

# Core Plus Fixed Income Strategy

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Characteristics and Commentary

4th Quarter 2025

Sage Advisory Services  
5900 Southwest Parkway  
Building 1, Suite 100  
Austin, Texas 78735

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## Market Environment

- Markets faced multiple challenges during the quarter, including a record-breaking government shutdown, weak job data, and rising AI valuation concerns.
- Ultimately, markets recovered and investors gained policy clarity on a few fronts, including Fed cuts, and economic data showed overall resilience with a robust 4Q GDP number.
- Credit had positive performance as spreads remained historically tight, while MBS showed strength during the quarter as valuations in that space began to normalize on policy support.

## Quarterly Performance

The Core Plus Fixed Income Composite returned +1.24% (gross) / +1.16% (net) vs. +1.10% for the Bloomberg Aggregate Index.

Attribution:

- Curve/Duration: -6 bps
- Sector/Selection: +20 bps (+5 bps/ +15 bps)

Primary contributors to relative performance:

- Sector: Overweight Structured Finance and Equities
- Subsector: Allocation to High Yield and RMBS
- Industries: Financial Institutions & REITs

Primary detractors to relative performance:

- Sector: Underweight Treasuries
- Industries: Consumer Cyclical, Consumer Non-Cyclical & Capital Goods

## Outlook

- The setup for fixed income in 2026 appears positive and similar to 2025 with decent yield carry and accommodative fiscal and monetary policies, albeit with less rate cuts than last year.
- This suggests fixed income investors should stay positioned for lower rates overall but more neutral early in the year, especially during peak midterm election campaign season.
- Consensus on spreads seems to be that they will “hold the line,” and there is a historical precedent (2003-2006) for spreads remaining tight if fundamentals stay firm.

## Positioning

- Heading into the first quarter of 2026 we are full duration and carry moderate and well-diversified exposure in non-core sectors.
- While we believe strong economic fundamentals are reflected in lower spreads, we are focused on security selection to drive excess performance given the low level of spreads.
- In corporates, we favor large banks, REITs, and natural gas-centered energy businesses.

