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ETF Strategies

2Q 2026

Strategy Overview

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

SAGE | INVEST WITH WISDOM™

Who We Are

- Founded in 1996 — Based in Austin, Texas
- 100% employee operated
- 17-member investment team has an average industry experience of 18 years

Why Sage

Agility

Our size and independence as an employee-controlled firm enable us to take a nimble approach.

Alignment

We customize the investment experience to align with each client's unique objectives and needs.

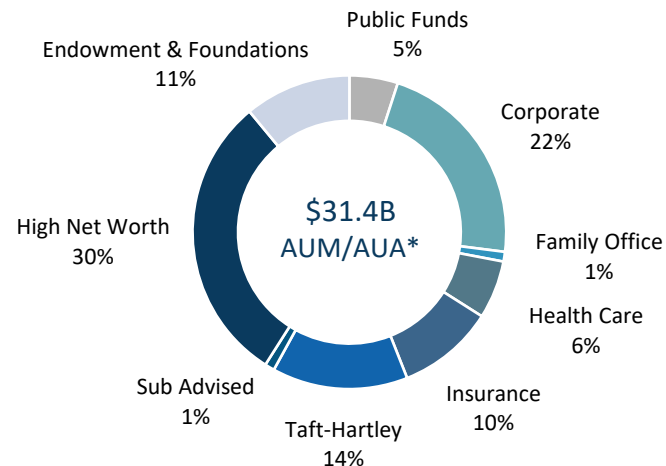
Consistency

We have a tenured investment team and proven process that enable us to deliver expected results.

Culture

We are committed to cultivating a culture of service and trust among our clients, our employees, and our community.

Who We Serve



Executive Leadership

Robert G. Smith, III, AIF® & CIMC

*President & Co-CIO
56 Years*

Thomas H. Urano, CFA

*Co-CIO
30 Years*

Robert D. Williams, CFA

*Chief Investment Strategist
29 Years*

Michael D. Walton, AIF®

*Managing Partner
29 Years*

Robert W. Moser, CIMA®, CRPC, CFIP

*Managing Partner
26 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  **Nicholas C. Erickson, CFA**
Managing Partner | Municipal Vice President | Securitized

Seth B. Henry, CFA  **Brett J. Adelglass, CFA**
Partner | Securitized Associate | Municipal

Andrew K. Demand, CFA  **Nicholas A. Barnard, CFA**
Partner | Credit Associate | Securitized

David L. Luria, CFA **Alex Bender, CFA**
Vice President | Credit Associate | Credit

 Investment Committee

Expert Team Specializing in Institutional Fixed Income

- Average industry experience is 18 years
- Average tenure at Sage is 13 years
- 12 CFA charterholders

Research & Strategy

Robert D. Williams, CFA  **Jae Y. Song, ASA**
Chief Investment Strategist VP, Sr. Research Analyst | LDI

Komson Silapachai, CFA  **Douglas A. Benning**
Partner | Sr. Strategist VP, Sr. Research Analyst | General

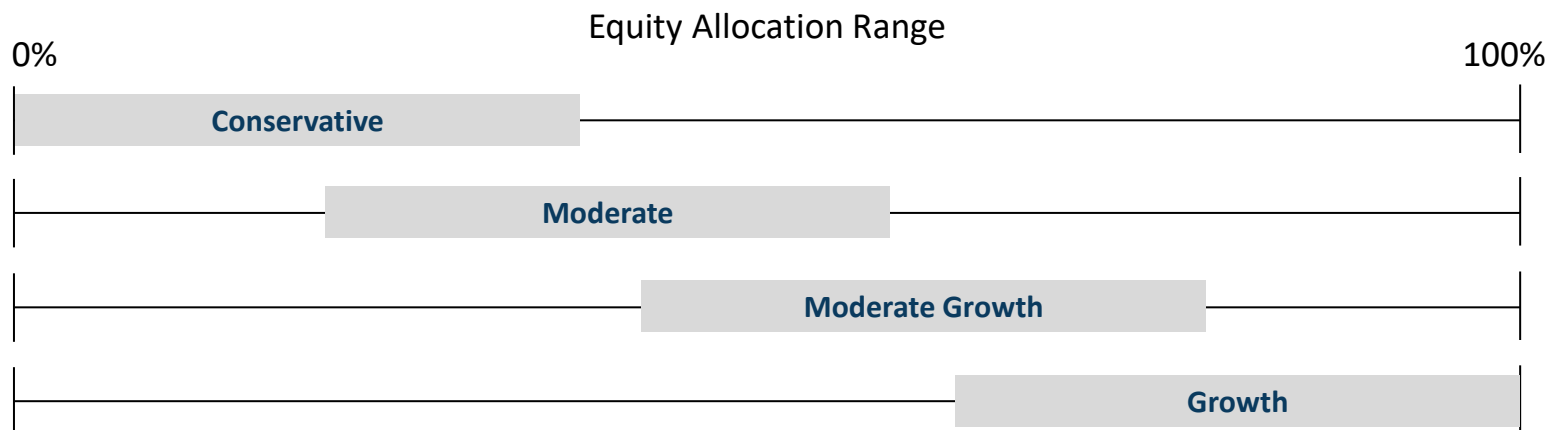
Andrew S. Poreda, CFA  **Xochitl C. Maldonado**
VP, Sr. Research Analyst | LDI, Research Analyst | Quantitative
Responsible Investing

