

Core Plus Fixed Income Strategy

Characteristics and Commentary



2nd Quarter 2026



Market Environment

- The dominant factor for markets in the second quarter was the shift in Fed expectations toward hikes and the strong earnings and AI capex investment cycle.
- Fixed income returns improved from Q1 but remained modest across sectors, as the curve shifted higher on a more hawkish Fed posture and spreads ground slightly tighter. The curve flattened throughout the quarter as the Fed repricing was felt more directly in the front end.
- Since the moves were driven almost solely by Fed expectations rather than term premium risks (longer-term inflation and supply concerns), back-end yield moves were relatively mild. As a result, longer-duration Treasury and credit segments outperformed, as did higher-yielding, more spread-sensitive markets such as IG Credit and HY.

Quarterly Performance

The Core Plus Fixed Income Composite returned +1.26% (gross) / +1.18% (net) vs. +0.67% for the Bloomberg Aggregate Index.

Attribution:

- Curve/Duration: +2 bps
- Sector/Selection: +57 bps (+26 bps/ +31 bps)

Primary contributors to relative performance:

- Sector: Overweight Structured Finance, High Yield & Corporate Credit
- Subsector: Allocation to ABS, RMBS & CMBS
- Industries: Banking, Brokerage/Asset Managers/Exchanges & REITs

Primary detractors to relative performance:

- Industries: Energy, Consumer Cyclical & Consumer Non-Cyclical

Outlook

- First half inflation and policy tightening headwinds have not gone away, but the de-escalation with Iran has taken much of the pressure off rates. While the Fed, like many other central banks, has moved toward a tightening bias, we ultimately expect rates to remain on hold through 2026.
- Our base case for the back half of the year calls for range-bound rates at slightly higher levels, reflecting an environment of still-muted core inflation dynamics, easing energy-related pressures, and firm growth but with pockets of weakness.
- Credit valuations are also at unforgiving levels, but the difference is that investors can still win going sideways, which is the zone we are in. Strong fundamentals and overwhelming demand for yield are likely to keep spreads stable.

Positioning

- Within the strategy, we are focused on harvesting yield through security selection and sector tilts, while maintaining relatively low tracking error, full duration, and a defensive credit profile.
- We continue to overweight MBS, which we view as offering the best risk-reward profile within core fixed income, combining attractive yields relative to credit with a higher-quality profile.
- We are favoring the front end of the credit curve and hard-assets issuers that are less susceptible to AI-driven disruption, as well as highly regulated sectors, such as banking and utilities.

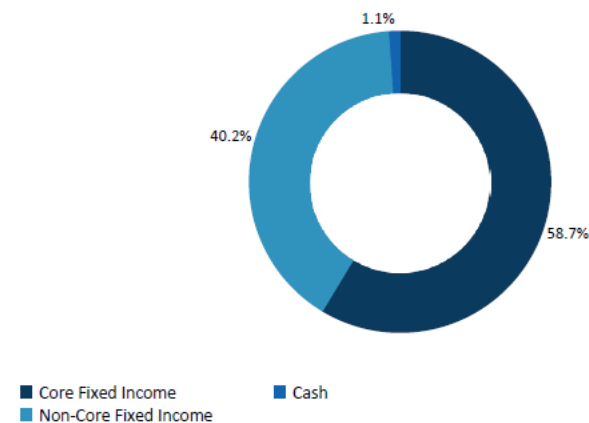
PORTFOLIO SUMMARY

As of Date	June 30, 2026
Benchmark	Bloomberg U.S. Aggregate

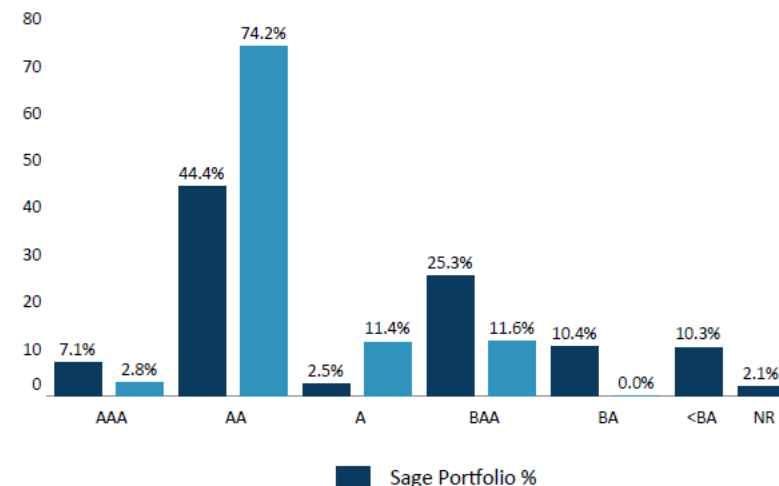
PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
Yield	5.50%	4.74%
Coupon	4.74%	3.74%
Effective Maturity	9.03	8.14
Effective Duration	5.54	5.80
Average Credit Rating	A	AA

