



RBA U.S. Deglobalization Index

RBA Investment Process:

- Quantitative indicators and macro-economic analysis are used to establish views on major secular and cyclical trends in the market.
- Investment themes focus on disparities between fundamentals and sentiment.
- Market mis-pricings are identified relative to changes in the global economy, geopolitics and corporate profits.

As globalization contracts, the U.S. faces a critical need to rebuild its productive infrastructure. Companies that are well-positioned to navigate and benefit from this environment—such as those with exposure to real assets, pricing power, commodities, or strong operating leverage—can thrive in a persistently inflationary setting. Investors have an opportunity to align with the beneficiaries of a more self-reliant and security-focused economic landscape through The RBA U.S. Deglobalization Index. This index intends to measure a long-term investment theme benefitting from all cap U.S. companies that will benefit from accelerating deglobalization and its implications.

RBA U.S. Deglobalization Index

- A mean-variance optimization index of all cap U.S. companies that will benefit from accelerating deglobalization and its implications.
- The index value has a base date of 5/27/2025 and a base value of 1,808.39.
- Quoted on the NYSE Arca, the index can be found under the symbol RBADGLO for the intraday price return, and RBADGLOT for the intraday total return.
- The Index can be utilized as a basis for exchange-traded products, a selection universe, structured products or derivatives.

Symbol	Name	Currency	Frequency	Publication Times
RBADGLO	Richard Bernstein Advisors U.S. Deglobalization Index	USD	15-sec	9:30 AM - 7:15 PM ET
RBADGLOT	Richard Bernstein Advisors U.S. Deglobalization Index (Total Return)	USD	15-sec	9:30 AM - 7:15 PM ET

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Past Performance is
No Guarantee of
Future Results



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Investment Opportunity

As globalization contracts, the U.S. faces a critical need to rebuild its productive infrastructure. Themes like onshoring/reshoring reflect the growing emphasis on domestic energy, utility, and manufacturing infrastructure. These efforts are not only economically motivated but also rooted in national security concerns, as recent supply chain disruptions have exposed vulnerabilities in America's reliance on global production. This could mark the end of disinflation, suggesting inflationary pressures may rise as the U.S. reshapes its industrial base. Together, these trends point to a long-term investment theme in infrastructure, aerospace & defense, and energy—critical pillars of future economic growth.

Deglobalization and Implications

Deglobalization is the process of decreasing interconnectedness and interdependence between countries, particularly in terms of economic and/or trade relations. This is typically marked by a decline in international trade and investment and a reduction in the dependence on global supply chains. What ensues can be a prioritization of domestic production, imposing of tariffs on foreign goods, tightening immigration, and potential warfare, all of which have implications for economic growth, inflation, and labor markets.

Expanding on Implications and the Beneficiaries

Since deglobalization has implications for inflation, specifically causing a persistent increase in inflation due to disruptions to the flows of labor, goods and commodities and the shifting of production to less-efficient economies, companies that are strategically positioned can benefit. These inflation beneficiaries and/or inflation-resilient companies thrive relative to other sectors/industries when inflation is higher than normal. Companies that own or control real assets (which get more valuable with inflation), have pricing power, deal with commodities (pricing directly correlated to inflation), or have strong operating leverage (revenue benefits more than costs in inflationary environments) are all inflation beneficiaries and can perform well during periods of deglobalization that bring on higher inflation. Additionally, national security becomes more important as trade and political relations are strained. This results in more demand for defense (both physical and cyber) which can spur increases in military budgets and defense contracts. Companies positioned in these industries can benefit disproportionately relative to those outside of the national security scope.

Index Description

The Index is designed to measure the performance of all cap U.S. companies that will benefit from accelerating deglobalization and its implications. The Index provides exposure to industrial, energy and material companies focused on infrastructure, aerospace & defense, transportation and other services which are inflation beneficiaries and may benefit from increased geopolitical conflict. Cybersecurity companies are also included as they are increasingly important in today's world. Industries that could be disadvantaged from deglobalization (such as Air Freight) or that have no relationship to deglobalization (such as Passenger Ground Transportation or Printing) have been omitted from consideration.