Emma L. Harper, CIMA
VP, Institutional Research, Client
Relations | Responsible Investing

	Strategy	Time Horizon Years	Target Allocation*	Objective
Growth	Global Equity	10-plus	100% Equity	Focus is on capital appreciation. Investors have a longer time horizon and a higher tolerance for short-term volatility.
	Growth	7-10	80% Equity/20% Fixed Income	
	Moderate Growth	5-7	60% Equity/40% Fixed Income	
Stability	Moderate	3-5	40% Equity/60% Fixed Income	Focus is on capital appreciation and stability of returns. Investors have a short to medium time horizon, and have a lower tolerance for short-term volatility.
	Conservative	1-3	20% Equity/80% Fixed Income	
Income	Multi-Asset Income	2-5	20% Equity/80% FI and Hybrids	Focus is on income and stability of returns. The time horizon is short to medium term, and investors have a low tolerance for short-term volatility.
	Tax Aware MAI	2-5	20% Equity/80% FI and Hybrids	
	Core Plus	1-3	100% Fixed Income	

*Actual allocation may vary based on market conditions.

Asset Allocation Strategies



Flexible Approach	Broad Asset Class	+/- 20% from equity/fixed income allocation target
	Equity/Alternatives	Carry up to 60% in cash and alternative asset classes combined
	Fixed Income	Utilize entire global bond market, up to 40% non-core segments

Strategies & Services

ETF Strategies

Asset Allocation: target-risk allocation strategies designed to be core solutions

Income Solutions: income strategies balance maximizing yield versus volatility

ETF Implementation: experience managing strategies using ETFs since 1998

Investment Philosophy

Top-Down View: drivers include macro, policy, valuation, and sentiment

Flexible: dynamic market segment allocation based on 3-6 month outlook

Risk Management: risk budgeting and stress testing are core to process

Investment Approach

Team Integration: Investment Committee, Portfolio Management, & Research

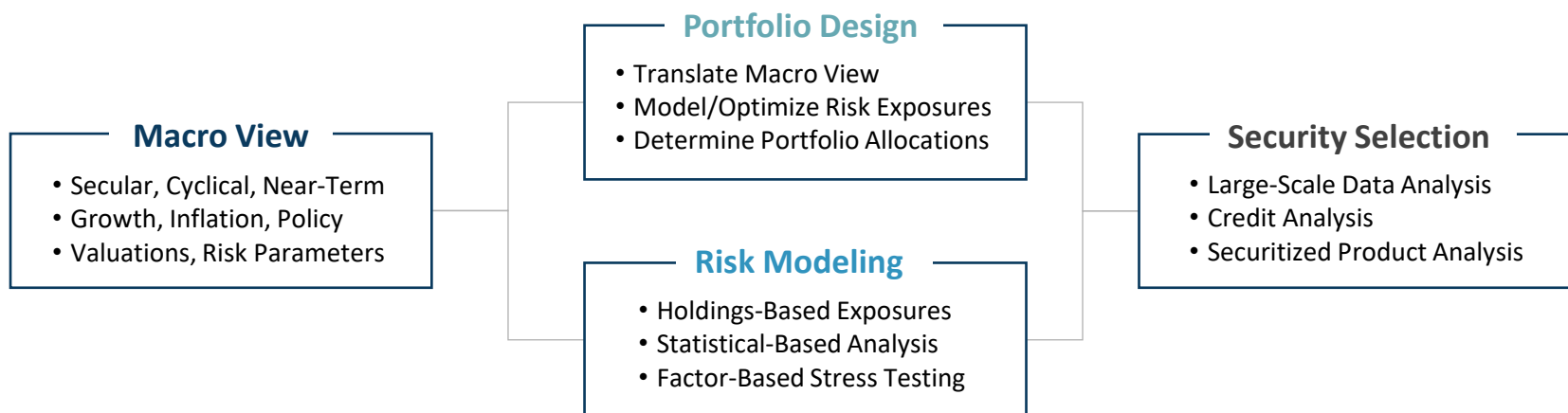
ETF Evaluation: sponsor, cost, exposure, along with factor/security composition

Portfolio Design: express macro view with portfolio design and risk management

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.



