

CATHOLIC VALUES INVESTING

SAGE
INVEST WITH WISDOM[®]



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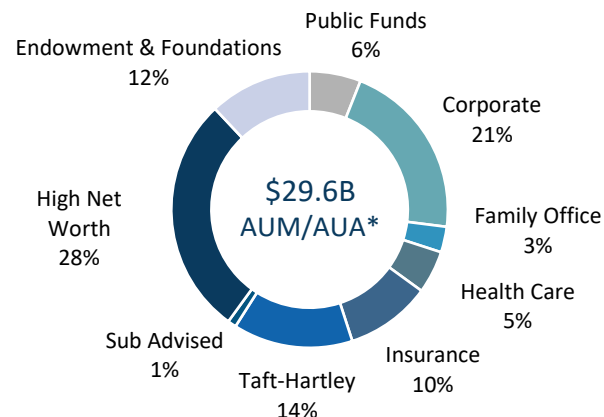


Overview of Sage

Who We Are

- Founded in 1996
- 100% employee operated
- 18-member investment team has an average industry experience of 17 years
- Responsible Investing strategies include SRI, Sustainable portfolios, Impact Bonds, and Values-Based

Who We Serve



Responsible Investment Organization Affiliations



Signatory



Affiliate



DEI Code Signatory



Member



Signatory



Signatory



Member

Executive Leadership

Robert G. Smith, III, AIF® & CIMC

*President & Co-CIO
55 Years*

Thomas H. Urano, CFA

*Co-CIO
29 Years*

Robert D. Williams, CFA

*Chief Investment Strategist
28 Years*

Michael D. Walton, AIF®

*Managing Partner
28 Years*

Robert W. Moser, CIMA®, CRPC, CFIP

*Managing Partner
25 Years*

Investment Management

Portfolio Management

Research & Strategy

Relationship Management

Institutional

Private Client

Marketing Services

Enterprise Management

Information Technology

Operations

Administration

Organizational Committees

Executive — Investment — Operating — Vendor Oversight — GIPS Oversight — Brokerage Oversight

Investment Team

Chief Investment Officers

Robert G. Smith, III, AIF® & CIMC  **Thomas H. Urano, CFA** 
 President & Co-CIO Co-CIO

Portfolio Management & Trading

Jeffery S. Timlin, CFA, CMT  Managing Partner Municipal	Nicholas C. Erickson, CFA Vice President Securitized
Seth B. Henry, CFA  Partner Securitized	Brett J. Adelglass, CFA Associate Municipal
Andrew K. Demand, CFA  Partner Credit	Nicholas A. Barnard, CFA Associate Securitized
David L. Luria, CFA Vice President Credit	Alex Bender, CFA Associate Credit

 Investment Committee

Expert Team Specializing in Institutional Fixed Income

- Average industry experience is 17 years
- Average tenure at Sage is 12 years
- 12 CFA charterholders

Research & Strategy

Robert D. Williams, CFA  Chief Investment Strategist	Jae Y. Song, ASA VP, Sr. Research Analyst LDI
Komson Silapachai, CFA  Partner Sr. Strategist	Douglas A. Benning VP, Sr. Research Analyst General
Andrew S. Poreda, CFA  VP, Sr. Research Analyst LDI, Responsible Investing	Xochitl C. Maldonado Research Analyst Quantitative
Emma L. Harper, CIMA VP, Institutional Research, Client Relations Responsible Investing	Andrew Bui Research Analyst LDI



Investment Philosophy & Process

Our Approach

Investment Philosophy

We believe that over complete market cycles, consistent returns are driven by income generation, value opportunities, and rigorous risk management practices.

Generate Income

Generate a consistent income advantage by harvesting a diversified set of risk premiums: duration, credit, structure and liquidity.

Capture Value

Capture value opportunities by taking advantage of market dislocations due to unexpected volatility or market inefficiencies.

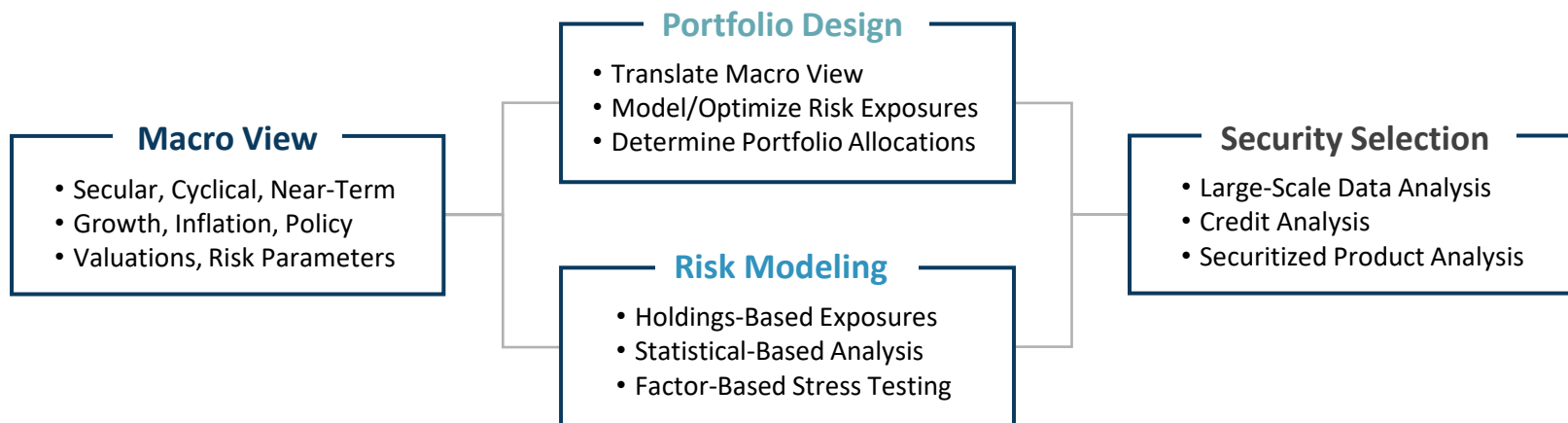
Manage Risk

Actively manage portfolio-level risk to ensure alignment with investment outlook and client objectives.

