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Sustainable Fixed Income

1Q 2025

Strategy Overview

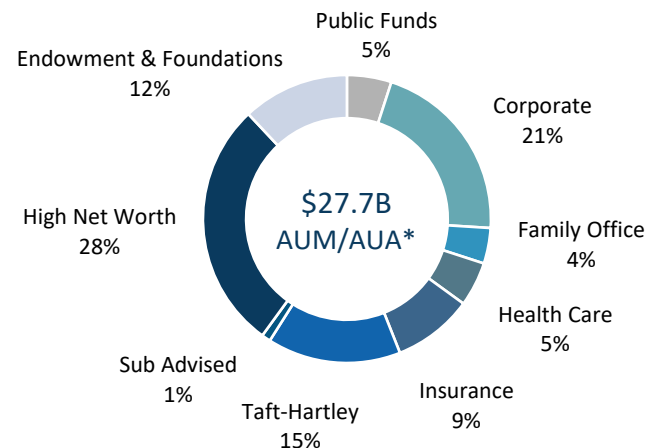
Sage Advisory Services
5900 Southwest Parkway
Building 1, Suite 100
Austin, Texas 78735

SUSTAINABLE
 SAGE

Who We Are

- Founded in 1996
- 100% employee operated
- 17-member investment team has an average industry experience of 18 years
- Responsible Investing strategies include SRI, Sustainable, Impact, Values Based, and Mission Driven