Fixed Income Market Segment Study

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TIPS	Treasury	High Yield	High Yield	TIPS	EM Debt	High Yield	US Credit	MBS	High Yield	Intl Treas	Agency	High Yield	TIPS	TIPS	Agency	High Yield	High Yield	EM Debt
11.63%	13.74%	58.20%	15.12%	13.56%	17.95%	7.44%	7.53%	1.51%	17.13%	9.31%	1.34%	14.32%	10.99%	5.96%	-7.87%	13.45%	8.19%	11.11%
Intl Treas	Intl Treas	EM Debt	EM Debt	Treasury	High Yield	MBS	MBS	EM Debt	EM Debt	EM Debt	MBS	US Credit	Intl Treas	High Yield	High Yield	EM Debt	EM Debt	High Yield
10.94%	9.43%	34.22%	12.84%	9.81%	15.81%	-1.45%	6.15%	1.29%	9.88%	8.17%	0.99%	13.80%	9.54%	5.28%	-11.19%	9.09%	6.58%	8.62%
Treasury	Agency	US Credit	US Credit	US Credit	US Credit	Agency	Treasury	Treasury	US Credit	High Yield	Treasury	EM Debt	US Credit	MBS	MBS	US Credit	Agency	MBS
9.01%	9.26%	16.04%	8.47%	8.35%	9.37%	-1.58%	5.05%	0.84%	5.63%	7.50%	0.86%	13.11%	9.35%	-1.04%	-11.81%	8.18%	3.16%	8.58%
Agency	MBS	TIPS	TIPS	EM Debt	TIPS	US Credit	EM Debt	Agency	TIPS	US Credit	TIPS	TIPS	Treasury	US Credit	TIPS	Intl Treas	US Credit	Intl Treas
7.90%	8.34%	11.40%	6.31%	6.97%	6.98%	-2.01%	4.76%	-0.36%	4.68%	6.18%	-1.26%	8.43%	8.00%	-1.08%	-11.85%	6.25%	2.03%	8.20%
MBS	TIPS	MBS	Intl Treas	MBS	MBS	Treasury	Agency	US Credit	Agency	TIPS	Intl Treas	Treasury	High Yield	Agency	Treasury	Agency	TIPS	US Credit
6.90%	-2.35%	5.75%	6.12%	6.32%	2.60%	-2.75%	3.65%	-0.77%	2.27%	3.01%	-1.83%	6.86%	7.11%	-1.31%	-12.46%	5.13%	1.84%	7.83%
EM Debt	US Credit	Intl Treas	Treasury	Intl Treas	Agency	EM Debt	TIPS	TIPS	Intl Treas	Agency	High Yield	MBS	EM Debt	EM Debt	US Credit	MBS	MBS	TIPS
5.16%	-3.08%	4.35%	5.87%	5.24%	2.16%	-4.12%	3.64%	-1.44%	1.87%	2.98%	-2.08%	6.35%	6.52%	-1.65%	-15.26%	5.05%	1.20%	7.01%
US Credit	EM Debt	Agency	MBS	High Yield	Treasury	Intl Treas	High Yield	High Yield	MBS	MBS	US Credit	Intl Treas	MBS	Treasury	EM Debt	Treasury	Treasury	Treasury
5.11%	-14.75%	1.95%	5.50%	4.98%	1.98%	-4.88%	2.45%	-4.47%	1.67%	2.47%	-2.11%	6.04%	3.87%	-2.32%	-15.26%	4.05%	0.58%	6.32%
High Yield	High Yield	Treasury	Agency	Agency	Intl Treas	TIPS	Intl Treas	Intl Treas	Treasury	Treasury	EM Debt	Agency	Agency	Intl Treas	Intl Treas	TIPS	Intl Treas	Agency
1.87%	-26.16%	-3.56%	4.36%	4.82%	1.77%	-8.61%	-2.77%	-4.84%	1.04%	2.31%	-2.46%	5.89%	2.70%	-8.67%	-19.44%	3.90%	-5.97%	6.11%

Range of Opportunity: Difference Between the Top and Bottom Performing Market Segments

9.76%	39.89%	61.76%	10.76%	8.74%	16.18%	16.05%	10.30%	6.35%	16.09%	7.00%	3.80%	8.43%	8.29%	14.63%	11.57%	9.55%	14.16%	5.00%
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Equity Market Segment Study

