SAGE
INVEST WITH WISDOM

# Core Fixed Income Strategy

*Characteristics and Commentary*

3rd Quarter 2026

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## Market Environment

- Stronger economic data during the quarter worked against returns, as it was paired with sticky inflation and concerns around the rising cost of capital, growing deficits, and heavy supply. The result was a more hawkish shift in monetary policy: the Fed hiked in September and signaled that more may come.
- Fixed income returns were negative across nearly all sectors, as elevated income could not absorb the rapid adjustment in rates. Duration was the dominant driver and pushed most indices into negative territory.
- Credit returns were negative because of duration, but spreads stayed resilient as yield buyers continued to absorb record supply. MBS lagged given its rate sensitivity and higher rate volatility. Within non-core, higher-income, lower-duration segments such as leveraged loans fared better on the quarter.

## Quarterly Performance

The Core Strategy returned -3.70% (gross) / -3.78% (net) vs. -3.51% for the Bloomberg Aggregate Index.

Attribution:
- Curve/Duration: -10 bps
- Sector/Selection: -9 bps (-25 bps/+16 bps)

Primary contributors to relative performance:
- Sector: Underweight to Treasuries
- Subsector: Allocation to ABS
- Industries: Overweight Banking, Underweight Consumer Non-Cyclical & Underweight Communications

Primary detractors to relative performance:
- Curve/Duration
- Subsector: Allocation to RMBS
- Industries: Underweight Technology, Underweight Energy & Overweight Consumer Cyclical

## Outlook

- Inflation remains above target and the primary driver of Fed policy. But underlying core inflation trends are substantially lower than earlier in the cycle and fundamentally different from the inflation surge of 2021–2022. As such, we expect continued rate volatility as data shifts, but ultimately a short cycle (two to three additional hikes) over the next six to nine months.
- Much of this has been priced into the curve, making short and intermediate fixed income compelling on a forward basis. We remain more cautious toward the long end of the Treasury curve, where structural pressures tied to fiscal deficits, elevated Treasury issuance, and potentially higher term premiums could weigh on prices for longer.
- We continue to view credit primarily as a carry opportunity, with the greatest value residing at the security selection level rather than through broad market beta.

## Positioning

- Within the strategy, we are focused on sector tilts and issuer selection, while maintaining relatively low tracking error, full duration, and a defensive credit profile to take advantage of opportunities amid potential fixed income volatility.
- 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-asset issuers that are less susceptible to AI-driven disruption, as well as highly regulated sectors, such as banking and utilities.

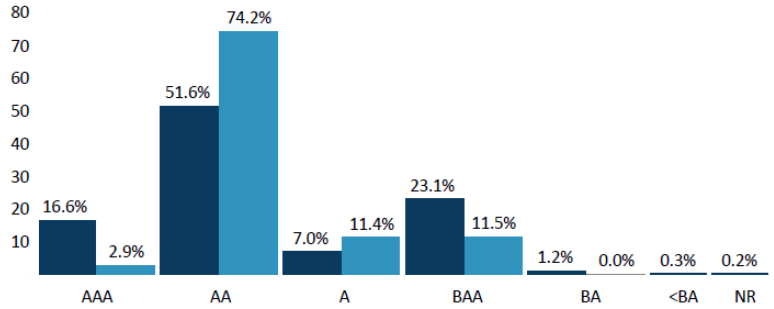
Performance attribution and commentary is in reference to the composite. Performance is as of 9/30/26.

# Core Fixed Income Characteristics & Commentary

## PORTFOLIO SUMMARY

| | |
|---|---|
| **As of Date** | September 30, 2026 |
| **Portfolio Market Value** | Composite |
| **Benchmark** | Bloomberg U.S. Aggregate |