Who We Serve



Responsible Investment Organization Affiliations



Signatory



Affiliate



DEI Code Signatory



Member



Signatory

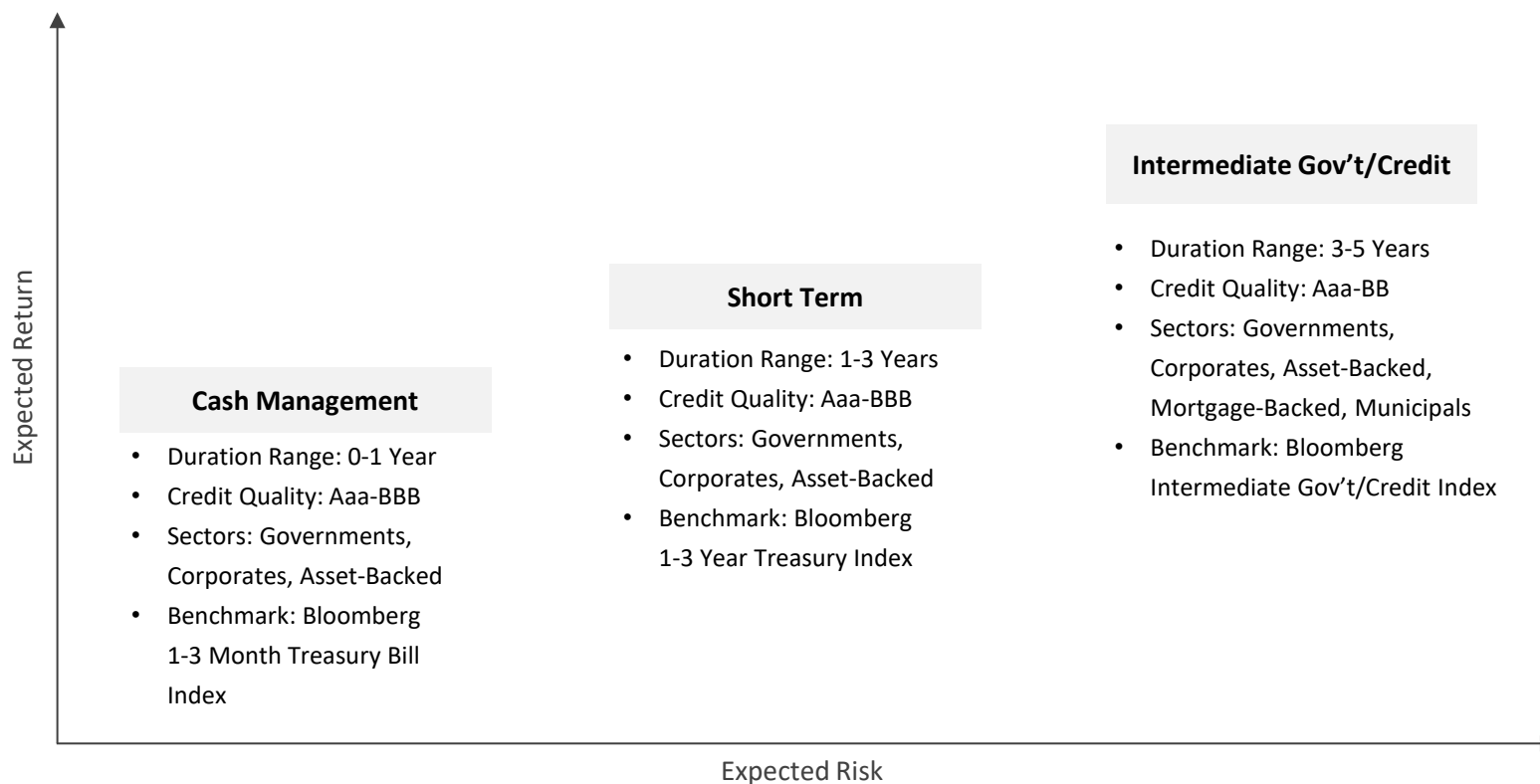


NZAM Signatory



Member

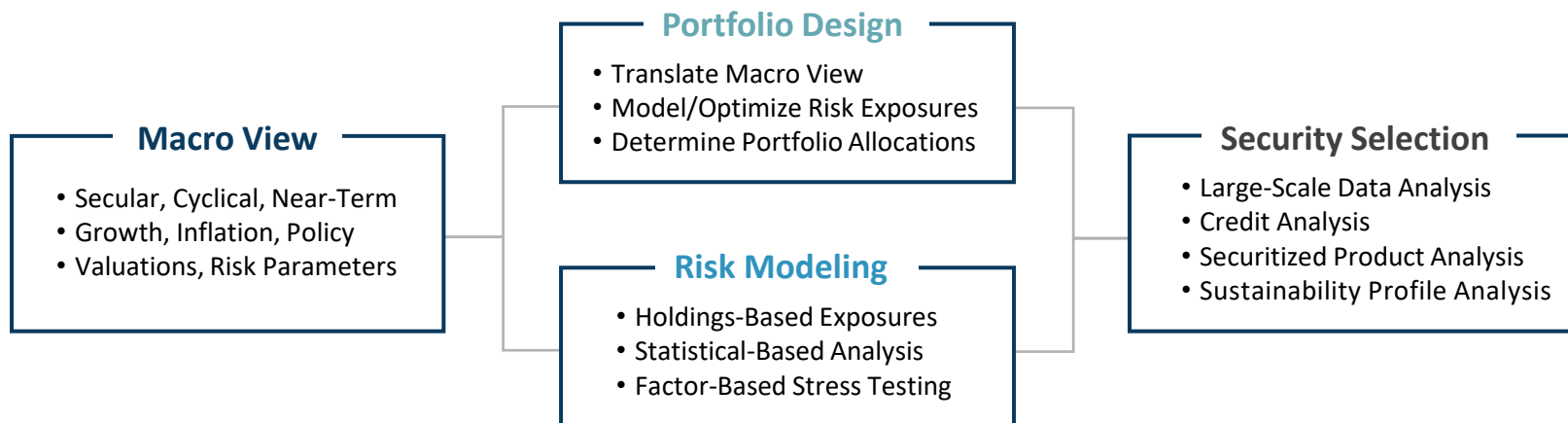
Strategies Overview



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.



Sage Leaf Score® Evaluation

Industry Analysis

Materiality

Analyze factors that are most relevant to a company's financial performance and long-term value creation.



Sustainability Risks

Develop a sustainability profile of the industry based on quantitative and qualitative factors.



Exceptions

We minimize exposure to tobacco, coal mining/extraction, and small arms.

Company Analysis

Trends Analysis

Determine how a company is trending in the sustainability factors most relevant to it.



Peer Comparison

Compare a company to its industry counterparts to identify strengths, weaknesses, and competitive positioning.



Controversies

Assess the impact of negative incidents to understand risks and implications for sustainability performance.