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
EM Equity 39.78%	Small Value -28.92%	EM Equity 79.02%	REITs 29.58%	REITs 10.39%	EM Equity 18.63%	Small Growth 43.30%	REITs 34.62%	REITs 6.36%	Small Value 31.74%	EM Equity 37.75%	Large Growth -0.01%	Large Value 31.93%	Small Growth 34.63%	REITs 44.48%	CMDTY 16.09%	Large Growth 30.03%	Large Growth 36.07%	EM Equity 33.57%
CMDTY 16.23%	Large Growth -34.92%	Mid Caps 37.38%	Small Growth 29.09%	Large Growth 4.65%	Small Value 18.05%	Small Value 34.53%	Large Growth 14.89%	Large Growth 5.52%	Mid Caps 20.74%	Large Growth 27.44%	REITs -2.12%	Large Growth 31.13%	Large Growth 33.47%	Large Growth 32.01%	Large Value -5.22%	Large Value 22.23%	Small Growth 15.15%	Intl Equity 31.22%
Intl Equity 11.63%	CMDTY -35.65%	Small Growth 34.47%	Mid Caps 26.64%	Large Value -0.48%	Mid Caps 17.88%	Mid Caps 33.46%	Large Value 12.36%	Intl Equity -0.39%	Large Value 17.40%	Intl Equity 25.62%	Large Value -8.95%	Small Growth 28.48%	EM Equity 18.31%	Small Value 28.27%	Mid Caps -13.06%	Small Growth 18.66%	Mid Caps 13.93%	Large Growth 22.18%
Large Growth 9.13%	Mid Caps -36.23%	Intl Equity 32.46%	Small Value 24.50%	Mid Caps -1.73%	Large Value 17.76%	Large Growth 32.75%	Mid Caps 9.77%	Small Growth -1.38%	CMDTY 11.77%	Small Growth 22.17%	Small Growth -11.01%	Mid Caps 26.20%	Mid Caps 13.66%	CMDTY 27.11%	Intl Equity -14.46%	Intl Equity 18.24%	Large Value 12.29%	CMDTY 15.77%
Mid Caps 7.98%	Small Growth -38.54%	Large Growth 31.57%	EM Equity 19.20%	Small Growth -2.91%	Intl Equity 17.76%	Large Value 31.97%	Small Growth 5.60%	Mid Caps -2.18%	EM Equity 11.60%	Mid Caps 16.24%	CMDTY -11.25%	REITs 25.90%	Intl Equity 7.82%	Large Value 24.90%	Small Value -14.48%	Mid Caps 16.44%	Small Value 8.05%	Large Value 13.19%
Small Growth 7.05%	Large Value -39.22%	REITs 24.93%	CMDTY 16.83%	Small Value -5.50%	REITs 15.35%	Intl Equity 23.57%	Small Value 4.22%	Large Value -3.13%	Small Growth 11.32%	Large Value 15.36%	Mid Caps -11.51%	Small Value 22.39%	Small Value 4.63%	Mid Caps 24.76%	EM Equity -20.09%	Small Value 14.65%	EM Equity 7.50%	Small Growth 13.01%
Large Value 1.99%	REITs -40.93%	Large Value 21.17%	Large Value 15.10%	Intl Equity -11.73%	Large Growth 14.70%	REITs -1.45%	EM Equity -1.82%	Small Value -7.47%	Large Growth 6.89%	Small Value 7.84%	Small Value -12.86%	Intl Equity 22.01%	Large Value 1.36%	Intl Equity 11.26%	REITs -25.85%	REITs 10.77%	REITs 5.68%	Small Value 12.59%
Small Value -9.78%	Intl Equity -43.06%	Small Value 20.58%	Large Growth 15.05%	CMDTY -13.32%	Small Growth 14.59%	EM Equity -2.27%	Intl Equity -4.48%	EM Equity -14.60%	REITs 4.93%	REITs 5.32%	Intl Equity -13.79%	EM Equity 18.42%	CMDTY -3.12%	Small Growth 2.83%	Small Growth -26.36%	EM Equity 9.83%	CMDTY 5.38%	Mid Caps 7.50%
REITs -18.03%	EM Equity -53.18%	CMDTY 18.91%	Intl Equity 8.21%	EM Equity -18.17%	CMDTY -1.06%	CMDTY -9.52%	CMDTY -17.01%	CMDTY -24.66%	Intl Equity 1.22%	CMDTY 1.70%	EM Equity -14.57%	CMDTY 7.69%	REITs -5.00%	EM Equity -2.54%	Large Growth -29.41%	CMDTY -7.91%	Intl Equity 3.82%	REITs 2.27%

Range of Opportunity: Difference Between Top and Bottom Performing Market Segments

57.81%	24.26%	60.11%	21.37%	28.56%	19.69%	52.82%	51.63%	31.02%	30.52%	36.05%	14.56%	24.24%	39.63%	47.02%	45.50%	37.94%	32.25%	31.30%
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Source: Bloomberg
See disclosures page for indexes used to represent market segments.

Past performance does not guarantee similar future results.

