

Sage ETF Strategies Overview (UCITS)

July 2026

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

SAGE | INVEST WITH WISDOM™

Who We Are

- Founded in 1996
- 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.

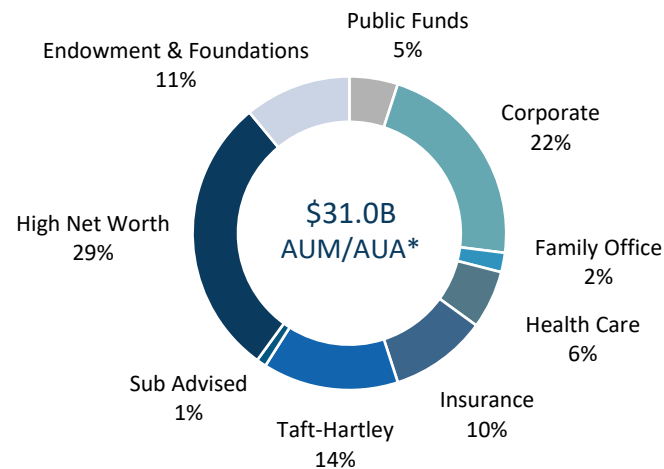
Consistency

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

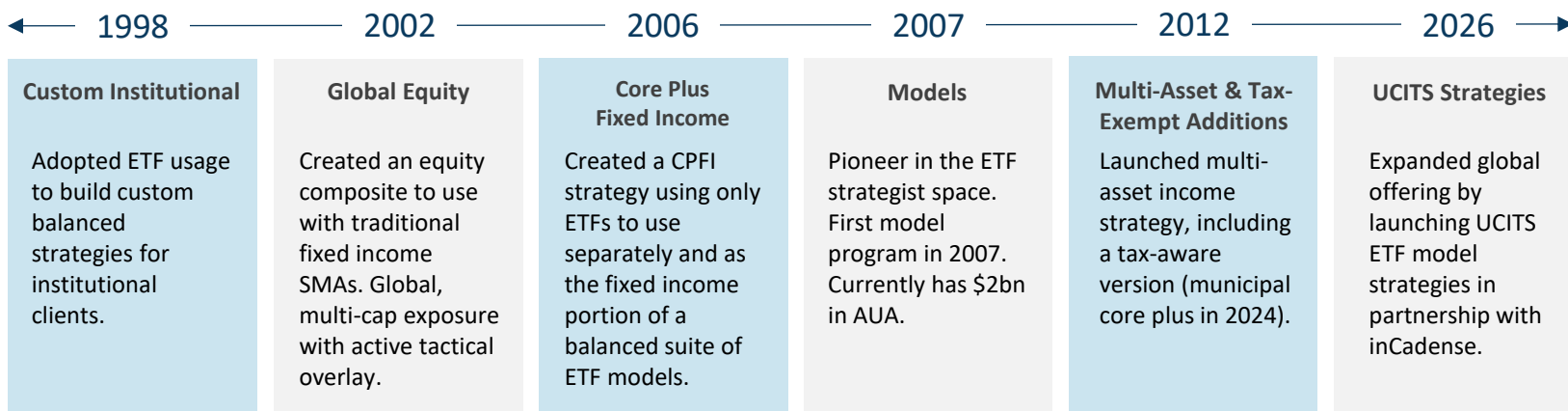


Multi-Asset Management

Experience and Differentiators

- Active multi-asset management since 1998
- Early innovator in the ETF space and model strategy construction
- Institutional perspective and process
- Fixed income expertise adds depth to income strategies
- Consistency in team has led to consistency in client experience

ETF Multi-Asset History/Timeline



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

Seth B. Henry, CFA 
Partner | Securitized

Andrew K. Demand, CFA 
Partner | Credit

David L. Luria, CFA
Vice President | Credit

Nicholas C. Erickson, CFA
Vice President | Securitized

Brett J. Adelglass, CFA
Associate | Municipal

Nicholas A. Barnard, CFA
Associate | Securitized

Alex Bender, CFA
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 
Chief Investment Strategist

Komson Silapachai, CFA 
Partner | Sr. Strategist

Andrew S. Poreda, CFA 
VP, Sr. Research Analyst | LDI,
Responsible Investing

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

Jae Y. Song, ASA
VP, Sr. Research Analyst | LDI

Douglas A. Benning
VP, Sr. Research Analyst | General

Xochitl C. Maldonado
Research Analyst | Quantitative

The Power of ETF Models for Advisors

1

Efficiency

Model portfolios automate monitoring and rebalancing, apply updates across accounts in real time, and reduce advisor workload so they can serve more clients efficiently.

