

### CORE PLUS MUNICIPAL ALLOCATION PERFORMANCE

The municipal bond market experienced a volatile first quarter, starting with strong performance driven by favorable seasonal dynamics before reversing amid a sharp rate repricing later in the period. Rising yields and heavier supply pressured intermediate maturities, resulting in pronounced curve steepening, while front-end rates remained well anchored and the long end proved comparatively resilient. Despite negative total returns, credit fundamentals held firm, with modest spread compression signaling steady demand and limited signs of stress. Overall performance was driven by rate volatility rather than credit deterioration.

On the quarter, the strategy was largely flat in terms of total return. We continue to harvest yield from diversified sources across core and high-yield munis and through active management. We continue to believe the coupon income from bonds will serve as the investor's primary source of total return this year.

#### Quarter Highlights

##### Contributors

- High Yield Municipals

##### Detractors

- Core Municipals
- Green Bonds

##### Notable Portfolio Adjustments During the Quarter

- Shortened Duration of the High Yield Segment

Disclosures: Sage Advisory Services, Ltd. Co. (Sage, we, our and us) is a registered investment adviser that provides investment management services for a variety of institutions and high net worth individuals. The information included in this report constitute Sage's opinions as of the date of this report and are subject to change without notice due to various factors, such as market conditions. This report is for informational purposes only and is not intended as investment advice or an offer or solicitation with respect to the purchase or sale of any security, strategy or investment product. Investors should make their own decisions on investment strategies based on their specific investment objectives and financial circumstances. All investments contain risk and may lose value. Past performance is not a guarantee of future results. No part of this Material may be produced in any form, or referred to in any other publication, without our express written permission. For additional information on Sage and its investment management services, please view our web site at [sageadvisory.com](http://sageadvisory.com), or refer to our Form ADV, which is available upon request by calling 512.327.5530.