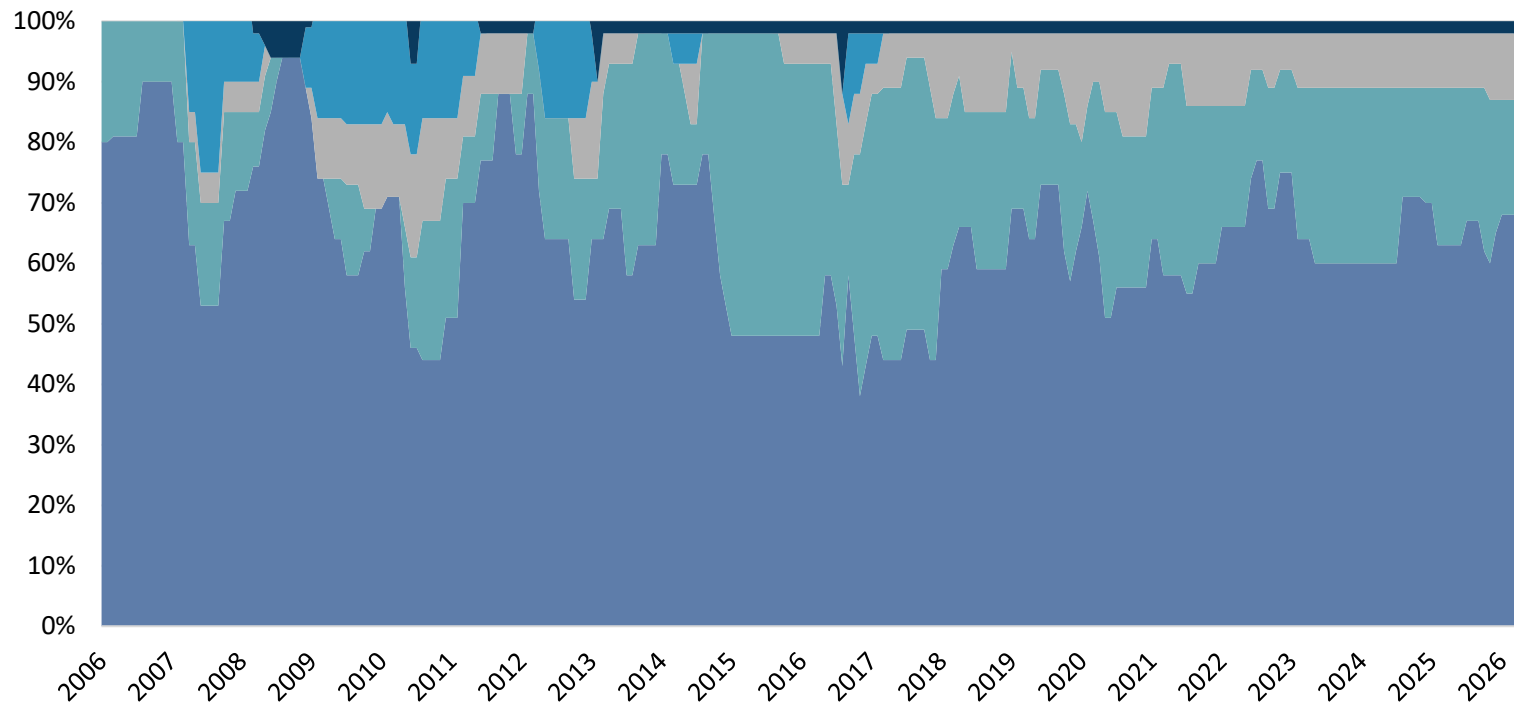
Study of Active Mutual Fund Managers within Core Equity Segments

Bottom Quartile (75 th Percentile) Mutual Fund Manager in Best Performing Market Segment																		
9.71%	-35.89%	28.92%	23.34%	-4.70%	13.08%	45.52%	8.00%	0.59%	22.57%	23.91%	-4.60%	23.14%	26.17%	17.00%	-8.49%	28.93%		
2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Intl Equity 11.63%	Small Value -28.92%	Mid Caps 37.38%	Small Growth 29.09%	Large Growth 4.65%	Small Value 18.05%	Small Growth 43.30%	Large Growth 14.89%	Large Growth 5.52%	Small Value 31.74%	Large Growth 27.44%	Large Growth -0.01%	Large Value 31.93%	Large Growth 33.47%	Large Growth 32.01%	Large Value -5.22%	Large Growth 30.03%	Large Growth 36.07%	Intl Equity 31.22%
Large Growth 9.13%	Large Growth -34.92%	Small Growth 34.47%	Mid Caps 26.64%	Large Value -0.48%	Mid Caps 17.88%	Small Value 34.53%	Large Value 12.36%	Intl Equity -0.39%	Mid Caps 20.74%	Intl Equity 25.62%	Large Value -8.95%	Large Growth 31.13%	Small Growth 19.96%	Small Value 28.27%	Mid Caps -13.06%	Large Value 22.23%	Mid Caps 13.93%	Large Growth 22.18%
Mid Caps 7.98%	Mid Caps -36.23%	Intl Equity 32.46%	Small Value 24.50%	Mid Caps -1.73%	Intl Equity 17.76%	Mid Caps 33.46%	Mid Caps 9.77%	Small Growth -1.38%	Large Value 17.40%	Small Growth 22.17%	Small Growth -11.01%	Small Growth 28.48%	Mid Caps 13.66%	Large Value 24.90%	Intl Equity -14.45%	Intl Equity 18.24%	Large Value 12.29%	Large Value 13.19%
Small Growth 7.05%	Small Growth -38.54%	Large Growth 31.57%	Large Value 15.10%	Small Growth -2.91%	Large Value 17.76%	Large Growth 32.75%	Small Growth 5.60%	Mid Caps -2.18%	Small Growth 11.32%	Mid Caps 16.24%	Mid Caps -11.51%	Mid Caps 26.20%	Intl Equity 7.82%	Mid Caps 24.76%	Small Value -14.48%	Small Growth 16.93%	Small Growth 11.54%	Small Growth 12.81%
Large Value 1.99%	Large Value -39.22%	Large Value 21.17%	Large Growth 15.05%	Small Value -5.50%	Large Growth 14.70%	Large Value 31.97%	Small Value 4.22%	Large Value - 3.13%	Large Growth 6.89%	Large Value 15.36%	Small Value -12.86%	Small Value 22.39%	Small Value 4.63%	Small Growth 14.82%	Small Growth -20.44%	Mid Caps 16.44%	Small Value 8.05%	Small Value 12.59%
Small Value -9.78%	Intl Equity -43.06%	Small Value 20.58%	Intl Equity 8.21%	Intl Equity -11.73%	Small Growth 14.59%	Intl Equity -2.41%	Intl Equity -4.48%	Small Value -7.47%	Intl Equity 1.22%	Small Value 7.84%	Intl Equity -13.79%	Intl Equity 22.01%	Large Value 1.36%	Intl Equity 11.26%	Large Growth -29.41%	Small Value 14.65%	Intl Equity 3.82%	Mid Caps 7.50%
-2.71%	-41.66%	40.35%	12.77%	-12.00%	15.98%	16.72%	-3.41%	-4.02%	2.66%	11.25%	-13.82%	23.75%	6.42%	26.20%	-23.63%	20.01%		
Top Quartile (25 th Percentile) Mutual Fund Manager in Worst Performing Market Segment																		