2

Cost Effectiveness

Model portfolios cut daily management and costs, especially with the efficiency of ETFs. Advisors save time and can focus on growth and stronger client relationships.

3

Simplicity

Model portfolios are easy to understand and are managed by institutional investment firms. They also remove the complexity of building portfolios from scratch, saving time and effort.

4

Diversification

Model portfolios strengthen diversification and help smooth market swings. Their tested design gives advisors a clear framework during volatility, reducing the need to rethink individual investment decisions.

Our Approach to Models

Investment Philosophy

We believe that dynamic allocation models expressed through ETFs are the most efficient, scalable way to deliver consistent returns over complete market cycles.

Dynamic Allocation

Strategy exposures are actively managed within a measured risk band to respond to market opportunities and manage portfolio risk.

ETF Implementation

ETFs are the most efficient vehicle to build consistent, globally diversified strategies. Our due diligence process ensures we utilize the best-of-breed provider for each market segment.

One Portfolio Approach

We disaggregate the underlying securities of each ETF and manage the strategies during the portfolio construction and risk management phases.

UCITS

Strategies Across Objectives

	Strategy	Time Horizon (Years)	Target Allocation*	Objective
Growth	Global Equity Sustainable Global Equities	10-plus	100% Equity	Focus is on capital appreciation. Investors have a longer time horizon and a higher tolerance for short-term volatility.
Stability	Multi-Asset Income Core Plus	2-5 1-3	20% Equity/ 80% FI and Hybrids 100% Fixed Income	Focus is on stability of returns through allocations to traditional income sectors (accumulating shares). The time horizon is short to medium term, and investors have a low tolerance for short-term volatility.

*Actual allocation may vary based on market conditions.

Multi-Asset Strategies (US-Based)

Strategies Across Objectives

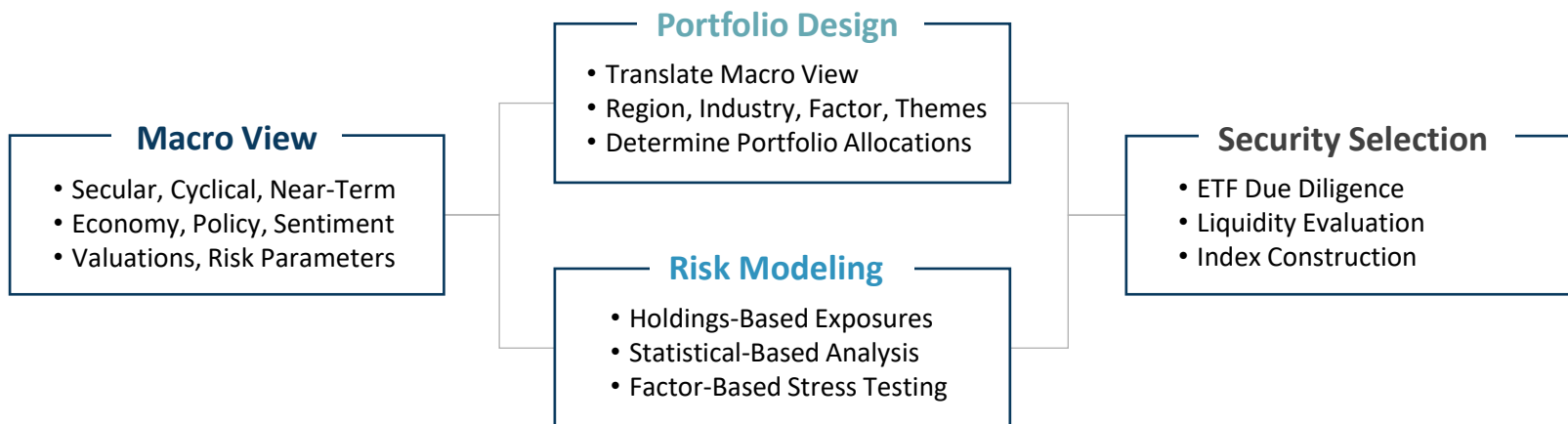
	Strategy	Time Horizon Years	Target Allocation*	Objective
Growth	Global Equity	10-plus	100% Equity	Focus is on capital appreciation. Investors have a longer time horizon and a higher tolerance for short-term volatility.
	Growth	7-10	80% Equity/ 20% Fixed Income	
	Moderate Growth	5-7	60% Equity/ 40% Fixed 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/Taxable and Municipal	1-3	100% Fixed Income	

*Actual allocation may vary based on market conditions.