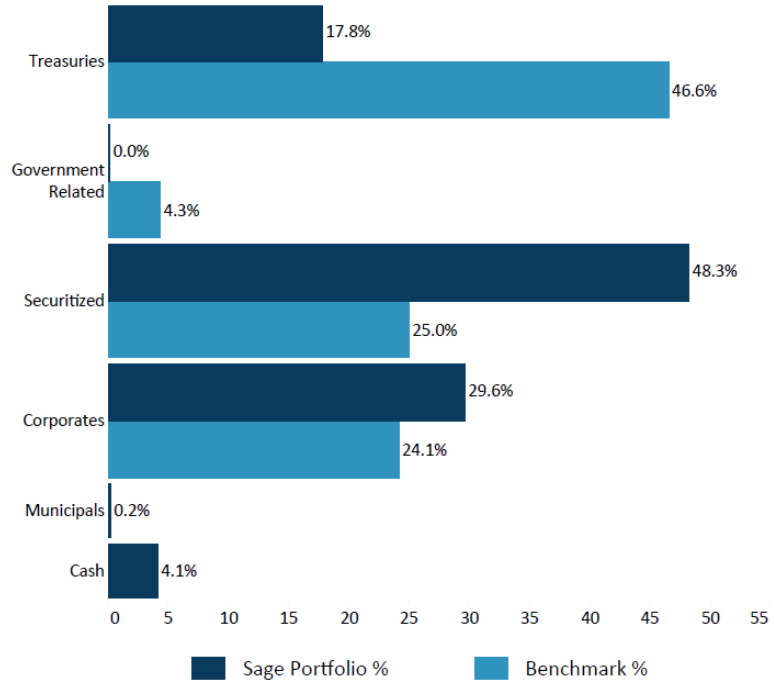
## CREDIT RATING ALLOCATION




## PORTFOLIO CHARACTERISTICS

| | Portfolio | Benchmark |
|---|---|---|
| **Yield to Worst** | 5.82% | 5.57% |
| **Coupon** | 4.50% | 3.81% |
| **Effective Maturity** | 8.51 | 8.24 |
| **Effective Duration** | 5.65 | 5.71 |
| **Average Credit Rating** | A | AA |

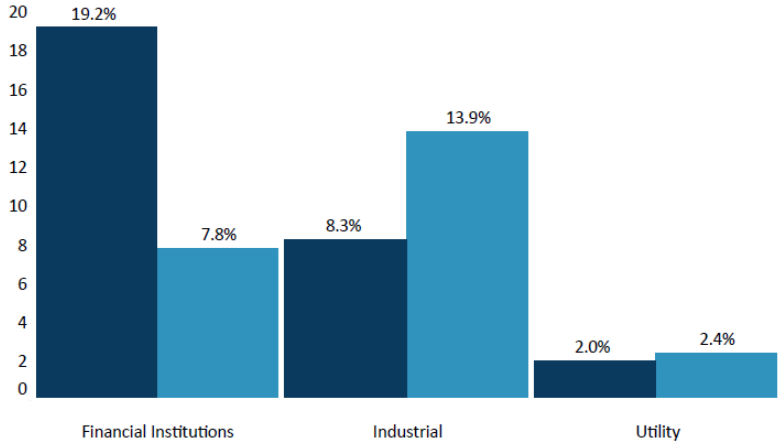
## SECTOR ALLOCATION



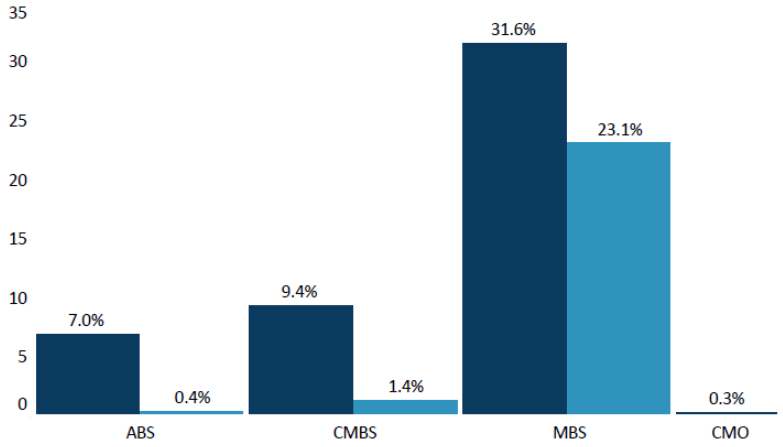

Information as of 9/30/26. This information is supplemental to the GIPS presentation attached and is based on underlying composite accounts. Sage represents that the holdings, characteristics and risk profile are representative of the strategy/style. Please reference complete GIPS disclosures at the end of the presentation.