Equity Asset Allocation Ranges

U.S. Equities	Int'l Equities	Emerging Markets	Alternatives	Cash
25-100% of Allocation	0-75% of Allocation	0-25% of Allocation	0-40% of Allocation	0-20% of Allocation

Equity Asset Allocation in Motion



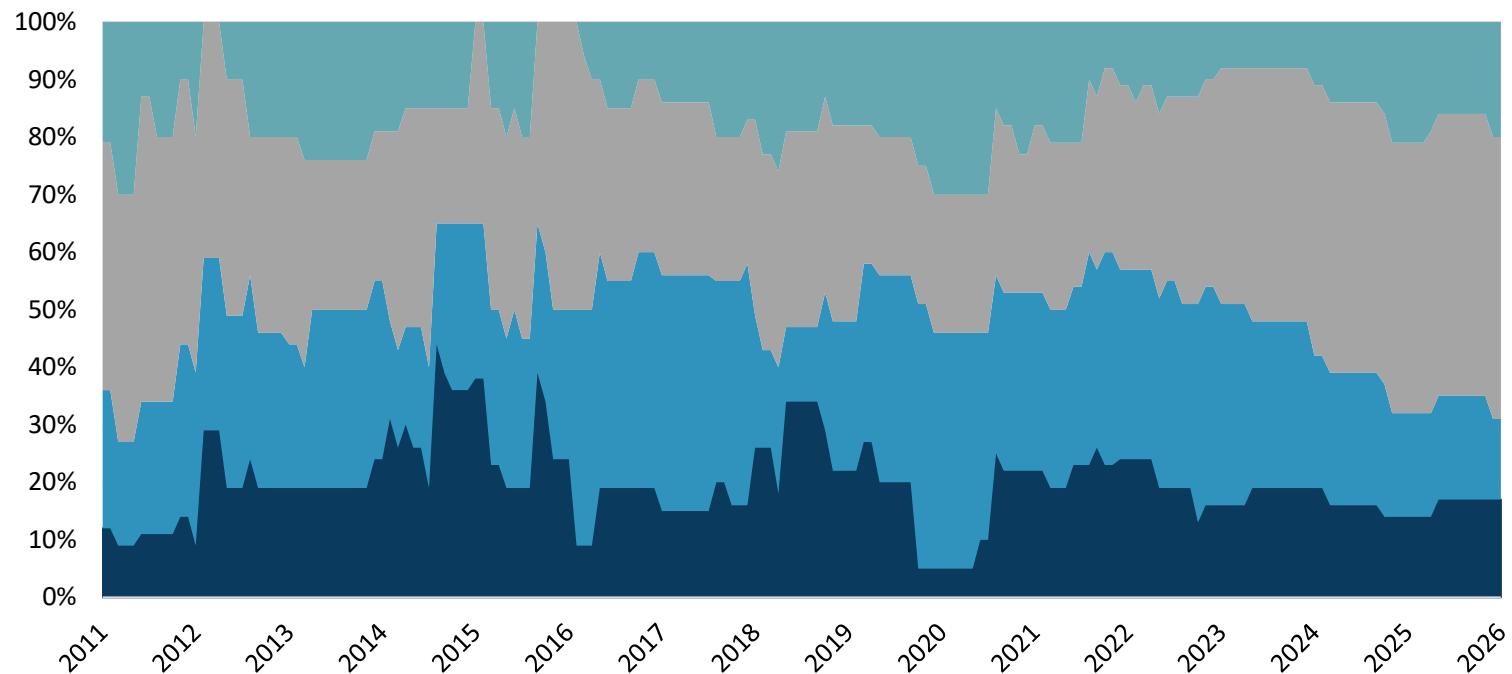
Historical Allocation as of 6/30/2026

Allocation ranges are approximate ranges, please see disclosures and guidelines for more detail.

