

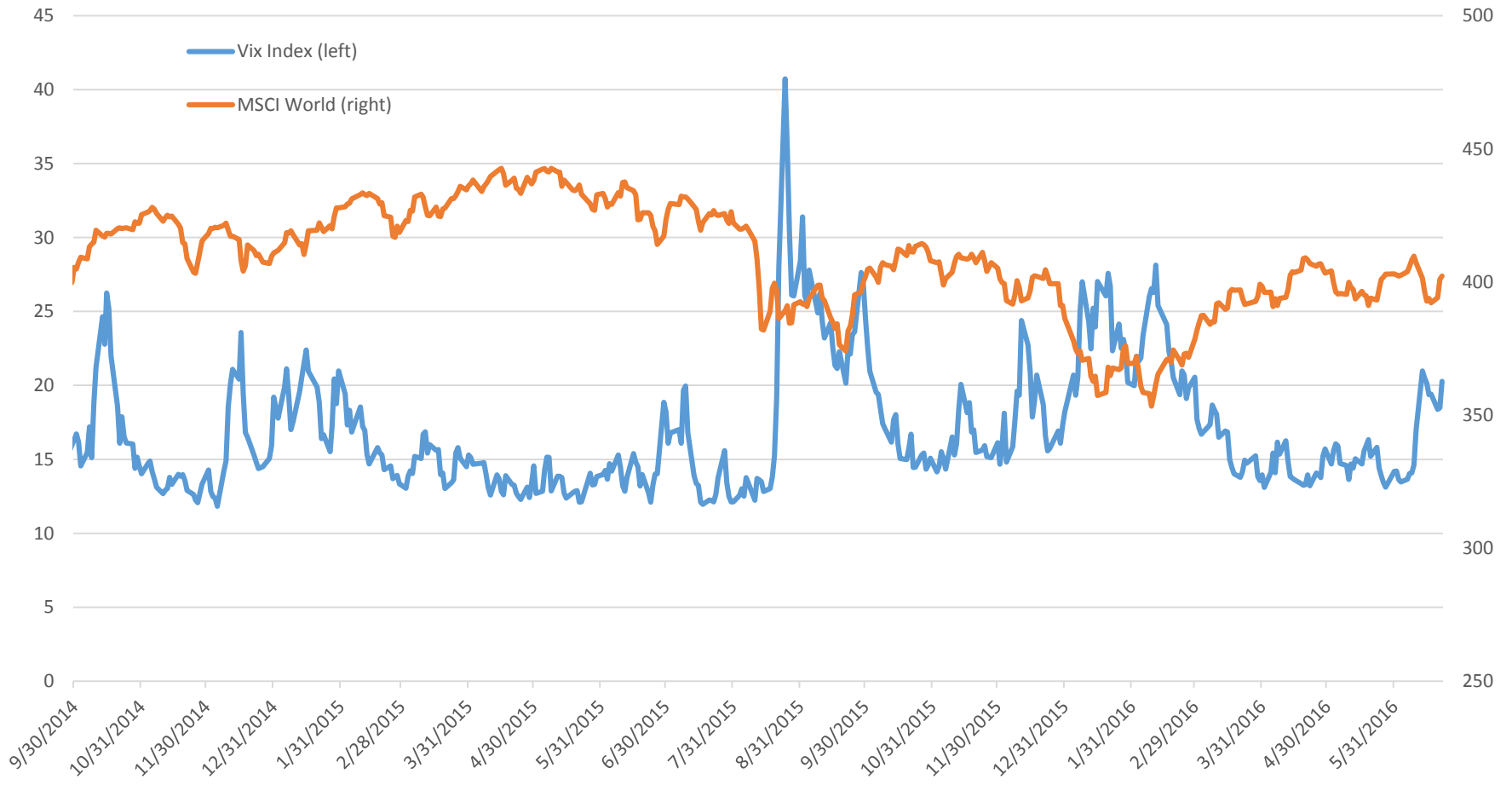
# **TACTICAL ETF STRATEGIES**

Performance During Recent Volatility

June 2016

# HEIGHTENED VOLATILITY, LOW EQUITY RETURNS

## Volatility and Global Equities



# ALL CAP EQUITY PLUS

Zephyr StyleADVISOR

Zephyr StyleADVISOR: Sage Advisory Services Ltd., Co.

## Custom Table

July 2014 - May 2016: Summary Statistics

	Return	Cumulative Return	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Up Capture vs. Market	Down Capture vs. Market	Beta vs. Market	Correlation vs. Market
Sage All Cap Equity Plus (Gross)	1.96%	3.80%	12.47%	0.15	-10.70%	111.72%	100.42%	0.96	0.96
ACE+ Primary Benchmark 2015	0.41%	0.78%	12.48%	0.03	-11.76%	100.00%	100.00%	1.00	1.00

# MODERATE GROWTH

Zephyr StyleADVISOR

Zephyr StyleADVISOR: Sage Advisory Services Ltd., Co.

