the ISS recommendation, we will document the reasons supporting the decision. In the case of a conflict, we will seek to vote the proxy in the best interest of clients.

You may obtain a copy of RBA’s Proxy Policy and information about how RBA voted a client’s proxies by calling RBA at 212-692-4000.

Proxy voting is not applicable to RBA’s Index Provider Services business or its provision of model portfolios.

## **ITEM 18 – FINANCIAL INFORMATION**

There is no information applicable to this item.

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## PRIVACY NOTICE

### RICHARD BERNSTEIN ADVISORS LLC

#### Notice of Privacy Policy & Practices

This notice is provided by Richard Bernstein Advisors ("RBA"). We recognize and respect the privacy expectations of our customers.<sup>1</sup> We provide this notice to you so that you will know what kinds of information we collect about our customers and the circumstances in which that information may be disclosed to third parties who are not affiliated with us. If you are a corporate customer (including, for these purposes, legal arrangements such as trusts or limited partnerships) that provides us with personal information on individuals connected to you for any reason in relation to your investment with us, this will be relevant for those individuals and you should transmit this document to such individuals or otherwise advise them of its content.

#### Collection of Customer Information

We collect the following nonpublic personal information about our customers:

- Information from the customer;
- Information about the customer's transactions with us or our affiliates; and
- Information about the customer's transactions with non-affiliated third parties.

Information from these sources can include:

- Account Applications and other forms, which may include a customer's name, address, social security number, and information about a customer's investment goals and risk tolerance;
- Account History, including information about the transactions and balances in a customer's account; and
- Correspondence, written, telephonic or electronic, between a customer and RBA or service providers to RBA.

Among other sources, we may collect this information through Internet web sites.

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<sup>1</sup> For purposes of this notice, the terms "customer" or "customers" include both (i) individuals who have a continuing client relationship with the firm (e.g., by having an advisory contract with the firm or by holding an investment product through the firm) and (ii) individuals who provide nonpublic personal information to the firm, but who do not have a continuing relationship with the firm (e.g., an individual who provides such information in deciding whether to become a client, whether or not the individual establishes a continuing relationship with the firm).

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## **Disclosure of Customer Information**

We may disclose all of the information described above to certain third parties who are not affiliated with us under one or more of the following circumstances:

- As Authorized – if you request or authorize disclosure of the information.
- As Required by Law – for example, to cooperate with regulators or law enforcement authorities.
- As Otherwise Permitted by Law – to organizations with which we are not affiliated, if doing so is necessary to provide the service the customer is buying (“Service Providers”) – for example, sharing information with companies that maintain, process or service customer accounts or financial products and services or effect, administer or enforce customer transactions is permitted. Among other activities, we may share information with broker-dealers in order to execute customer trades or with custodians that hold securities on behalf of customers. We may also share your personal information with organizations who provide services to our funds, including lawyers, auditors, accountants, brokers, AML service providers, tax information exchange service providers, or other back office service providers. We believe that sharing of information for these purposes is essential to providing customers with necessary or useful services with respect to their accounts.
- Under Joint Agreements – we may also share information with companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements and where such third party is required to maintain the confidentiality of such information.

## **Security of Customer Information**

We require our Service Providers:

- to maintain policies and procedures designed to assure only appropriate access to information about our customers;
- to limit the use of information about our customers to the purposes for which the information was disclosed, or as otherwise permitted by law; and
- to maintain physical, electronic and procedural safeguards that comply with federal standards to guard non-public personal information about our customers.

We will adhere to the policies and practices described in this notice regardless of whether you are a current or former client of RBA.

## **Opting Out**

Before we may disclose non-public personal information about any consumer (including any customer) to a non-affiliated third party other than a Service Provider and other than



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pursuant to one of the exceptions under Regulation S-P, we must provide each consumer an initial privacy policy notice and an opt-out notice. The opt-out notice would describe our planned disclosures and give customers a reasonable opportunity to decline permission to make those disclosures.

Because we do not disclose non-public personal information to non-affiliated third parties, other than Service Providers or pursuant to the exceptions, we are not required to provide opt out notices.

### **Information Security**

Within RBA, access to information about you is restricted to those employees who need to know the information to service your account. Our employees are trained to follow our procedures to protect your privacy and are instructed to access information about you only when they have a business reason to obtain it. We use physical, electronic and procedural safeguards to keep your information secure.

### **California Consumer Rights**

Under California law, residents of California have the right to know what personal data is being collected about them, know whether their personal data is being sold or disclosed, opt out of the sale of their personal data, access their personal data, request deletion of their personal data, and have equal service and price even if they exercise their privacy rights. To exercise those rights, the California resident should call (212) 692-4000.

### **Changes to Our Privacy Policy**

We reserve the right to change our privacy policy in the future, but we will not disclose your non-public personal information except to our affiliates and as otherwise required or permitted by law without giving you an opportunity to instruct us not to.

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### **Questions?**

If you have questions regarding these policies, please contact us by writing to Richard Bernstein Advisors, 120 West 45th Street, 36th Floor, New York, New York 10036, Attention: Michael Meyer, Chief Compliance Officer, or by calling (212) 692-4000. Your privacy is very important to us. This Privacy Notice sets forth our policies with respect to non-public personal information about our investors and clients and prospective and former investors and clients. These policies apply to investors in our funds and other clients and may be changed at any time, provided a notice of such change is given to you.