Fixed Income Asset Allocation Ranges

Treasuries	IG Credit	Securitized	Non-Core Fixed
0-75% of Allocation	0-50% of Allocation	0-50% of Allocation	0-40% of Allocation

Fixed Income Allocation in Motion



Our Research

Macro & Market Outlook, Performance Commentary, & Monthly Perspectives Series

SAGE
INVEST WITH WISDOM

2026 Advice

March 2026 Market Review & Outlook – July Update

Quarter to Review

The dominant factor for markets in the second quarter was the shift in Fed expectations toward hikes and the unstoppable earnings and operating cycle in the U.S. For equities, the result was a risk-on rebound from Q1 and large gains for fixed income, returns were positive but muted. After a negative first quarter, global equities and the S&P 500 powered ahead to 15% gains, the best quarter since the 2020 Q3 COVID rebounce. Fixed Income returns were also 15.5%. Aggressive, with yields under upward pressure from a more hawkish Fed, but high levels of income carry provided an offset to total returns. Across most asset classes for the quarter, equities were the clear winner among emerging markets (performing EMB +5%, -15.2%, EMU +24%) and Europe leading (EMU Europe, +12.2%) due to weaker growth and tighter policy. Commodities were the biggest loser, down 10.5%. Emerging Commodity as a group prices fell on strength with oil and precious metals weakened on rising real yields and broader risk fears. Within U.S. equities, market leadership broadened beyond mega-cap tech, with small caps capturing (SMB 60%, +19.7%), and industrials (+14.3%) and Banks (+9%) among the strongest sectors for the quarter.

Fixed Income returns improved from Q1 but remained modest across all sectors, as the curve shifted higher on a more hawkish fed posture and spreads grew globally tighter. The curve flattened throughout the quarter, with the fed repricing less felt more directly in the front end, with 2-year yields breaking 5% basis points higher. Since the moves were driven solely by fed expectations rather than some premium risks longer term inflation and supply concerns, bond yield moves were relatively mild, with 10-year yields only 15 basis points higher and 30-year yields virtually unchanged for the quarter. As a result, longer duration Treasury and credit segments outperformed, as did high-yielding, more spread-sensitive markets such as IG Credit (+1), HI (-1) and CDS (-2).

Macro Outlook & Positioning

The global growth picture looks to remain firm and supportive of markets and sentiment going into the back half of the year, especially in the U.S., where a strong profit cycle of broadening and a historic spending cycle tied to AI continue to provide dominant tailwinds. It is not an even growth picture globally, with weak Euro GDP and structural challenges for China providing some drag; however, recession calls have faded, and we expect stable growth and easing inflation fears to leave some upside room for risk assets and a higher probability of range-bound yields.

Risk still remains a priority with policy tightening headlines have not gone away, but the de-riskation with rates has taken much of the pressure off rate. With the Fed, there are no surprises here, they remain on hold through despite economic resilience and ease lingers. In our view, it would likely expedite attempts to push the Fed toward a more dovish path.

Global Asset Allocation ETF Strategies

Globeam Commentary | Second Quarter 2026

EQUITY ALLOCATION PERFORMANCE

Contributors

- US Growth/Tech/E Healthcare
- International Dev and EM

Detractors

- All Segments Positive on the Quarter

The unstoppable AI Capex spending and robust earnings growth fueled in a strong rebound from Q1 and large gains in equities broadly. Rising US Tech leaders and falling energy prices served as a tailwind to US equities outperformance, particularly in AI-related segments, although unlike the narrow rally of the past few years, there was broader participation from a myriad of industries, such as banks and healthcare.

The strategic pivot to strong quarter, outperforming a robust equity market, with the US equity allocation leading the way, although all regions contributed to the positive risk return backdrop.

Noteable Portfolio Adjustments During the Quarter

- Exited US Value
- Initiated Software
- Reduced Banks, Industrials

FIXED INCOME ALLOCATION PERFORMANCE

Contributors

- EMB
- DM Debt

Detractors

- All Segments Positive on the Quarter

The dominant factor for bond markets in the second quarter was the shift in Fed expectations toward hikes amid an energy shock and improving economic growth in the US. Fixed Income returns were modest, with yields under upward pressure from more hawkish FOMC expectations, but high levels of income carry helped cushion total returns.

The fixed income strategy was positive on the quarter, outperforming its benchmark. The overweight to EMB was the primary contributor, while improving sentiment regarding emerging markets supported Fed debt returns.