# Core Fixed Income Characteristics & Commentary

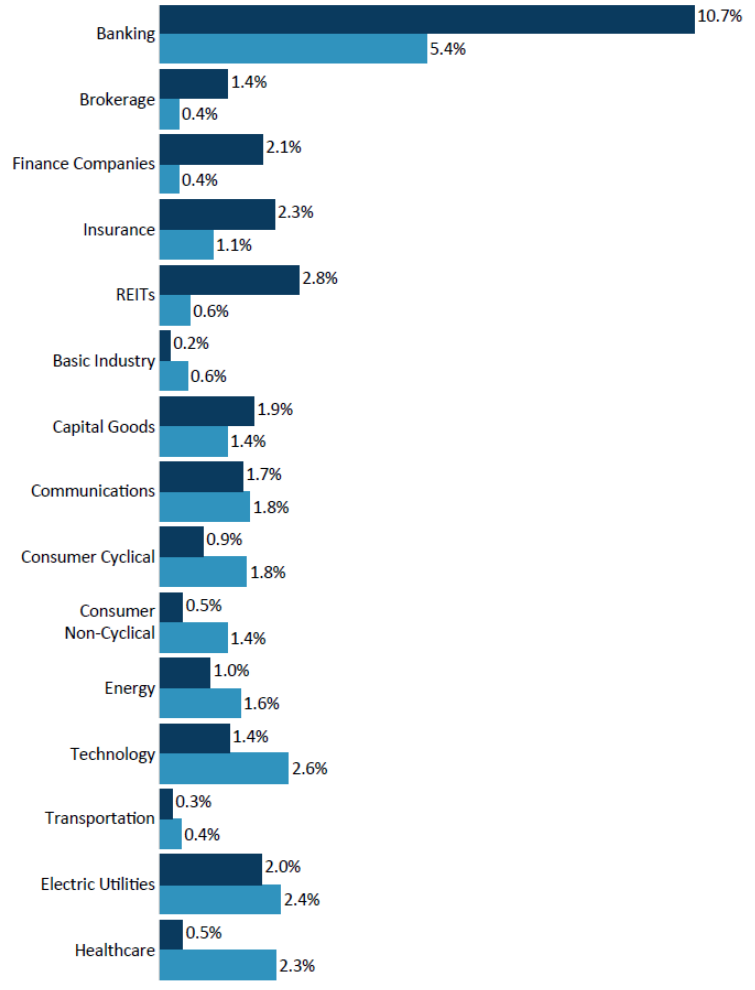
## CORPORATE SECTOR ALLOCATION




## SECURITIZED SECTOR ALLOCATION




## CORPORATE INDUSTRY ALLOCATION

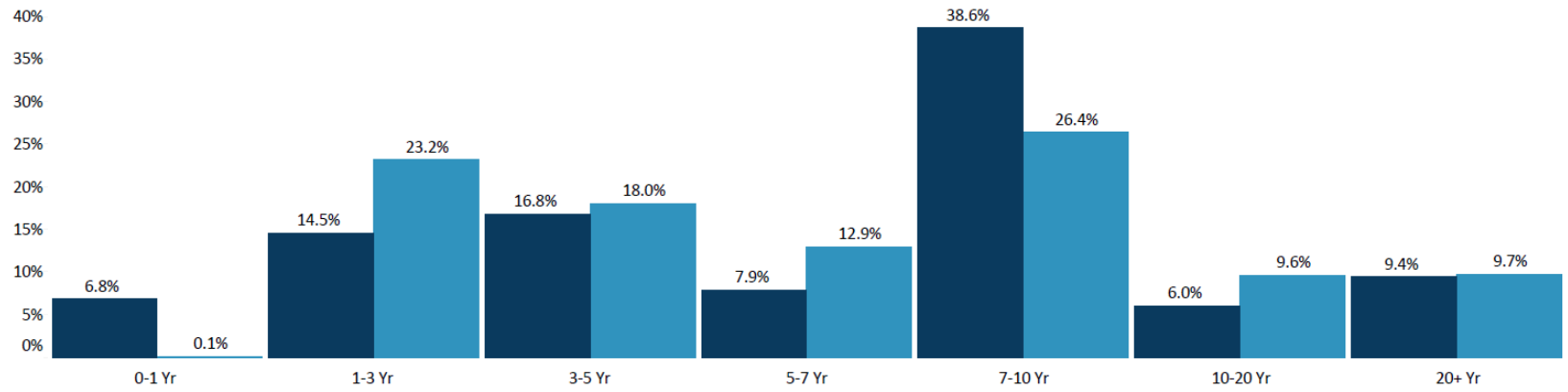



Sage Portfolio %  Benchmark %

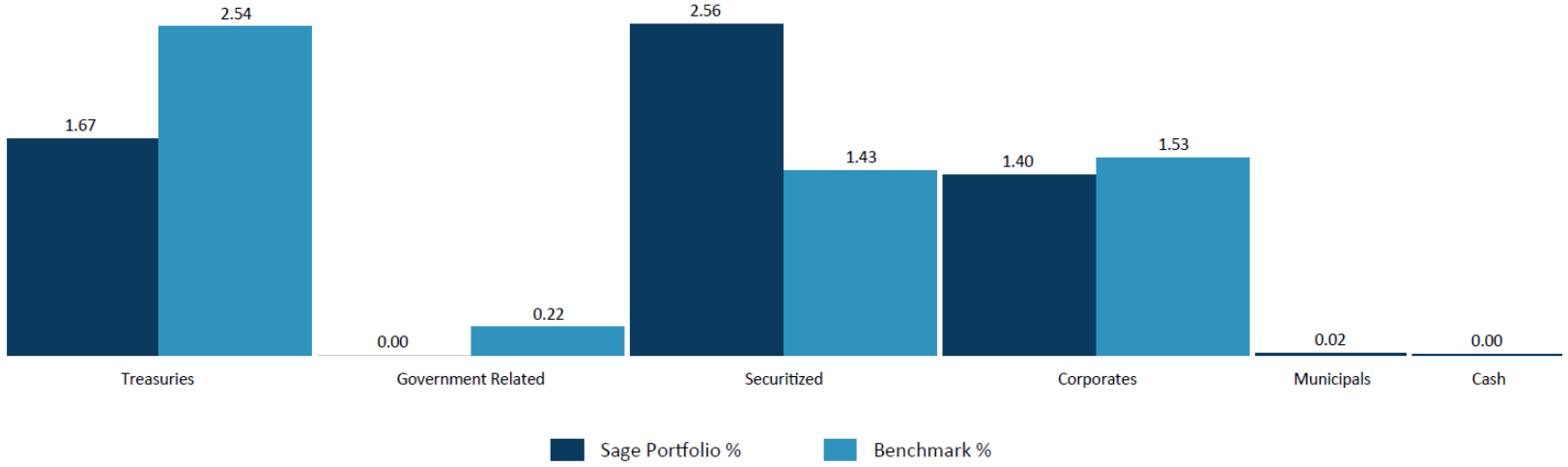
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# Core Fixed Income Characteristics & Commentary

## MARKET VALUE DISTRIBUTION BY MATURITY




## CONTRIBUTION TO DURATION DISTRIBUTION BY SECTOR




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# Core 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) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2016 | 2.60 | 2.19 | 2.65 | 19 | 2.76 | 2.98 | 0.10 | 621 | 10,183 | 1,809 | 11,992 |
| 2017 | 4.24 | 3.83 | 3.54 | 21 | 2.59 | 2.78 | 0.10 | 678 | 10,808 | 1,904 | 12,712 |
| 2018 | -0.31 | -0.71 | 0.01 | 19 | 2.60 | 2.84 | 0.12 | 620 | 11,062 | 1,677 | 12,739 |
| 2019 | 9.53 | 9.10 | 8.72 | 27 | 2.70 | 2.87 | 0.26 | 1,153 | 12,798 | 1,823 | 14,621 |
| 2020 | 10.00 | 9.61 | 7.51 | 35 | 3.91 | 3.36 | 0.31 | 1,222 | 13,731 | 1,961 | 15,691 |
| 2021 | -0.35 | -0.70 | -1.54 | 36 | 3.93 | 3.35 | 0.27 | 1,145 | 15,053 | 2,491 | 17,544 |
| 2022 | -13.06 | -13.37 | -13.01 | 42 | 6.25 | 5.77 | 0.14 | 1,092 | 15,286 | 2,036 | 17,322 |
| 2023 | 6.36 | 5.99 | 5.53 | 56 | 7.23 | 7.14 | 0.23 | 1,578 | 22,640 | 1,986 | 24,626 |
| 2024 | 2.06 | 1.71 | 1.25 | 61 | 7.86 | 7.72 | 0.19 | 2,346 | 24,912 | 1,881 | 26,793 |
| 2025 | 7.87 | 7.49 | 7.30 | 69 | 6.13 | 5.98 | 0.09 | 2,684 | 28,347 | 1,859 | 30,206 |

| | 1 Yr | 5 Yr | 10 Yr |
|---|---|---|---|
| Gross Return (%) | 7.87 | 0.29 | 2.68 |
| Net Return (%) | 7.49 | -0.07 | 2.30 |
| Benchmark Return (%) | 7.30 | -0.36 | 2.01 |

*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 Fixed Income Composite (the"Composite") consists of all non-wrap program discretionary, fee-paying accounts over $1,000,000 that are managed for a full month according to this style. The Composite contains accounts investing primarily in fixed income securities. The Composite creation and inception date is April 30, 1999. 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. Effective 3/1/2020, the Significant Cashflow Policy is defined as a cashflow equal or greater than 10% percent of the total account value on the day the cash flow is initiated. The account will be removed from the composite at the beginning of the month in which the significant cash flow occurs and added back to the composite on the first day of the month following the date that the account is fully invested. From 1/1/2013 through 2/29/2020 the Significant Cashflow Policy was defined as a cashflow equal or greater than 25%. Prior to December 31, 2025, the composite name was Core Aggregate Fixed Income Composite. The composite name was changed to better align with industry standards.

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 1/1/2020 the model fee was 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.

Composite Benchmark: Sage has reviewed the relevant universe of indices and has determined that the Bloomberg Aggregate Bond Market Index most closely resembles the Composite managed by Sage. The Bloomberg Aggregate Bond Market Index represents securities that are U.S. Treasuries, U.S. Agencies, U.S. investment grade 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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