Our Approach

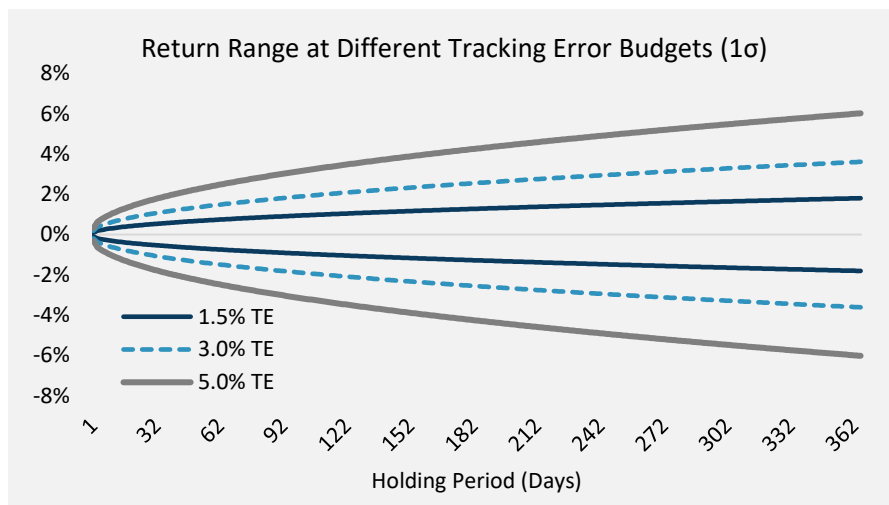
Investment Process

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

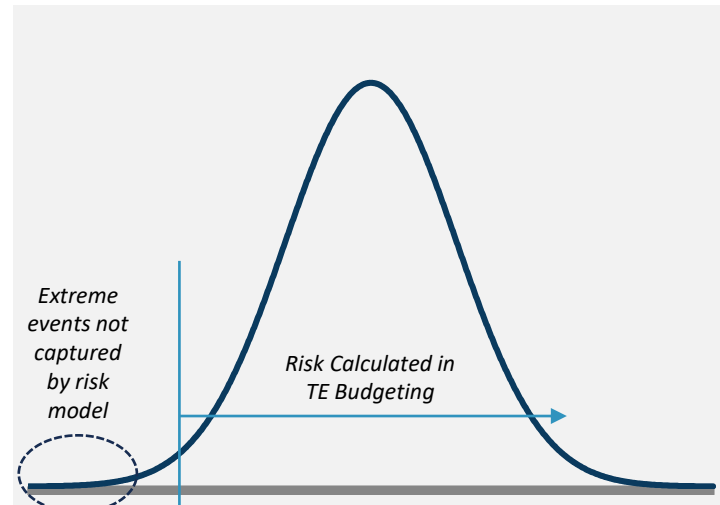


Our Approach – Risk Management

Risk Budgeting



Stress Testing



Decomposed into Factors

Eq Allocation	Eq Region	FI Duration	FI Structure
FI Allocation	Eq Style	FI Sector	FI Quality
Active/Passive	Eq Industry	FI Currency	FI Inflation

Example of Scenarios Considered

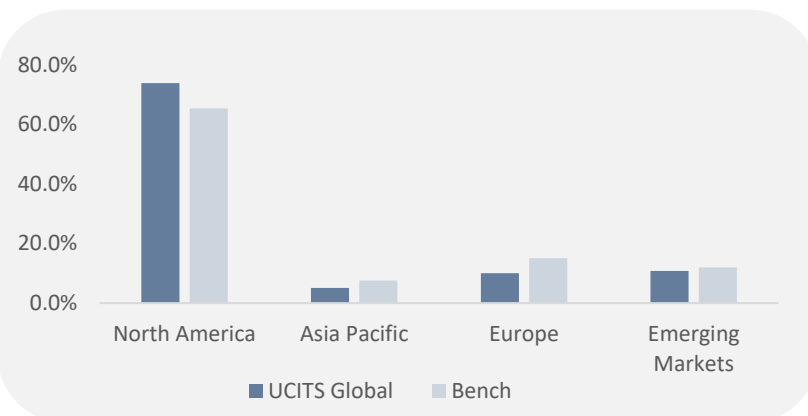
Historical Crises	Equity Stress	Yield Shocks
Credit Events	Yield Curve	Oil Shock
Regional Decoupling	Currency Volatility	Inflation

