



August 29, 2008

Dear Clients and Friends,

I am very pleased to announce the appointment of Mr. Alexander Pekker, Ph.D. as Vice President/Quantitative Analysis and Research for Sage Advisory Services.

[www.sageadvisory.com](http://www.sageadvisory.com)

5900 Southwest Parkway  
Building 1, Suite 100  
Austin, Texas 78735  
phone | 512.327.5530  
fax | 512.327.5702

Alex comes to Sage with strong fixed income quantitative analytical skills, as well as a solid background in actuarial mathematical analysis. He was previously employed with Wilshire Associates, Inc. in Santa Monica California within the Fixed Income Analytics Division. While at Wilshire Associates Alex has worked on developing portfolio investment strategies, value at risk analysis, asset allocation optimization strategies, performance monitoring and investment management policy formation.

Prior to his professional experience with Wilshire Alex also worked for Mercer Consulting in their Retirement Practice Group. As an Actuarial Analyst he was responsible for defined benefit and post-retirement healthcare plan research, actuarial valuations, benefit analysis and proprietary software modeling.

Alex received his Ph.D. degree in Mathematics from the University of Texas, an AM degree in Mathematics from Harvard University, an MS degree in Computer Science from Stanford University and graduated with honors from Stanford University with a BS degree in Mathematics in 2001.

In his new position Alex will work closely with Rob Williams and Meghan Smith as well as the other members of our portfolio management team. This new appointment further fortifies our risk analysis and portfolio management effort and introduces yet another fresh dimension to our research and analytic capabilities. As always, we encourage you to contact us to learn more about our professional staff and their efforts to provide a superior investment management service.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert G. Smith, III', written in a cursive style.

Robert G. Smith, III  
President & CIO