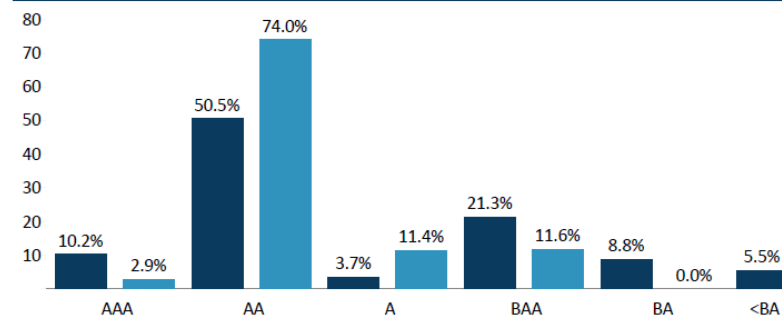
## PORTFOLIO SUMMARY

As of Date	December 31, 2025
Benchmark	Bloomberg U.S. Aggregate

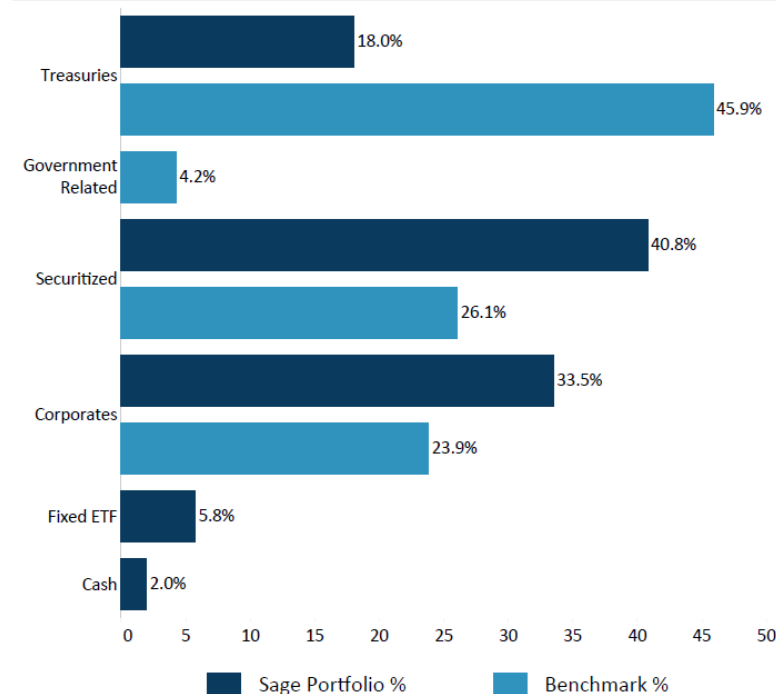
## PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
Yield to Worst	4.92%	4.33%
Coupon	4.50%	3.65%
Effective Maturity	9.13	7.96
Effective Duration	5.83	5.79
Average Credit Rating	A	AA