Our Approach

Investment Process

Our teams work together to balance the development of our macro views with thoughtful portfolio design, value-driven security selection, and active risk management.

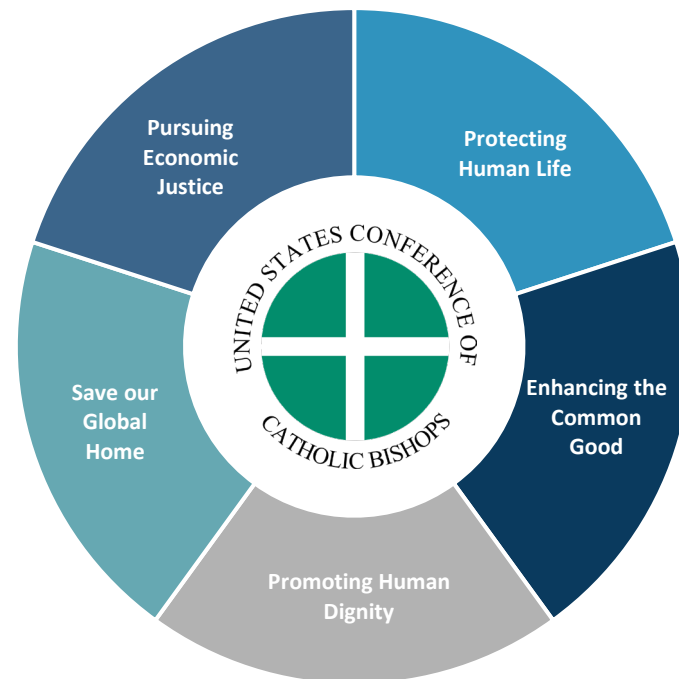




Catholic Values Investing

Our Approach

- We actively manage the relationship between investment capital and positive social impact by harmonizing the attainment of prudent and ethical financial gain with the promotion of ethical corporate behavior and positive community relations.
- We believe that investing in a healthy environment is fundamental to the livelihoods of people, businesses, and communities, and we recognize the importance of living in harmony with and respecting the natural world.
- Our investment process adheres to the teachings of the Catholic Church and is consistently compliant with the Socially Responsible Investment guidelines provided by the United States Conference of Catholic Bishops.
- We support the mission of the Church by providing an investment service that is purposeful and transparent, and that leads to long-term capital growth and sustainable income generation.



Assessment Capabilities

Evaluating Positive, Sustainable & Negative Factors

Sage can employ a series of assessment screens designed to identify companies from our investment universe that are involved in activities that align with the ethical and social teachings of the Church and exclude those that contradict them.

Sustainable Factors	Positive Factors	Negative Factors
- Identify material sustainability challenges across industries & companies. - Apply our comprehensive “best-in-class” peer group rating system to identify an appropriate and sustainably focused investment universe - Select companies rated sustainability industry leaders and avoid sustainability laggards.	- Promote investment in companies that maintain high ethical standards and provide goods or services in the following areas: - Affordable housing, healthcare & education - Improving the environment & protecting biodiversity - Provide high labor standards, competitive wages & safe workplaces - Promote responsible consumption & energy efficiency practices - Racial & Ethnic diversity - Demonstrate high-quality corporate governance & social responsibility standards	- Avoid companies that benefit from or derive a certain revenue percentage from the following activities: - Abortion, abortifacients & contraceptive products, embryonic stem cell research - Pornography & other forms of adult entertainment - Weapons production to include conventional & nuclear weapons of mass destruction, landmines & firearms. - Gambling - Predatory lending - Tobacco & other harmful drugs - Racial & gender discrimination - Human rights deficiencies & violations

The Sage Leaf Score®

To implement positive outcomes, we evaluate the long-term implications of sustainability challenges and opportunities

Although a company may be a leader among its peer group, the industry in which it operates may expose it to risks that cannot be mitigated through company management. By combining a sustainable macro industry risk analysis with a company-level sustainability evaluation, the Sage Leaf Score bridges this gap, enabling investors to quickly assess companies across industries.

Industry Analysis

Materiality

Analyze factors that are most relevant to a company's financial performance and long-term value creation.

Sustainability Risks

Develop a sustainability profile of the industry based on quantitative and qualitative factors.

Exceptions

We minimize exposure to tobacco, coal mining/extraction, and small arms.

Company Analysis

Trends Analysis

Determine how a company is trending in the sustainability factors most relevant to it.

Peer Comparison

Compare a company to its industry counterparts to identify strengths, weaknesses, and competitive positioning.

Controversies

Assess the impact of negative incidents to understand risks and implications for sustainability performance.

Sage Leaf Score

Sage invests only in issuers that have a Leaf Score of 3 or greater



Sustainability Leader



Above Average



Average



Below Average



Sustainability Laggard

Catholic Values Investing Case Analysis

Our screening process would screen out and **exclude** Pfizer for its controversial involvement under the life sciences screen. Our screening process would permit and **include** Waste Management for its lack of material exposure to negative Catholic Value factors and its favorable sustainability factors.