Global Equity Characteristics

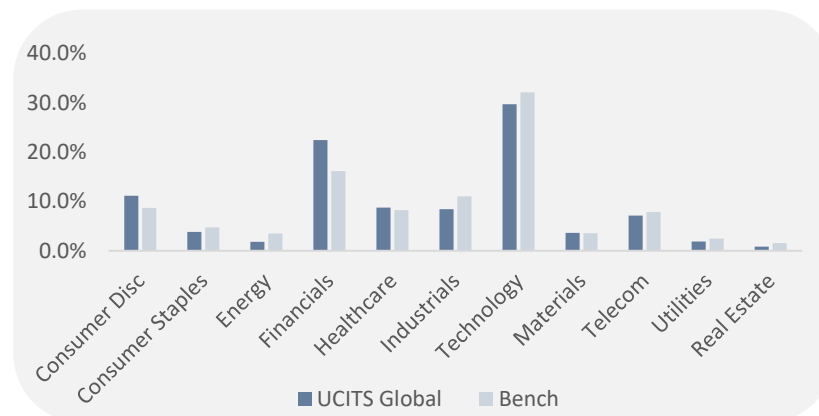
Model Allocation

Name	Ticker	%	Segment
Invesco S&P 500 UCITS ETF	SPXS LN	30.0	US - Large Cap
Xtrackers MSCI World ex USA	EXUS LN	16.0	Intl Dev - AC World ex-US
Xtrackers MSCI USA UCITS ETF	XD9U LN	15.0	US - MSCI USA
iShares Core MSCI EM IMI UCITS	EIMI LN	11.0	Emerging - Emerging IMI
Invesco Nasdaq-100 Swap UCITS	EQQS LN	10.0	US - NASDAQ 100
iShares S&P 500 Financials	IUFS LN	8.0	US - Financials
iShares Edge MSCI USA Value	IUVL LN	5.0	US - Value
iShares S&P 500 Consumer Discr	IUCD LN	3.0	US - Consumer Disc
	Cash	2.0	US - Cash