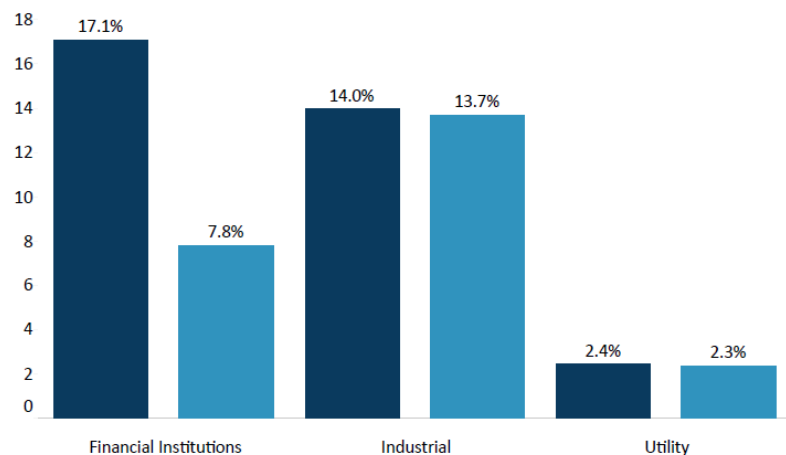
## CREDIT RATING ALLOCATION



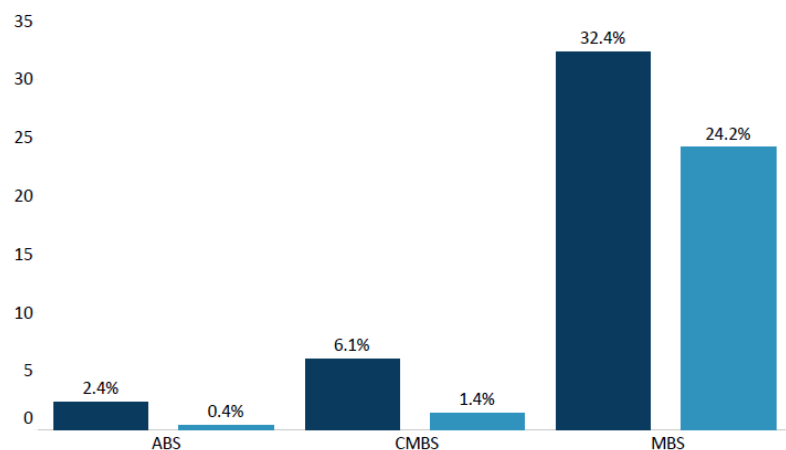
## SECTOR ALLOCATION



## CORPORATE SECTOR ALLOCATION

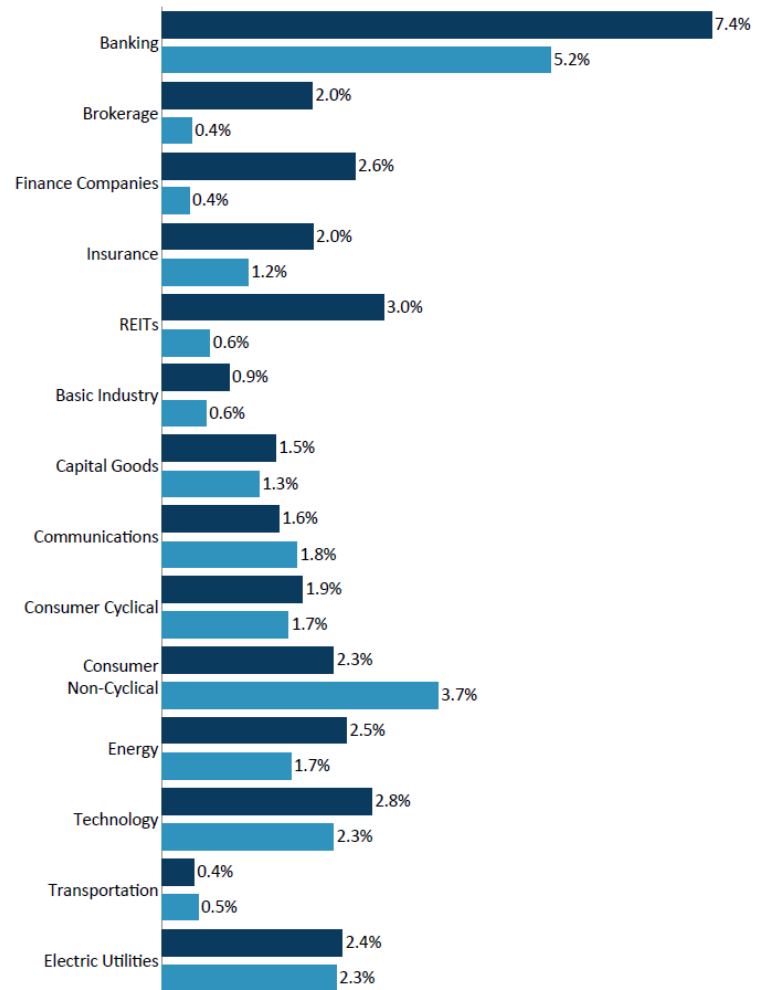


## SECURITIZED SECTOR ALLOCATION



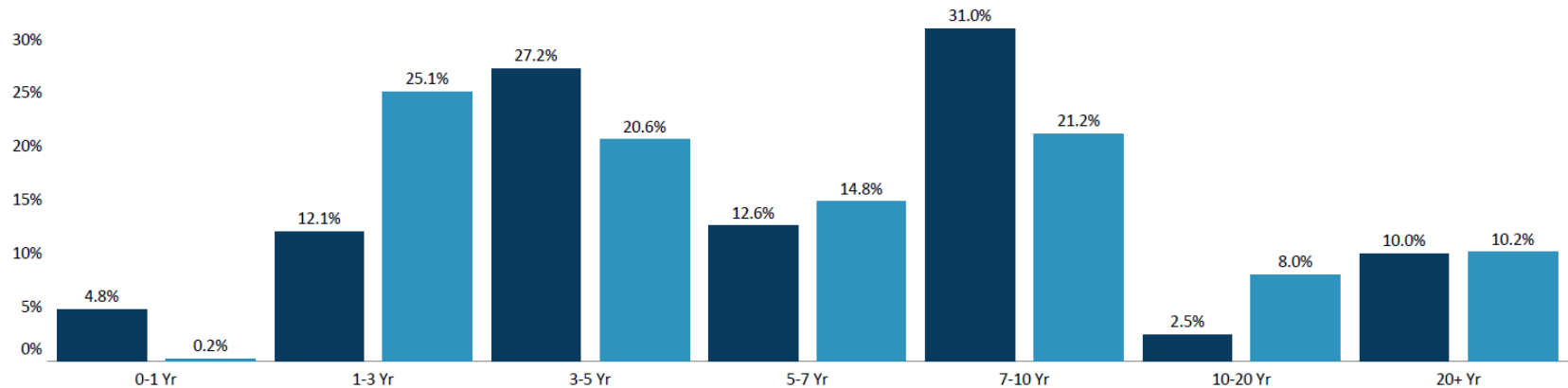
■ Sage Portfolio %

## CORPORATE INDUSTRY ALLOCATION

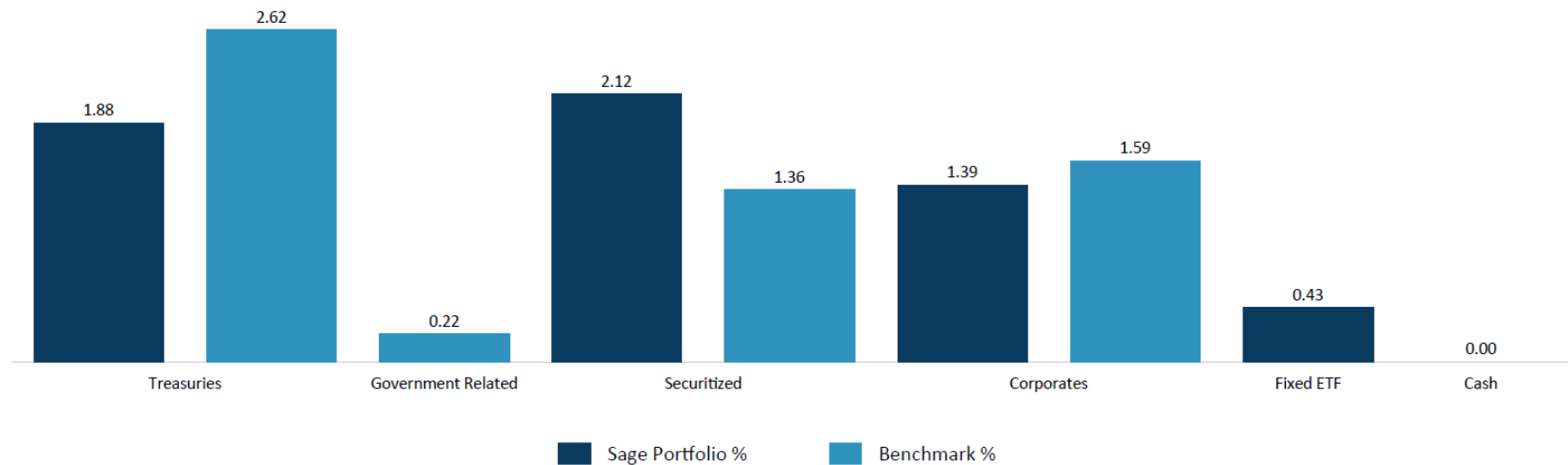


■ Benchmark %

## MARKET VALUE DISTRIBUTION BY MATURITY



## CONTRIBUTION TO DURATION DISTRIBUTION BY SECTOR





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### Core Plus Fixed Income Composite

Year	Gross Return (%)	Net Return (%)	Benchmark Return (%)	Number of Portfolios	3 Yr Composite Deviation (%)	3 Yr Benchmark Deviation (%)	Internal Dispersion	Total Composite Assets (\$MM)	Total Firm Assets (AUM) (\$MM)	Advisory Only Assets* (\$MM)	Total Firm Assets (AUA)* (\$MM)
2019	12.40	11.95	8.72	4				2.96	12,798	1,823	14,621
2020	8.14	7.71	7.51	5				3.28	13,731	1,961	15,691
2021	1.22	0.82	-1.54	8	6.80	3.35		5.66	15,053	2,491	17,544
2022	-14.45	-14.80	-13.01	3	8.74	5.77		1.72	15,286	2,036	17,322
2023	7.25	6.83	5.53	3	8.07	7.14		1.80	22,640	1,986	24,626
2024	2.83	2.42	1.25	1	8.57	7.72		0.25	24,912	1,881	26,793
2025	7.54	7.17	7.30	2	6.45	5.98		13.08	28,347	1,859	30,206