Life Ethics

Abortifacients – production

Abortion – no involvement

Contraceptives – production

Stem Cell Research – research involvement





Pornography – no involvement





Alcohol – no involvement





Gambling – no involvement





Human Rights – no involvement





Tobacco – no involvement







Life Ethics

Abortifacients – no involvement

Abortion – no involvement

Contraceptives – no involvement

Stem Cell Research – no involvement





Pornography – no involvement





Alcohol – no involvement





Gambling – no involvement





Human Rights – no involvement





Tobacco – no involvement



Impact Outcome Reporting

Impact Evaluation

Responsible Investment Framework: United Nations Sustainable Development Goals (SDGs)



Impact Assessment Methodology

The SDGs Impact Rating provides a holistic metric of impact using the United Nations-supported Sustainable Development Goals (SDGs) as a reference framework. The rating measures the extent to which companies are managing negative externalities in their operations across the entire value chain to minimize negative impacts, while at the same time making use of existing and emerging opportunities in their products and services to contribute to the achievement of the Sustainable Development Goals. A company's impact is measured thematically, following the SDGs framework, as well as at an aggregate level. For each of the 17 SDGs, a company's impact is determined by three pillars:



PRODUCTS & SERVICES



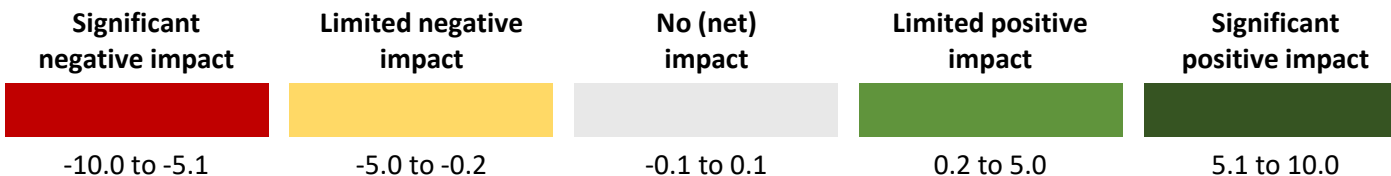
OPERATIONS MANAGEMENT



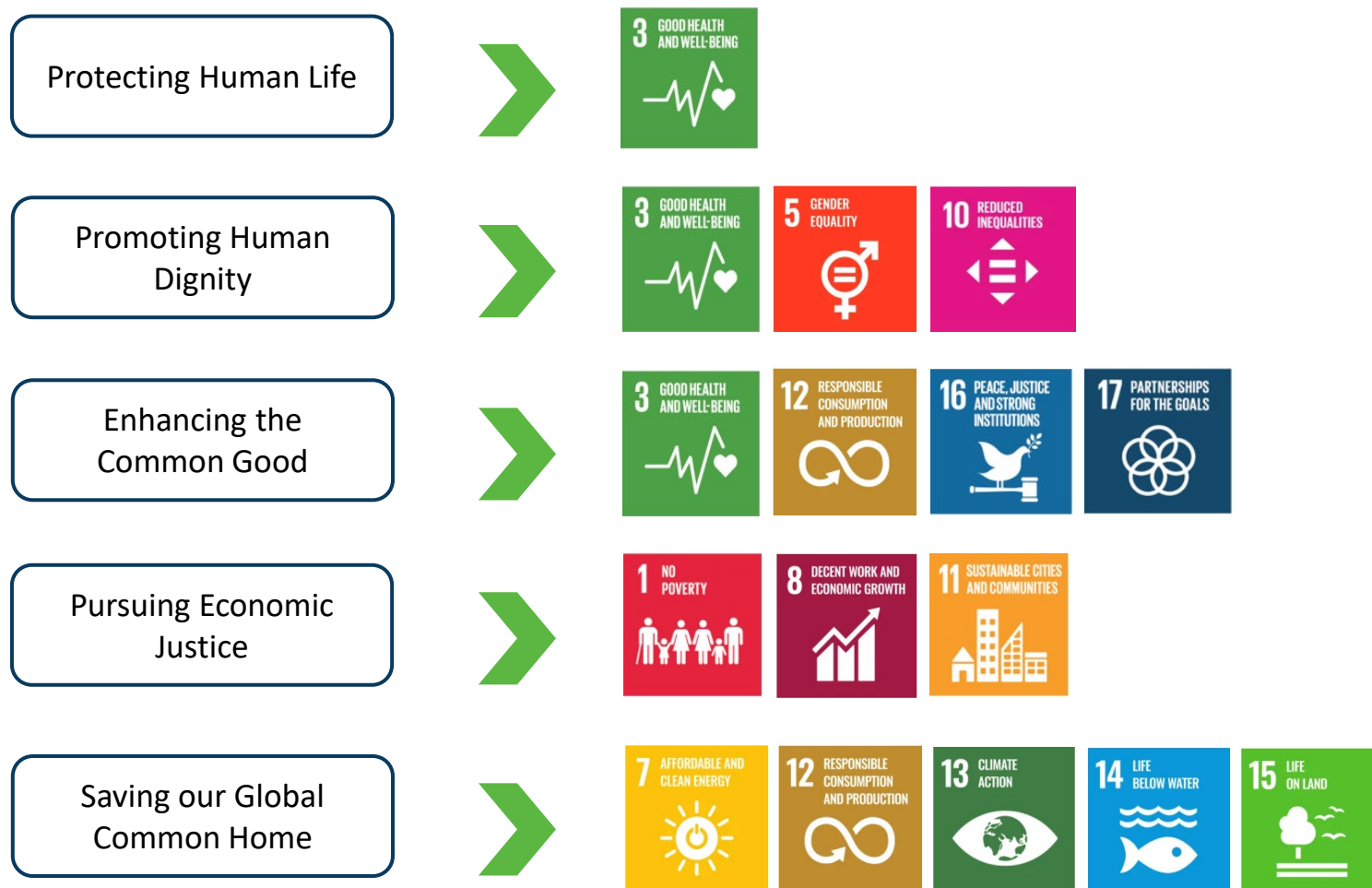
CONTROVERSIES

1. Identify to what extent products and services contribute to or obstruct the SDGs.
2. Evaluate impact along the entire value chain.
3. Identify alleged or verified failures and companies' responsiveness to respect established norms that may obstruct the SDGs.