Regional Allocation



Sector Allocation

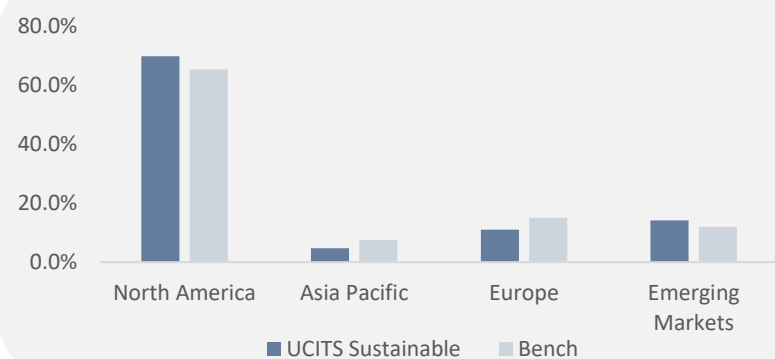


Sustainable Global Equity Characteristics

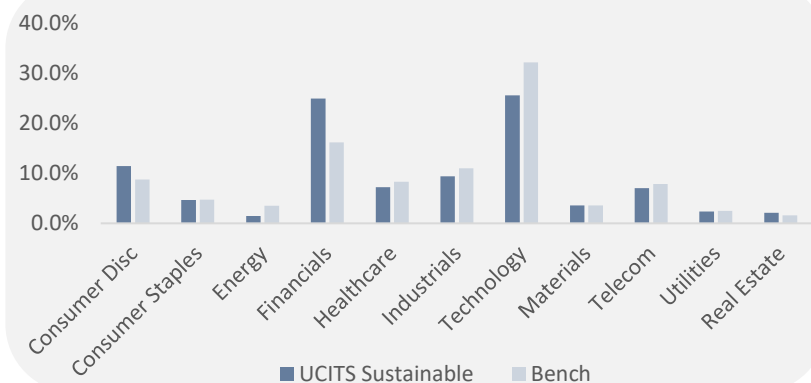
Model Allocation

Name	Ticker	%	Segment
iShares MSCI USA SRI UCITS ET	SUAS LN	40.0	US - SRI
Xtrackers MSCI World ex USA	EXUS LN	15.0	Intl Dev - AC World ex-US
Xtrackers S&P 500 Equal Weight	XDEW LN	15.0	US - Equal Weight
iShares MSCI EM SRI UCITS ETF	SUSM LN	14.0	Emerging - Emerging SRI
iShares S&P 500 Financials	IUFS LN	10.0	US - Financials
iShares S&P 500 Consumer Discr	IUCD LN	4.0	US - Consumer Disc
	Cash	2.0	US - Cash

Regional Allocation



Sector Allocation

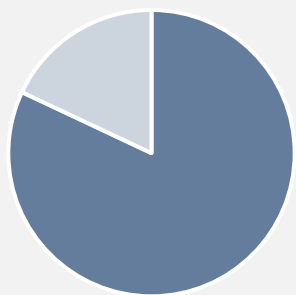


Core Plus Fixed Income Characteristics

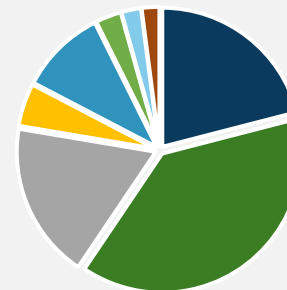
Model Allocation

Name	Ticker	%	Segment
iShares US Mortgage Backed	IMBA LN	37.0	Core - MBS
iShares US Aggregate Bond	IUAA LN	16.0	Core - Aggregate
iShares USD Corp Bond UCITS	LQDA LN	14.0	Core - Corporates
Xtrackers USD High Yield Corpo	XUHA LN	10.0	Non-Core - High Yield
iShares USD Treasury Bond 20+y	DTLA LN	7.0	Core - Treasury 20+ Yr
iShares USD Treasury Bond 7-10	CBU0 LN	6.0	Core - Treasury 7-10 Yr
Invesco Preferred Shares UCITS	PRAC LN	5.0	Non-Core - Preferred
iShares J.P. Morgan USD EM	JPEA LN	3.0	Non-Core - Emerging
Cash		2.0	Core - Cash

Sector Allocation



■ Core ■ Non-Core



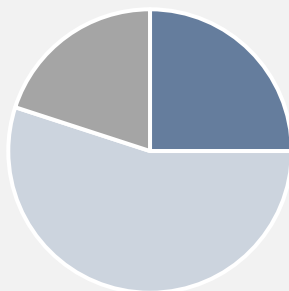
■ Treasury ■ MBS ■ IG Credit
■ Preferred ■ High Yield ■ Emerging market
■ Cash ■ Muni

Multi Asset Income Characteristics

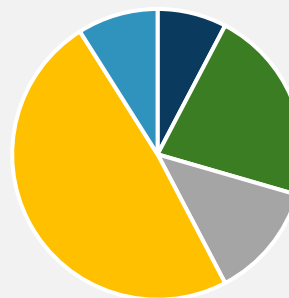
Model Allocation

Name	Ticker	%	Segment
Xtrackers USD High Yield Corpo	XUHA LN	20.0	Non-Core Fixed - High Yield
iShares USD High Yield Corp	IHYA LN	18.0	Non-Core Fixed - High Yield
iShares US Mortgage Backed	IMBA LN	17.0	Core Fixed - MBS
SS SPDR MSCI All Country Worl	ACWD LN	12.0	Equity - AC World
Invesco Preferred Shares UCITS	PRAC LN	10.0	Non-Core Fixed - Preferred
Xtrackers MSCI World ex USA	EXUS LN	8.0	Equity - AC World ex-US
iShares JP Morgan EM Local Gov	EMGA LN	7.0	Non-Core Fixed - Emerging Local
iShares USD Treasury Bond 20+y	DTLA LN	6.0	Core Fixed - Treasury 20+ Yr
	Cash	2.0	Core - Cash