Sage Leaf Score

Sage invests only in issuers that have a Leaf Score of 3 or greater



Sustainability Leader



Above Average



Average

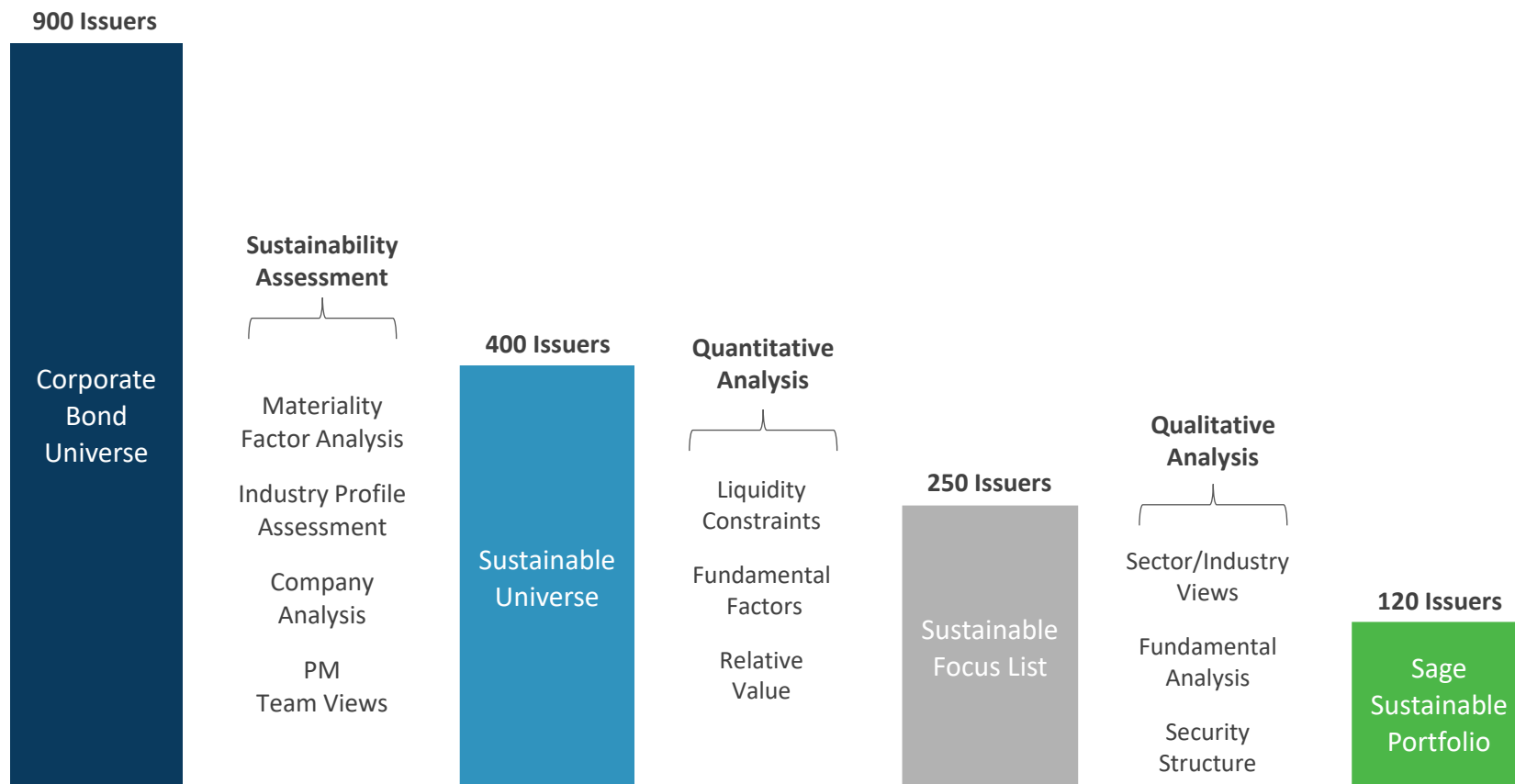


Below Average



Sustainability Laggard

Corporate Debt Assessment Process



Securitized Debt Assessment Process

Securitized debt is a major component of many of our fixed income strategies. Specific analysis is conducted based on major asset classes Sage holds in its institutional and retail accounts, including residential mortgage-backed securities (RMBS); commercial mortgage-backed securities (CMBS); and asset-backed securities (ABS), such as credit card receivables.