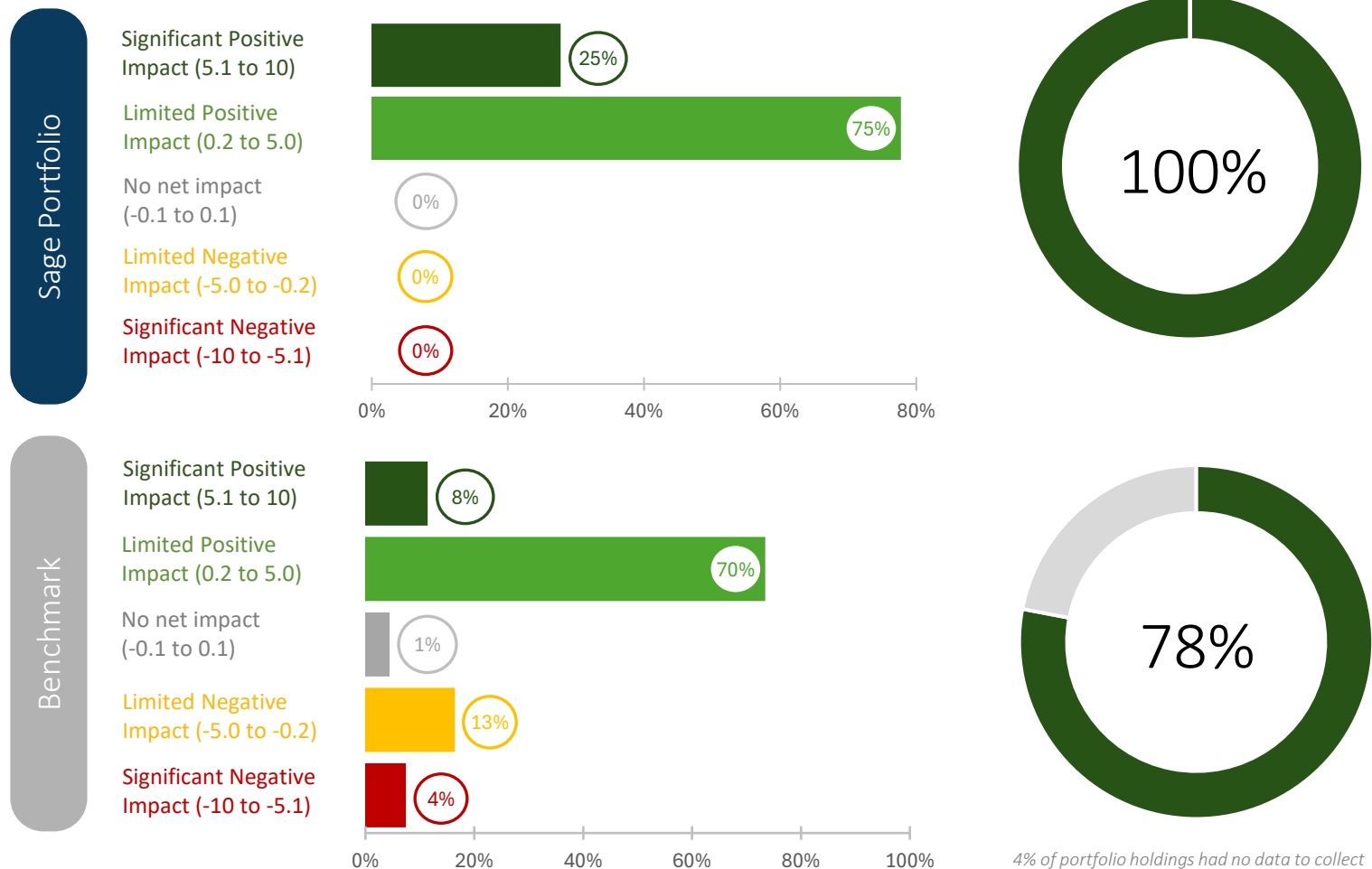
The SDGs Impact Score ranges on a scale from -10 to 10 with an underlying classification into five broad assessment categories.