Noteable Portfolio Adjustments During the Quarter

- Initiated CDOs
- Trimmed IG Corporates

Asset Allocation Perspectives

July 2026

Market Outlook and Key Investment Themes

Asset Class Views

Equities vs. Fixed Income

We carry an overweight in equities vs. fixed income. Given our base case that the U.S. will avoid a recession and benefit from strong earnings and an AI-driven spending cycle, we see relative upside potential in equities compared to bonds.

Equity View	Reasoning
U.S. Equities	We carry a modest overweight in U.S. equities relative to international markets. The U.S. continues to show larger near-term tailwinds with a stronger earnings outlook, capex trends, and economic momentum. Overhead valuations are, most other things equal, policy uncertainty keep our overweight muted.
Developed International	After a strong start to the year in developed markets, we moved to an underweight, seeing better deployment in the U.S. Despite progress with rates, Europe and other major economies have lagged behind. We see limited upside from here, though we may improve as more firms fully feel the Q1 earnings shock drag larger than the U.S. Additionally, one Europe has high technology and AI exposure, limiting emerging growth and margin expansion relative to the U.S.
Emerging Markets	We maintain a neutral allocation to EM as valuations are attractive and there is growth visible in India and parts of Asia and LATAM. This is countered by structural weakness in China and elevated macro and geopolitical risks globally.
Style/Sector/Factor	In addition to tilt toward large-cap growth stocks, we carry increased exposure to banks, industrials, and healthcare, where improving earnings breadth, attractive relative valuations, and diversified nature drives provide a compelling case versus technology and AI-related exposures.
Fixed Income View	Reasoning
U.S. Treasuries	We are underweight Treasuries overall, with a tilt toward long-end curves exposure. Longer duration Treasuries provide an offset to our spread overweight and help us maintain an overall long duration position at the portfolio level. The headline short-term has caused more movement at the front end of the curve, and we remain concerned in carrying a long duration position in relation to how funds.
Investment Grade Credit	Market weight-for type, value still makes sense in IG credit given strong fundamentals and demand for equity, but full valuations, and rather than take a large overweight in IG spread risk, we continue to enhance our spread overweight position and orient yield with non-core sectors and increased MBS exposure.
Securitized	We continue to the agency mortgage sector close to par's relative value and macroeconomic standing. Mortgage offer attractive yields to Treasuries and IG credit without the credit risk and should benefit from lower loan losses. We have increasingly seen mortgage-backed securities (MBS) and structured selection are an important excess return driver after securitized markets.
Non-Core Fixed Income	We believe a moderate allocation to non-core assets is appropriate to diversify sources of yield and return. Given tight US credit spreads, we have less high yield and loan allocations in favor of increased preferred stock and high income securitized resources.

(Disclaimer: These analyses represent views of SAGE, Inc. and do not constitute investment advice or recommendations. They are subject to change without notice. Past performance does not guarantee a similar outcome. All investments involve risk, including the loss of principal. Please consult your financial advisor before making any investment decisions.)

No Risk No Return May Lose Value No Best Outcome

Regional Coverage

Main Sales Contact: 512-895-4130

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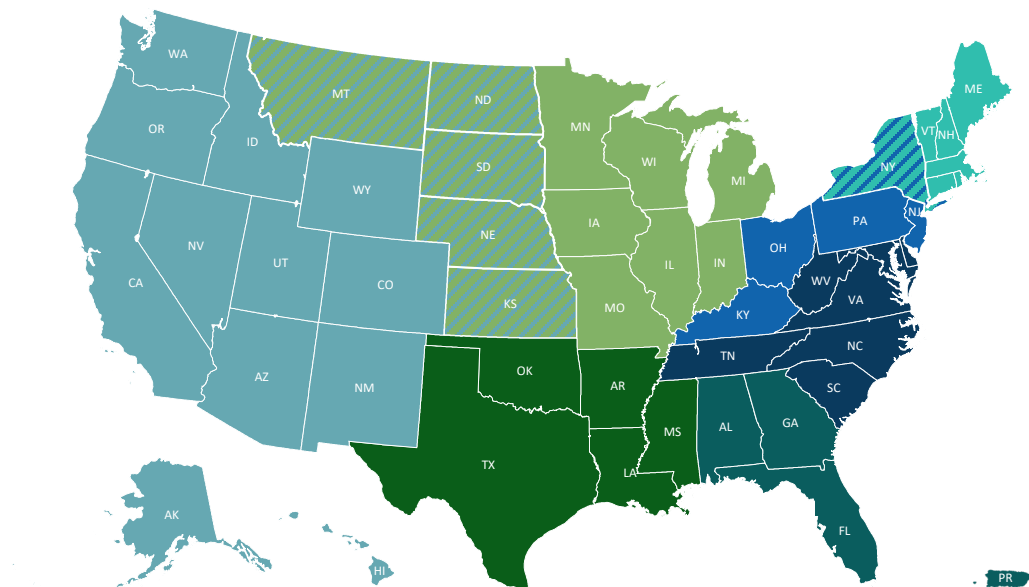
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