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Criteria and Diversification Rules

For inclusion in the Index, companies must (as of the last rebalance date):

- ➔ Be primary-listed on the NYSE, NASDAQ, or NYSE MKT exchanges,
 1. Have a market capitalization of at least \$200 million,
 2. Have a \$6 minimum share price,
 3. Have an average daily traded value (ADTV) or turnover of at least \$500,000 over the last 20 trading days, and
 4. Source the majority of its revenue from within the U.S.
 5. Have positive 12-month forward earnings estimates.
- ➔ RBA places no limit on the number of constituents included in the Index. Typically the process results in 60-150 constituent securities.
- ➔ No constituent will exceed approximately 4% of the total index, with a minimum weight of at least 0.5%, at each quarterly rebalance.
- ➔ Newly eligible constituent companies are added to the Index at each quarterly rebalancing.
- ➔ If a constituent company is no longer eligible to be included in the Index, RBA will either remove it immediately or at the next quarterly rebalance and re-weight the remaining constituent companies proportionally.

The portfolio is constructed using a mean-variance optimization process that assigns weights to securities based on their contribution to overall portfolio risk. Because the underlying portfolio is theme-based and not company specific, the optimizer is designed to minimize stock-specific risk while adhering to the specified constraints of the theme. The underlying risk model evaluates the covariance structure of the securities and distributes excess weights across the eligible securities in accordance with the optimization parameters. When a stock within the optimization process hits the 4% maximum weight, the process begins to assign additional weight to other securities in an order that maintains the minimum variance approach.

Index Rebalancing

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. Rebalancing is effective as of the market close of the third Friday in April, July, October and January. The reference dates for the data used in the rebalancing are the close of trading on the last trading day in March, June, September and December, respectively. The new shares to be a part of the rebalanced index are determined based off the weightings provided by RBA and closing prices as of the close of the Tuesday preceding the third Friday of April, July, October, and January.



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Applications

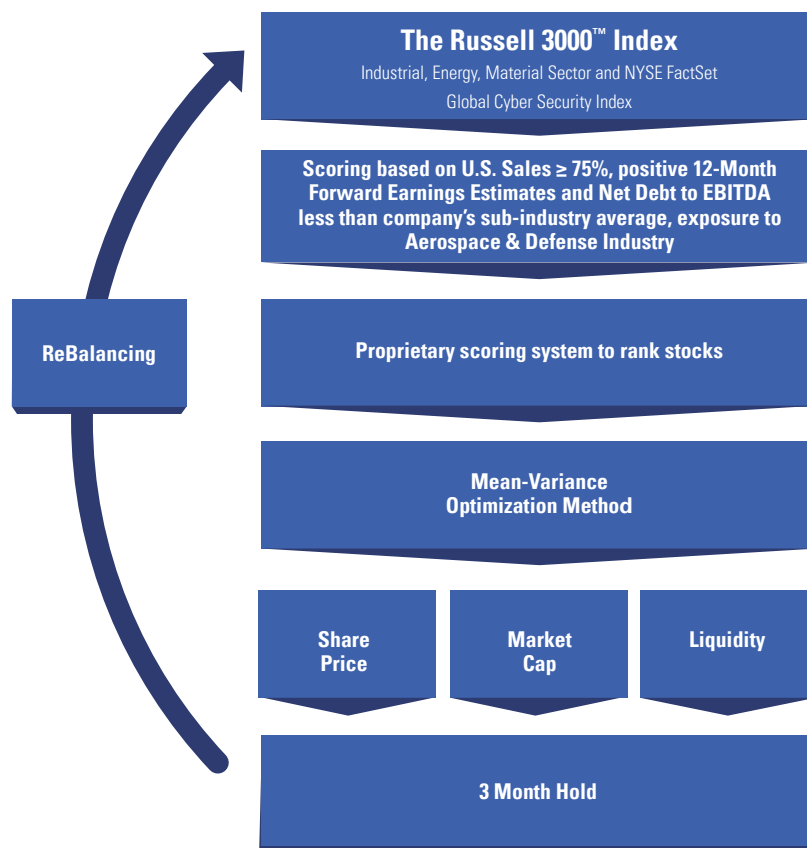
Benchmarking

Investors may choose to utilize the index as the basis for index funds, exchange-traded products, insurance products, structured products, OTC derivatives and listed futures and options.

Selection Universe

Investors may utilize the universe of stocks in the Index as a base investment screen on which to apply further investment analysis.