Impact Outcome Reporting: USCCB Framework



Portfolio SDG Impact: Sage Portfolio vs. Benchmark



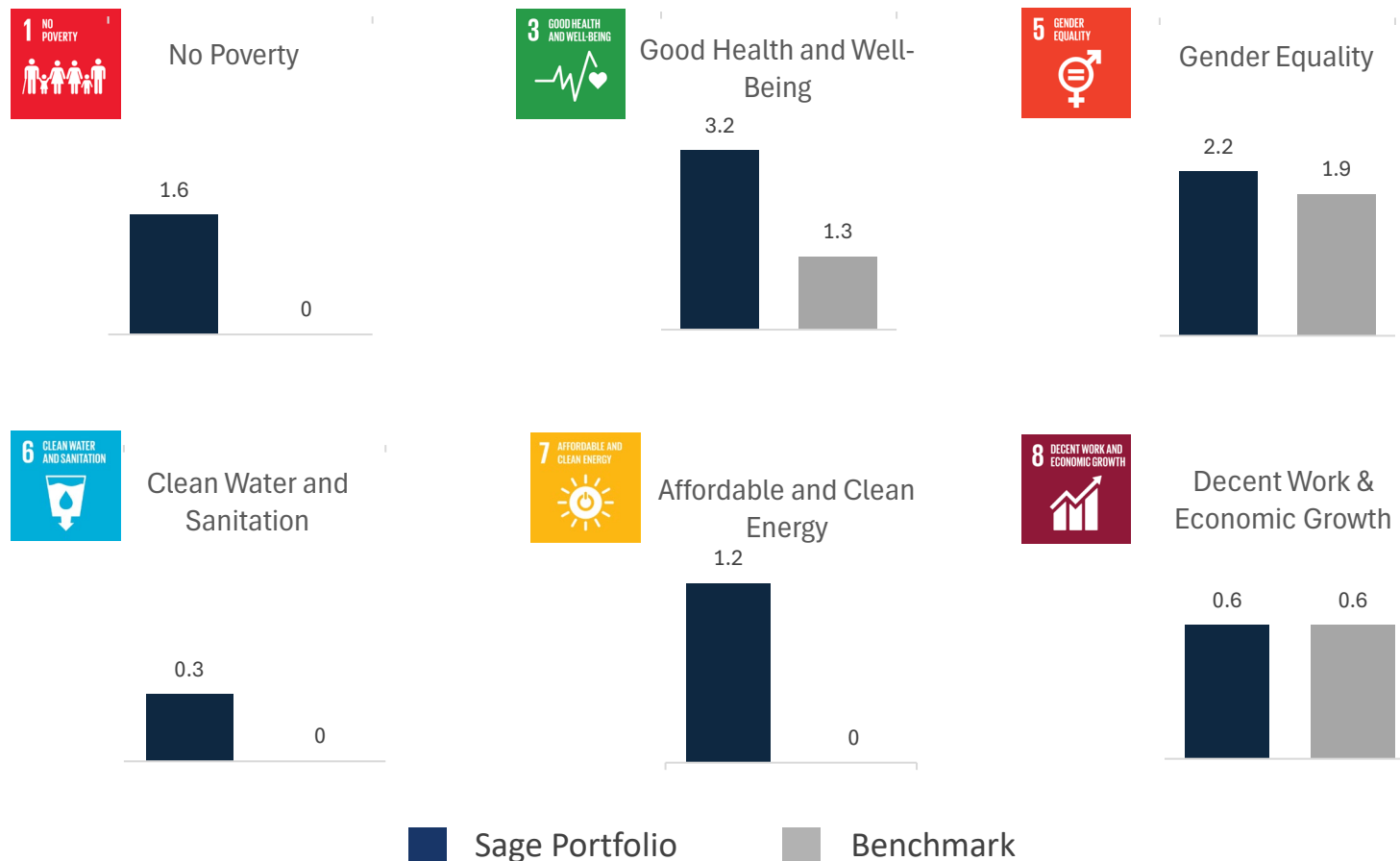
Mapping Portfolio Impact

SDGs Represented and Their Relative Impact Intensities

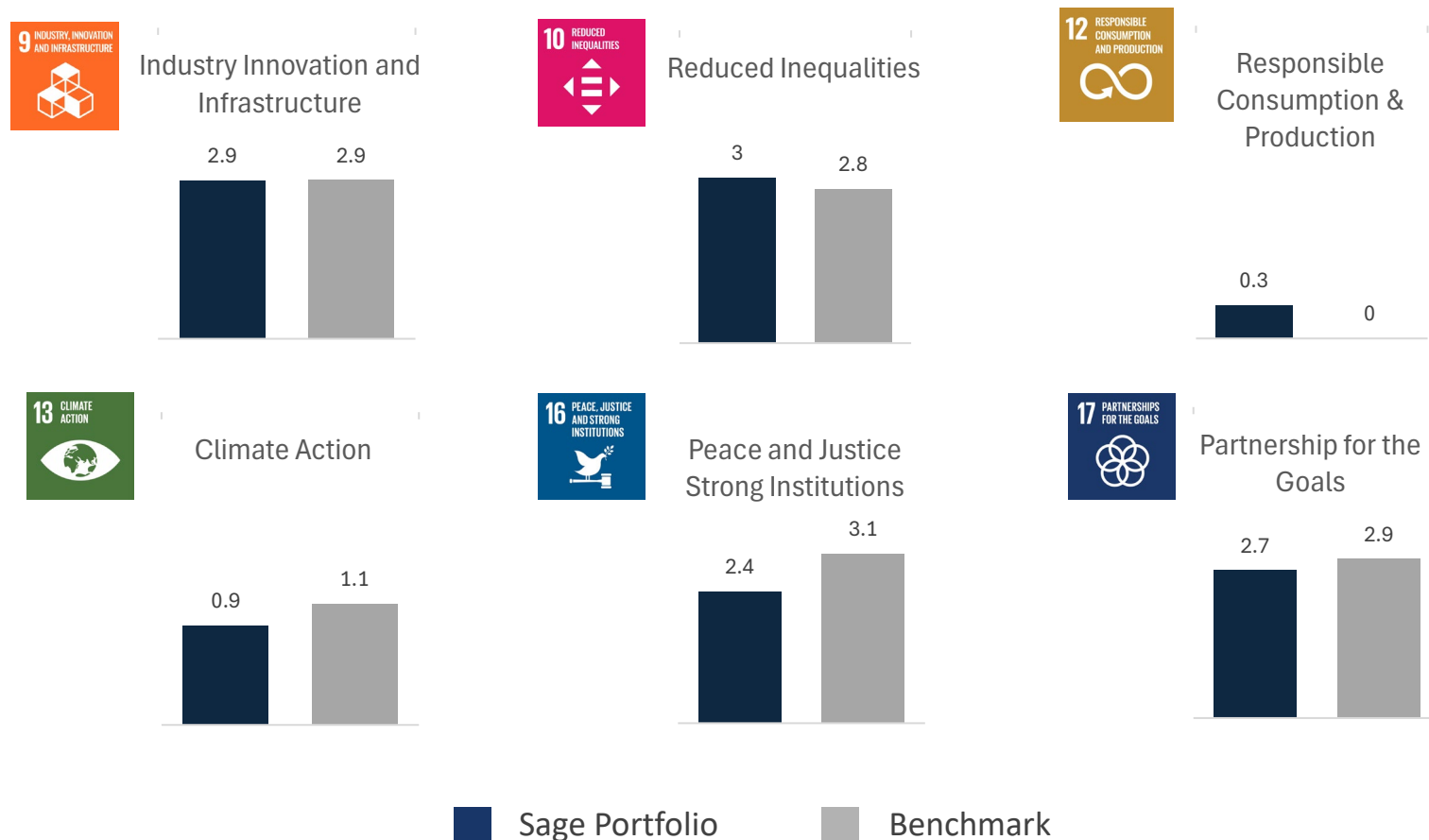


Sage's portfolio and the Index have no net impact on SDGs 2, 4, 11, 14, and 15.

Impact by SDG: Sage Portfolio vs. Benchmark



Impact by SDG: Sage Portfolio vs. Benchmark



Top 5 Holdings by SDG Impact Rating

Issuer Name	Highest Positive Impact SDG	Key Impact Drivers
Amgen Inc.	SDG 3: Good Health & Well-Being	Revenue: Prescription pharmaceuticals. Operations: Procedures to ensure the implementation of ethical clinical trials; Patient and product safety; Environmentally friendly product design. Controversies: No controversies with relevant impact on this goal.
Centene Corporation	SDG 10: Reduced Inequalities	Revenue: Health-related insurance for high-risk groups, health-related insurance for low-income groups. Operations: Dependent care and special leave; Workplace flexibility and working time reduction; Human rights due diligence procedures. Controversies: No controversies with relevant impact on this goal.
NextEra Energy Capital Holdings, Inc.	SDG 9: Industry, Innovation & Infrastructure	Revenue: Issuer does not derive significant revenue from products and services that contribute or obstruct this goal. Operations: Greenhouse gas emission reduction targets and action plans; Strategy to promote renewable energy; Radioactive waste management and disposal strategy. Controversies: No controversies with relevant impact on this goal.
Hewlett Packard Enterprise Company	SDG 17: Partnership for the Goals	Revenue: Issuer does not derive significant revenue from products and services that contribute or obstruct this goal. Operations: Community involvement; Sustainability reporting; Tax base erosion and profit shifting. Controversies: No controversies with relevant impact on this goal.