Sustainability analysis is a combination of an assessment on:

Issuer (loan originator, special purpose vehicle)	Servicer (transaction structure)	Underlying Asset Pool
Lending practices of the issuer expose the investment to risk related to negatively impacting the loan customer (e.g., customer privacy, selling practices, financing activity).	Focus on areas where the loan servicer may negatively impact the end user of the asset through the transaction structure (e.g., issues like data security and customer privacy).	Each underlying pool of assets may be exposed to unique sustainability risks.

Case Study: General Motors



\$1.25 billion Green
Bond

Proceeds will go toward the design, development, and manufacturing of clean transportation projects. Examples of projects include zero-emission vehicles, battery technology, charging solutions, and microgrids.

Sustainable
Development Goal (SDG)
Alignment



GM is adding affordable cars to its electric vehicle (EV) lineup as it transitions to fully electric by 2035. The Chevrolet Equinox electric car will debut in 2023 with a starting price around \$30,000.

Engagement

How Sage Engages

As an investor in fixed income and ETFs, Sage engages with individual companies, policymakers and reporting entities, ETF providers, and through thought leadership pieces.

Webcasts

Webcasts with partners and peers on trends in sustainability

Surveys

Surveys of the organizations that choose investments on our behalf

One-on-Ones

One-on-one meetings with the companies in which we invest

Key Organizations

Engagement to shape sustainable reporting practices and policies

Thought Leadership

Thought leadership pieces on themes that are important to investors

We regularly engage with:



Bottom Line

Why Choose Sage?

01

Consistent, Competitive Performance

Rely upon traditional, seasoned investment products and active risk management.

04

Original and Comprehensive Market and Sustainable Research

Provide timely thoughts and original research.

02

Specialize in Separately Managed Accounts

Portfolios can be customized to align with specific financial goals, risk tolerance, and preferences.

05

Portfolios Tailored to Client's Values

Portfolios can be customized to align with the mission or values of an organization or individual.

03

Transparent Investment Process and Portfolio Reporting

Comprehensive and continuous portfolio reporting on fundamental financial and sustainability risks.

06

Seasoned & Dynamic Investment Team

Global perspective applied with common sense, supported by quantitative and scientific data.

Responsible Investing Reporting & Research

Client Reporting

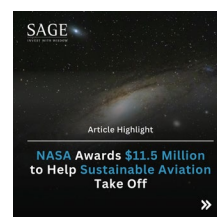
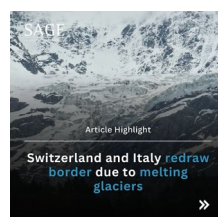
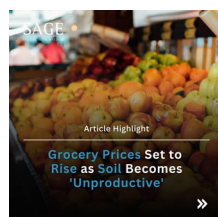
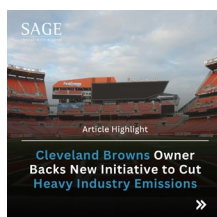
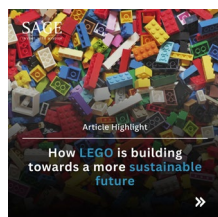
- Monthly portfolio reviews detailing Sage Leaf Scores® by security
- Quarterly impact and climate reports
- Quarterly portfolio performance reviews
- Semiannual sustainability trend assessments

Market Research

- Monthly Sustainability Perspectives publications
- Monthly market commentaries
- Quarterly strategy reviews
- Special reports and conceptual analyses
- Sustainability website info and video content



Sage's Instagram



IMPORTANT DISCLOSURES

This report is for informational purposes only and is not intended as investment advice or an offer or solicitation with respect to the purchase or sale of any security, strategy or investment product. Although the statements of fact, information, charts, analysis and data in this report have been obtained from, and are based upon, sources Sage believes to be reliable, we do not guarantee their accuracy, and the underlying information, data, figures and publicly available information has not been verified or audited for accuracy or completeness by Sage. Additionally, we do not represent that the information, data, analysis and charts are accurate or complete, and as such should not be relied upon as such. All results included in this report constitute Sage's opinions as of the date of this report and are subject to change without notice due to various factors, such as market conditions. No part of this Material may be reproduced in any form, or referred to in any other publication, without our express written permission.

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