	1 Yr	5 Yr	Since Inception
Gross Return (%)	7.54	0.53	3.22
Net Return (%)	7.17	0.14	2.82
Benchmark Return (%)	7.30	-0.36	1.99

As of December 31, 2025

Returns for periods less than one year are not annualized.

\*Assets Under Advisement (AUA) includes Advisory Only Assets where Sage provides investment recommendations but has no control over implementation of investment decisions and no trading authority.

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Composite Characteristics: The Core Plus Fixed Income Composite (the "Composite") consists of all non-wrap program discretionary, fee-paying, stand-alone accounts that are managed for a full month according to this style. The Composite contains accounts investing in individual bonds, fixed income ETFs, as well as high-dividend hybrid ETFs (any references herein to ETFs may include other exchange-traded products (ETPs), such as, but not limited to, Exchange Traded Notes (ETNs)). The Composite creation and inception date is January 1, 2019. Not every client's account in the Composite will have the identical characteristics. The actual characteristics with respect to any particular client account may vary based on a number of factors, including but not limited to: (i) the size of the account; (ii) the investment restrictions applicable to the account, if any; and (iii) the market conditions at the time of investment.

Composite Fee: The gross investment results for the Composite presented herein represent historical gross performance with no deduction for investment management fees but net of all trading expenses. Net returns are net of all trading expenses and are calculated by deducting 1/12th of the highest management fee on a monthly basis from the monthly gross composite return. The model fee is 0.35%. The fee schedule for the Composite is as follows: 0.35% for the first \$10 million; 0.25% for the next \$15 million; and 0.20% for the balance over \$25 million. Prior to 1/1/2025, the model fee is 0.40% and the fee schedule for the Composite was as follows: 0.40% for the first \$10 million; 0.35% for the next \$15 million; and 0.25% for the balance over \$25 million. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. Please see Sage's Form ADV Part 2A for a full disclosure of Sage's fee schedules. The Composite strategy invests in ETFs and an investor in the Composite strategy will indirectly bear the operating expenses of the ETFs in which it invests. As of December 31, 2025, the underlying ETF expense ratio of the Composite was 0.03%.

Composite Benchmark: Sage has reviewed the relevant universe of indices and has determined the Bloomberg Aggregate Bond Market Index (BC Agg) most closely resembles the Composite managed by Sage (the "Composite Benchmark"). The BC Agg is an unmanaged index that represents securities that are U.S. Treasuries, U.S. Agencies, U.S. Corporates, mortgage pass-through securities, asset backed securities, and secured notes having at least one year to final maturity.

Calculation Methodology: All valuations, gross, and net returns are based in U.S. Dollars and are computed using a time-weighted total rate of return. Periodic returns have been geometrically linked and annualized for all time periods longer than one year. Portfolio performance results include, and reflect, as applicable, the reinvestment of all interest, accrued income, cash, cash equivalents, realized and unrealized gains and losses. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Internal dispersion is the asset-weighted standard deviation of annual gross returns of those accounts included in the Composite for the entire year. If there are years whereby there are 5 or fewer accounts, the dispersion is N/A. The 3-year ex-post standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period. If there are years whereby there are fewer than 36 monthly returns available, the 3-year annualized ex-post standard deviation of this composite and its benchmark is N/A.

Risk Disclosures: Actual performance results may differ from Composite returns, depending on the size of the account, investment guidelines and/or restrictions, inception date and other factors. Past performance is not indicative of future returns. As with any investment vehicle, there is always the potential for gains as well as the possibility of losses.

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