Hewlett Packard Enterprise Company	SDG 16: Peace, Justice & Strong Institutions	Revenue: Products for crime prevention: acts against computer systems. Operations: Raw materials from controversial sources; Compliance procedures; Code of business ethics. Controversies: No controversies with relevant impact on this goal.



Addendum: 2023 PRI Assessment

2023 PRI Assessment Overview

Sage has been a signatory of the Principles for Responsible Investment (PRI) since 2017. The PRI is the world's largest network of investors that work to understand and integrate environmental, social and governance (ESG) factors into their investment and ownership decisions. A key part of being a signatory of the PRI is participating in its annual assessment, which aims to:

1. Identify how signatories can improve their responsible investment practices;
2. Allow asset owners to focus their discussions with investment managers on responsible investment activities and capabilities by sharing their Assessment Reports; and
3. Facilitate learning and development by outlining how signatories' implementation of responsible investment compares year-on-year, across asset classes, and with peers at the local and global level by providing a confidential report.

The most recent survey was conducted in 2023. The following slides illustrate how Sage scored relative to our peer group in the five categories that were relevant to our business:

1. Policy Governance & Strategy
2. Fixed Income: Sovereign, Supranational and Agency
3. Fixed Income: Corporate
4. Fixed Income: Securitized
5. Confidence Building Measures

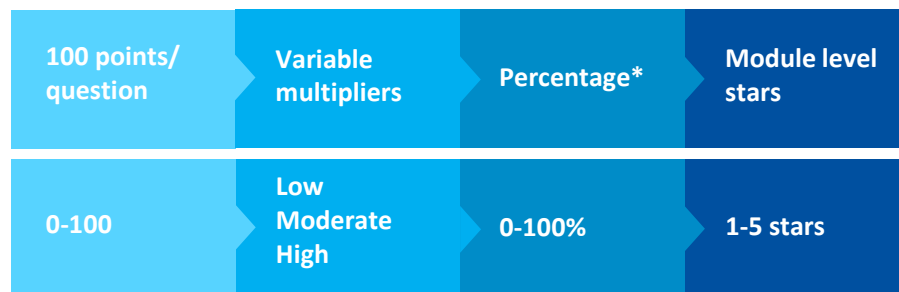
Sage Advisory's peer group:

1. Signatory category: Investment Manager
2. Signatory type: Fund Management
3. Geography: North America, United States
4. Size: 10 – 49.99 billion AUM

Sage's PRI Transparency Report is [available here](#), the full PRI Assessment Report results are [available here](#).

PRI Assessment Methodology

The following summarizes the PRI's assessment process for 2023:



*The percentage is based on the points scored in all applicable assessed indicators for each module. It is calculated as the total points achieved divided by the total points available (only considering applicable indicators) in the module.