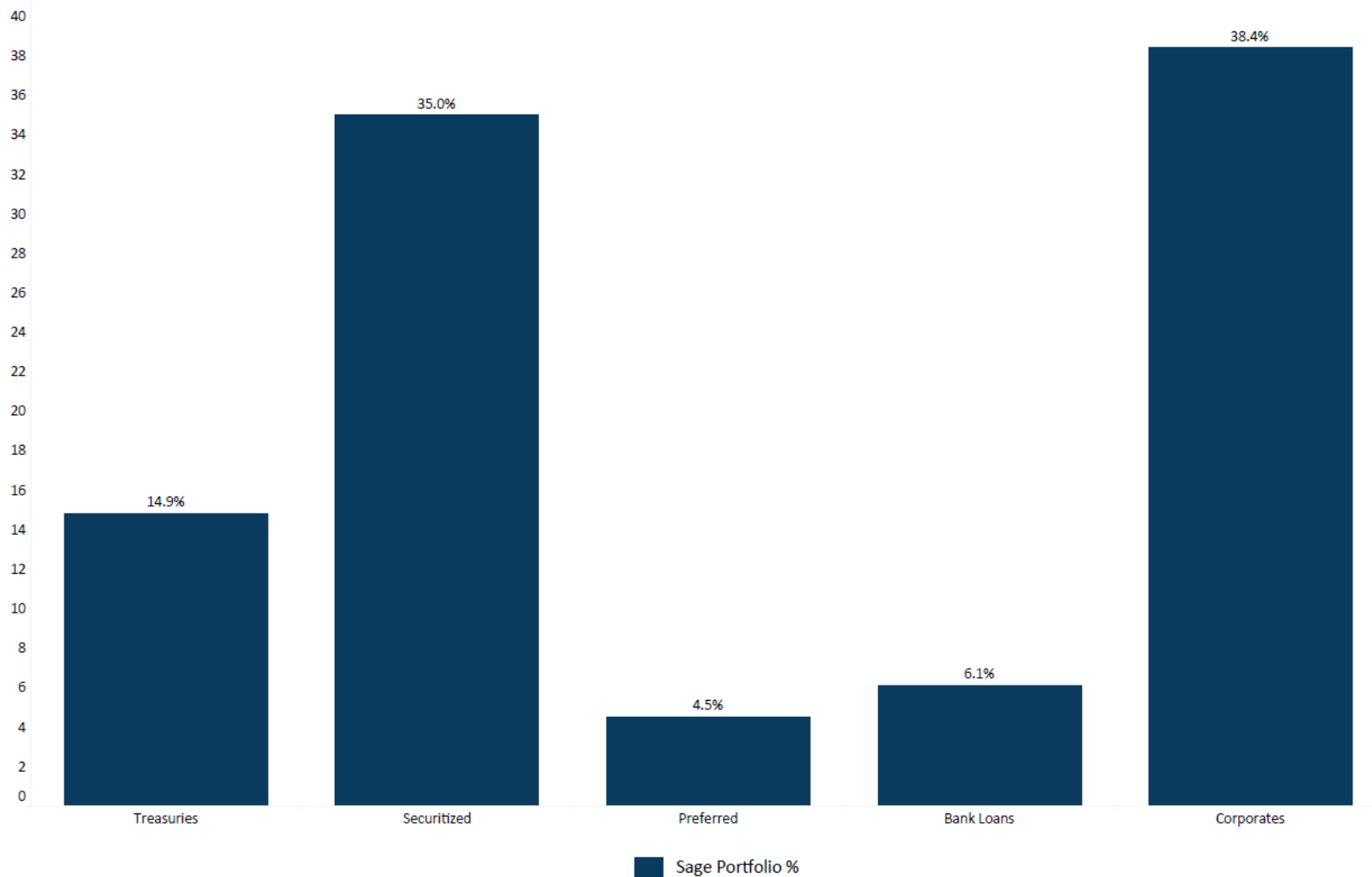
ASSET ALLOCATION



CREDIT RATING ALLOCATION



SECTOR ALLOCATION





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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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