



**Richard Bernstein**, Chief Executive  
and Chief Investment Officer

### Richard Bernstein Advisors

Richard Bernstein Advisors LLC (RBA) is an independent investment adviser focusing on longer-term investment strategies that combine top-down, macroeconomic analysis and quantitatively-driven portfolio construction. We strive to be the leading provider of innovative investment solutions for investors, and our competitive edge is our research-driven macro style of investing.

Our top-down macro approach differentiates our firm from the more common, traditional bottom-up approach of most 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 instead of individual stock selection.

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## ♪♪ What a difference a day week makes ♪♪...

- Last week at this time, the markets were in free fall and investors were panicked. Prognosticators were forecasting the end of the bull market, the end of Europe's economy, the end of globalization, or worse.
- We were not immune to the pressure the markets exerted. Our portfolios, like many, were wrong-footed for Brexit. However, as our investors know well, we follow a strict macro-fundamental strategy and short-term political decisions do not factor into our analyses. Through time it has been better to be disciplined than to take investment advice from politicians.
- The Brexit scare might be turning out to be another time when discipline trumps (no pun intended) politicians. Although it is still too early to assess the fundamental aspects to Brexit, the two day downdraft that scared the pants off investors has been followed by an equally powerful rally in global equities. One can only wonder how many investors sold at the bottom and got whipsawed.
- **Our portfolios had a very good second quarter despite the headlines and volatility. Although results are not yet finalized and of course past performance gives no insight regarding the future, it appears as though every one of RBA's actively managed portfolios outperformed their respective benchmarks for the second quarter.**
- RBA doesn't get every call correct, but we do try to minimize our mistakes. It's always sexy to discuss the hot topic of the day and to react to short-term events. After all, look at all the business television shows that are based on just that. We have found, however, that reacting to events tends to exacerbate mistakes rather than limit them as is the intent. We prefer to remain dispassionate, rigorous, and out-of-consensus. That approach has, so far, helped our investors navigate the Brexit noise.

**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.

**About Richard Bernstein Advisors**

Richard Bernstein Advisors LLC is an independent investment adviser. RBA partners with several firms including Eaton Vance Management and First Trust Portfolios LP, and currently has \$3.1 billion collectively under management and advisement as of May 31, 2016. RBA acts as sub advisor for the Eaton Vance Richard Bernstein Equity Strategy Fund and the Eaton Vance Richard Bernstein All Asset Strategy Fund and also offers income and unique theme oriented unit trusts through First Trust. RBA is also the index provider for the First Trust RBA American Industrial Renaissance<sup>®</sup> ETF and the First Trust RBA Quality Income ETF. Additionally, RBA runs ETF asset allocation SMA portfolios at UBS, Merrill Lynch, Morgan Stanley Smith Barney and on select RIA platforms. RBA's investment insights as well as further information about the firm and products can be found at

[www.RBAdvisors.com](http://www.RBAdvisors.com)

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