The Principles of Responsible Investment (PRI) assessment is a report based off the results of a required annual survey completed by all PRI signatories. The survey is a process to ensure that signatories are accountable to enacting best practices within the responsible investment space and are transparent about their investing activities. The PRI is a United Nations-supported international network of financial institutions working together to implement its six aspirational principles, often referenced as "The Principles." Sage Advisory is a signatory of the PRI and pays an annual fee as a membership requirement.

- The differing scoring styles are based on the principle of 100 points being available for allocation from the initial phase of assessment.
- The three multiplier weightings are reflective of the indicator relative importance with respect to responsible investment practices and/or the PRI's overall mission.
- The following are how the final percentage translates into a star grading:

Do not do ESG or scored $0 \leq 25\%$

$> 25 \leq 40\%$

$> 40 \leq 65\%$

$> 65 \leq 90\%$

$> 90 \leq 100\%$

Do not hold the asset class

Opted out of reporting



N/A – not applicable

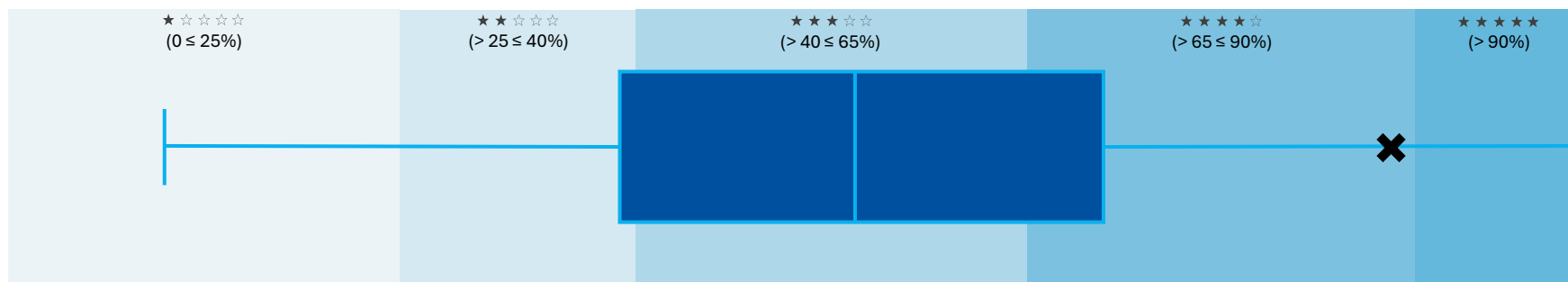
N/R – not reported

2023 PRI Assessment

Policy Governance and Strategy

Sage scored an 88% (four stars) for Policy Governance and Strategy, above the median score of 54% (three stars). Topics in this category included Responsible Investment Policy Elements, AUM Coverage, Roles & Responsibilities, External Reporting & Disclosure, Capital Allocation, Stewardship, Climate Change, Sustainability Outcomes, and Human Rights.

 Customized Peer Group
  Your score



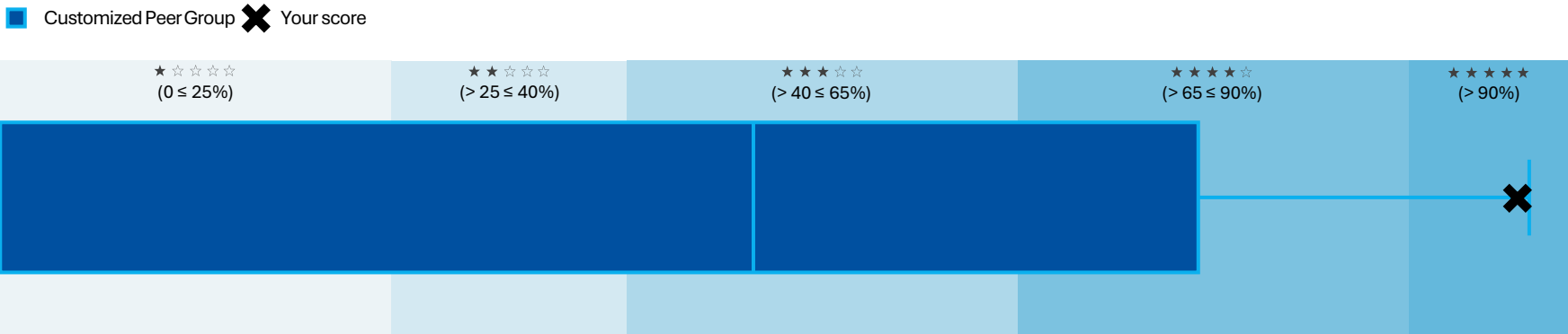
Number of peers (179)

Sage's PRI Transparency Report is [available here](#), the full PRI Assessment Report results are [available here](#).

2023 PRI Assessment

Fixed Income – Sovereign, Supranational and Agency

Sage scored a 97% (five stars) for Fixed Income – Sovereign, Supranational and Agency; above the median score of 48% (three stars). Topics in this category included the Overall Approach, Pre-investment Phase, and Post-investment Phase for the fixed income sub-asset type.