Sector Allocation



■ Core Fixed
 ■ Non-Core Fixed
 ■ Equity



■ Treasury
 ■ MBS
 ■ Preferred
 ■ High Yield
 ■ Emerging market

Our Research

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

Sage Advice 4Q25 Market Review and Outlook
January 06, 2026

Quarter in Review

The fourth quarter was not an easy one for markets but ended up being a productive one with all major asset classes finishing in positive territory (S&P 500, +2.7% and Aggregate Bond Index, +1.1%). Risk appetites faced multiple challenges, including a government shutdown, weak job recovery, and investors gained confidence. Data showed overall resilience, with sectors like healthcare outperforming. The year, with shorter duration, showed positive performance as spread market returns, and MBS showed remarkable resilience in 2025. The year but lagged even strong 2026, its best year since 2009. B index gaining +7.3%, driven by yield translated into lower yields (act -27bps). Credit spreads were st

Latest Insights

[FIXED INCOME: ACA Subsidies: Essential Support](#)

Asset Allocation Perspectives
January 2026

Market Outlook and Key Investment Themes

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Equity	View	Reasoning
US Equities	▲	We hold an overweight in US equities relative to international markets given economic resilience and a supportive fiscal and monetary policy backdrop. Valuations are higher than many other regions, but earnings momentum and liquidity remain supportive into 2026.
Developed International	▼	We carry a moderate underweight in developed markets and have lowered exposure further during the fourth quarter in favor of increasing US small cap exposure. Small caps' valuations are attractive and stand to benefit from Fed easing, while developed markets such as Europe face less policy flexibility and a weaker growth picture overall.
Emerging Markets	○	We maintain a neutral allocation to EM as valuations are attractive and there is growth upside in India and parts of Asia and LATAM. This is countered by structural weakness in China and elevated macro and geopolitical risks globally. China stimulus has caused bouts of outperformance, but it is not yet a game changer with respect to growth forecasts.
Style/Sector/Factor	○	We enter 2026 with a growth bias, and an overweight to banking, retail, and healthcare sectors. Key changes in 4Q include exiting the software sector based on stretched valuations and positioning ahead of mid-November volatility. At the same time, we added direct exposure to banks and retail to selectively increase US cyclical exposure.
Fixed Income	View	Reasoning
US Treasuries	▼	We are underweight Treasuries overall but biased toward longer-duration exposure. This is balanced with a credit allocation biased toward the front-end, to tamp down overall spread volatility. This positioning also allows us to keep modestly longer-than-benchmark duration at the portfolio level to balance our non-core risk and increased securitized exposure.
Investment Grade Credit	○	Market weight-type exposure still makes sense in IG credit given strong fundamentals and demand for yield but full valuations. We continue to have a tilt toward short-dated credit to enhance quality and liquidity, and we continue to diversify our overall spread risk with increased MBS.
Securitized	▲	
Non-Core Fixed Income	○	

Global Asset Allocation ETF Strategies Performance Commentary | Fourth Quarter 2025

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EQUITY ALLOCATION PERFORMANCE

Contributors

- International Equities
- US Banks

Detractors

- Software
- Healthcare Providers

Equities faced volatility during the quarter, including a government shutdown, weak job data, and AI valuation concerns. Ultimately, markets recovered and investors gained clarity on a few fronts, including Fed cuts, and economic data showed resilience with a robust GDP number. Within equities, growth underperformed value, and more defensive sectors like healthcare outperformed. International equities ended the year on a strong footing given a favorable growth/policy mix.

The equity strategy delivered a positive quarterly return. The strategy's allocation to international developed market equities was the largest contributor, with the largest detractors being software and healthcare providers given regulatory concerns.

Notable Portfolio Adjustments During the Quarter

- Initiated US Banks, Retailers
- Initiated Canada position
- Trimmed US Growth
- Exited Software Sector, US Quality

OUTLOOK & CURRENT POSITIONING

- The outlook remains tilted bullish for sentiment and risk assets, supported by tailwinds of a healthy consumer, stimulus from the tax bill, tariff revenues, and AI-related spending. At the same time, slowing service prices, slowing wage growth, and falling tariff impact should help contain inflation.
- In global allocation strategies, we enter the year neutral to US exposure and full beta. Within equities, we are balancing our risk position with lower average valuation multiples than the broad market, an allocation to small caps to increase diversification and reduce concentration risk, and several tactical sector tilts. These are focused on valuation opportunities and stability, and include healthcare, banks, and retail.
- Within core plus strategies, we carry moderate and well-diversified exposure in non-core sectors. We lowered high yield and loan exposure in the second half of 2025 in favor of increased preferred stock and higher-income securitized exposure.