The Index has a base date of 5/27/2025 and a base value of 1,808.39. RBA serves as the index provider and members of the firm serve on the Index Committee, overseeing governance and compilation of the index. The index is published on index business days from 9:30 AM ET to 7:15 PM ET. Index business days are classified as days on which the U.S. Equity Markets (NYSE, NASDAQ, NYSE MKT) are open for a full or half-day of trading.





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Index Corporate Actions

The index may be adjusted for intra-rebalance corporate actions in order to maintain the continuity of the index level and composition. These adjustments take place in reaction to events that occur on the company/constituent level and are designed to mitigate or eliminate the effect of those events on the index performance. This ensures that the index continues to only reflect the performance of the underlying constituents as accurate as possible.

Any stock that is not available for trading due to a merger, acquisition, delisting or bankruptcy is deleted from the index on the effective date of the corporate event. There will normally be no replacement for the company being deleted. If a company is removed from the index, the index divisor will be adjusted to maintain the index level.

Mergers and Acquisitions

If there is a merger or acquisition between two members of the index, then the acquired company will be deleted and the shares of the acquirer will be increased as per the terms of the merger consideration paid in shares. If there is an acquisition of a member of the index by a non-member, then the acquired company will be deleted from the index. If there is an acquisition of a non-member by a member of the index, then there will be no changes made.

Bankruptcy

If a company files for bankruptcy, then the company will be deleted from the index effective for the next trading day. The price of the deletion will be set to its closing price on the OTC markets, if it is available for trading that day. If the stock does not trade on the OTC markets, and a price is not readily available, the Index Committee reserves the right to set a price at which it will be deleted. This price could be equal to \$0, if there is no available indication of its current value.

Suspensions and halted trading

In the situation that trading in shares is suspended or halted, the last known price established during regular trading on the primary exchange will be utilized. In extraordinary situations, a company could be valued at a price of \$0 by the Index Committee if there is some sort of financial distress or bankruptcy situation present.

Spin-offs

In the event of a spin-off by a constituent of the index, the price of the parent company will be adjusted by the value of the spun-off entity. The shares of the parent company will be increased to maintain the existing constituent weighting within the index.

Reinvestment of Dividends

Regular cash dividends will be accounted for in the total return version of the index, symbol RBADGLO. Dividends that are deemed to be special cash dividends will be adjusted for via a price adjustment and corresponding share increase to maintain the constituent's existing weighting within the index. Dividends will be judged to be special by the Index Committee taking into account the size of the dividend as well as more commonly the identification of the dividend relative to the timing of its normal dividend reporting schedule.

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vscozzari@rbadvisors.com**Website:** RBAvisors.com**Twitter:** @rbadvisors**Phone:** (212) 692-4088**Rights offerings**

In the case of a rights issue being offered by an index constituent, the price of that constituent will be adjusted for by the value of the right effective for the ex-date. The shares of the constituent will be increased to maintain the constituent's existing weighting within the index. The rights issue will only be adjusted for if the rights represent a positive value, or are in-the-money. Alternatively, the rights issue will also be adjusted for if the rights can be converted into a tangible cash value.

Additional information

For bonus issues, stock splits and reverse stock splits, the number of shares included in the index will be adjusted in accordance with the ratio given in the corporate action. Since the event won't change the value of the company included in the index, the divisor will not be changed because of this.

Changes in the number of shares outstanding, typically due to share repurchases, tenders, or offerings, will not be reflected in the index.

Contact Richard Bernstein Advisors

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About Richard Bernstein Advisors

Richard Bernstein Advisors LLC is an investment manager. RBA partners with several firms including Eaton Vance Corporation and First Trust Portfolios LP, and currently has \$15.7 billion collectively under management and advisement as of March 31st, 2025. RBA acts as sub-advisor for the Eaton Vance RBA Equity Strategy Fund and the Eaton Vance RBA All-Asset Strategy Fund. The firm also offers income and unique theme-oriented unit trusts through First Trust and is the index provider for the First Trust RBA American Industrial Renaissance[®] ETF. Additionally, RBA runs ETF asset allocation SMA portfolios at UBS, Merrill Lynch, Morgan Stanley, Wells Fargo, RBC, Janney and on select RIA platforms. RBA's investment insights as well as further information about the firm and products can be found at www.RBAAdvisors.com.

Important Disclosure Information

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