Number of peers (49)

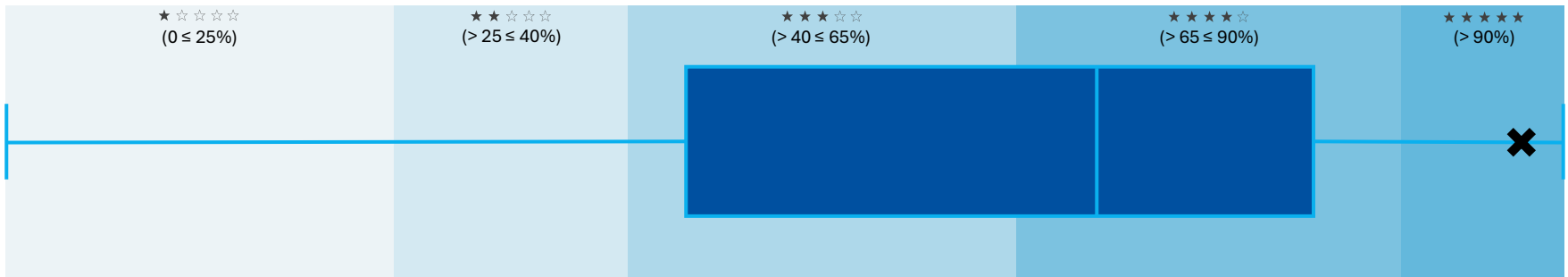
Sage’s PRI Transparency Report is [available here](#), the full PRI Assessment Report results are [available here](#).

2023 PRI Assessment

Fixed Income – Corporate

Sage scored a 97% (five stars) for Fixed Income – Corporate, above the median score of 70% (four stars). Topics in this category included the Overall Approach, Pre-investment Phase, and Post-investment Phase for the fixed income sub-asset type.

 Customized Peer Group
  Your score



Number of peers (73)

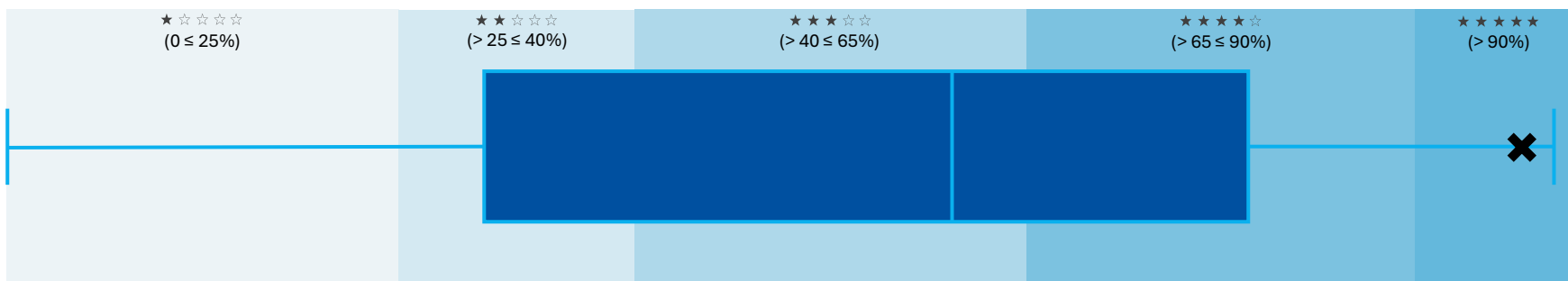
Sage's PRI Transparency Report is [available here](#), the full PRI Assessment Report results are [available here](#).

2023 PRI Assessment

Fixed Income – Securitized

Sage scored a 96% (five stars) for Fixed Income – Securitized, above the median score of 60% (three stars). Topics in this category included the Overall Approach, Pre-investment Phase, and Post-investment Phase for the fixed income sub-asset type.

 Customized Peer Group
  Your score



Number of peers (47)

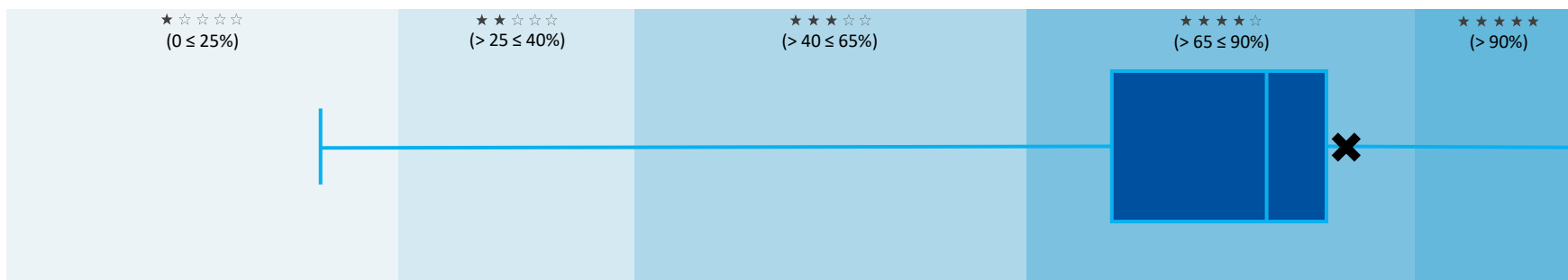
Sage's PRI Transparency Report is [available here](#), the full PRI Assessment Report results are [available here](#).

2023 PRI Assessment

Confidence Building Measures

Sage scored an 85% (four stars) for Confidence Building Measures, above the median score of 80% (four stars). Topics in this category included Approach to Confidence-Building Measures, Third-Party External Assurance, Internal Audit, and Internal Review.

 Customized Peer Group
  Your score



Number of peers (179)

Sage's PRI Transparency Report is [available here](#), the full PRI Assessment Report results are [available here](#).

IMPORTANT DISCLOSURES

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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. Debt or fixed income securities are subject to market risk, credit risk, interest rate risk, call risk, tax risk, political and economic risk, derivatives risk, income risk, and other investment company risk. As interest rates rise, bond prices fall. Credit risk refers to an issuer's ability to make interest payments when due. Below investment grade or high yield debt securities are subject to liquidity risk and heightened credit risk. Foreign investments involve additional risks as noted above. Investing involves substantial risk and high volatility, including possible loss of principal. Bonds and bond funds will decrease in value as interest rates rise. Past performance is not a guarantee of future results.

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