FIXED INCOME ALLOCATION PERFORMANCE

Contributors

- MBS
- Corporate Bonds (IG/HY)

Detractors

- Preferreds
- Long Treasuries

In fixed income, two Fed cuts drove performance, with shorter duration segments outperforming on curve steepening. While the labor market was weak enough to warrant Fed rate cuts, the economy remained in expansion, supporting the outlook for corporate fundamentals. Credit had positive performance as spreads remained historically tight but underperformed broad market returns, and MBS showed strength during the quarter. Bonds posted the best year since 2020 with the Aggregate Bond Index returning 7.3%.

The fixed income strategy posted a strong positive quarterly return, driven by performance in the strategy's MBS and corporate bond allocations.

Notable Portfolio Adjustments During the Quarter

- Added Treasuries
- Exited Loan Exposure

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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. Our Tactical ETF strategy invests in exchange traded funds (ETFs). Investors should consider funds' investment objectives, risks, charges, and expenses carefully before investing. The investment return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. ETFs trade like stocks and may trade for less than their net asset value. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio. Past performance is not a guarantee of future results.

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The historical asset allocations and portfolio changes ("Portfolio Changes") are based on model portfolios and actual changes made to specific investment platform and/or client portfolios or model portfolios may vary based on investment guidelines requested by each such investment platform and/or client. There is no assurance, as of the date of publication, that the securities purchased, as a result of the Portfolio Changes, remain in the model portfolios or that securities sold have not been repurchased. Additionally, it is noted that the securities purchased as a result of the Portfolio Changes may not represent the entire model portfolio. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the model portfolios or the strategies discussed herein. With respect to the model portfolios, a complete list of all recommendations made by Sage over the previous twelve (12) month period will be made available upon request.

Index Definitions: The Barclays Emerging Market Debt Index consists of the USD-denominated fixed- and floating-rate U.S. Emerging Markets Index and the fixed rate Pan-European Emerging Markets Index, which is primarily made up of GBP- and EUR-denominated securities. The Barclays Treasury Inflation Protected Securities Index is a rules based, market value-weighted index that tracks inflation-protected securities issued by the U.S. Treasury. The Barclays High Yield Bond Index measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. The Barclays MBS Index covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The Barclays Agency Index includes native currency agency debentures from issuers such as Fannie Mae, Freddie Mac, and Federal Home Loan Bank. The Barclays Credit Index comprises the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities. The Barclays Treasury Index includes public obligations of the U.S. Treasury. The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 Index companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000 Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values. The Deutsche Bank Liquid Commodity Index seeks to track the DBIQ Optimum Yield Diversified Commodity Index Excess Return™ by entering into long futures contracts and collateralizing those contracts with United States 3-month Treasury bills. The S&P 500 Growth and Value Indices measure Growth and Value in separate dimensions across six risk factors. Growth factors include sales growth, earnings change to price and momentum; and the Value factors include book value to price ratio, sales to price ratio and dividend yield. The S&P 400 Index measures the performance of the mid-capitalization sector of the US equity market. The component stocks have a market capitalization between \$1 billion and \$4 billion and are selected for liquidity and industry group representation. The MSCI EAFE Index seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the European, Australasian and Far Eastern markets. The WisdomTree Dividend Index of Europe, Far East Asia and Australasia (WisdomTree DEFA) is a fundamentally weighted Index that measures the performance of dividend-paying companies in the industrialized world, excluding Canada and the United States, that pay regular cash dividends and that meet other liquidity and capitalization requirements. It is comprised of companies incorporated in 16 developed European countries, Japan, Australia, New Zealand, Hong Kong and Singapore. Companies are weighted in the Index based on annual cash dividends paid. The MSCI EAFE Equal Weighted Index equally weights the securities in the MSCI EAFE Index (MSCI EAFE Cap-Weighted Index), which is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada. In the MSCI EAFE Equal Weighted Index, each security has the same weight, meaning that the weight of each security is set to unity on the rebalancing date. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The Cohen & Steers Realty Majors Index consists of selected Real Estate Investment Trusts (REITs). The objective of the index is to represent relatively large and liquid REITs that may benefit from future consolidation and securitization of the U.S. real estate industry.