## Custom Table

July 2014 - May 2016: Summary Statistics

	Return	Cumulative Return	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Up Capture vs. Market	Down Capture vs. Market	Beta vs. Market	Correlation vs. Market
Sage Moderate Growth (Gross)	2.20%	4.25%	8.14%	0.26	-6.61%	114.56%	108.86%	1.03	0.96
Moderate Growth Primary Benchmark 2015	1.67%	3.23%	7.52%	0.21	-6.54%	100.00%	100.00%	1.00	1.00

# ALL CAP EQUITY PLUS COMPOSITE

## All Cap Equity Plus Composite

December 31, 2004 to March 31, 2016

Year	Gross Return (%)	Net Return (%)	Benchmark Return (%)	Number of Portfolios	3 Yr Composite Deviation (%)	3 Yr Benchmark Deviation (%)	Internal Dispersion	Total Composite Assets (\$ millions)	Total Strategy Assets (AUA)** (\$ millions)	Composite Assets Represented by Carve Outs (%)	Total Firm Assets (AUM) (\$ millions)	Total Firm Assets (AUA)** (\$ millions)
2005	8.58	8.20	9.54	10	n/a	n/a	0.44	10	n/a	100.00	3,913	3,913
2006	14.83	14.43	20.09	15	n/a	n/a	0.21	18	n/a	85.00	4,952	4,952
2007	8.46	8.08	9.90	6	n/a	n/a	0.25	9	n/a	100.00	5,155	5,170
2008	-35.26	-35.51	-40.40	11	n/a	n/a	0.38	22	22	67.00	6,517	6,667
2009	27.92	27.47	32.39	11	n/a	n/a	0.58	39	44	61.00	8,093	8,362
2010	14.94	14.53	13.57	6	n/a	n/a	0.05	24	87	0.00	8,909	9,429
2011	-1.21	-1.56	-4.46	11	18.77	20.23	0.04	63	172	0.00	8,931	9,923
2012	14.89	14.49	16.44	18	15.52	16.64	0.13	121	194	0.00	9,069	10,913
2013	19.31	18.87	25.38	22	12.30	13.41	0.21	166	283	0.00	8,596	10,103
2014	8.26	7.87	6.38	27	9.32	9.94	0.18	87	167	0.00	9,238	10,606
2015	-1.65	-2.05	-1.43	28	10.88	10.62	0.20	105	255	0.00	9,413	11,825
YTD*	0.95	0.85	0.66	28	n/a	n/a	0.12	116	261	0.00	9,762	12,122

\* Return not annualized.

\*\* Supplemental Information: Assets under Advisement (AUA) includes the assets where Sage provides its advisory services in similar strategies and does not have discretionary trading authority.

**Compliance Statement:** Sage Advisory Services, Ltd. Co. ("Sage") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sage has been independently verified for the periods December 31, 2004 to December 31, 2015 by ACA Performance Services. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

**Supplemental Information:** Assets under Advisement (AUA) includes the assets where Sage provides its advisory services in similar strategies and does not have discretionary trading authority.

**Firm Information:** Sage is a registered investment advisor based in Austin, Texas. Sage specializes in Fixed Income, Balanced and Exchange Traded Fund ("ETF") investment management for insurance companies and other financial institutions, Taft-Hartley organizations, endowments, foundations, non-profit institutions, corporations, defined benefit plans, healthcare institutions, family offices and high net worth individuals. Sage does not utilize leverage, futures, or options in any portfolios included in the composites. **A complete list and description of all firm composites is available upon request.**

**Composite Characteristics:** The All Cap Equity Plus Composite (the "Composite") consists of (i) all fully discretionary, fee-paying, stand-alone accounts that are managed for a full quarter according to this style, (ii) a fully discretionary, non-fee-paying, stand-alone account, and (iii), through 2009, all fully discretionary, fee-paying accounts that have been carved-out from balanced accounts. The non-fee-paying account represented, as of December 31, 2009, 0.86% of Composite assets, as of December 31, 2010, 2.06% of Composite assets, as of December 31, 2011, 1.05% of Composite assets, as of December 31, 2012, 0.84% of Composite assets, and as of December 31, 2013, 0.66% of Composite assets. Prior to August 31, 2006 and for the period October 31, 2007 through January 31, 2008, 100% of the Composite contained accounts that had been carved-out. The Composite contains accounts investing primarily in Equity ETFs, REIT ETFs and Commodity ETFs (any references herein to ETFs may include other exchange-traded products (ETPs), such as, but not limited to, Exchange Traded Notes (ETNs)). Cash has been allocated to the carve-outs on a pro rata basis using beginning of period market values. The Composite creation and inception date is December 31, 2002. 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.

**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 calculated by using the highest investment management fee, pro-rated on a quarterly basis, and are net of all trading expenses. The fee schedule for the Composite is 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.** The Composite strategy invests in ETFs and an investor in the Composite strategy will indirectly bear the operating expenses of the ETFs in which it invests. As of March 31, 2016, the underlying ETF expense ratio of the Composite was 0.20%.

**Composite Benchmark:** Sage has reviewed the relevant universe of indices and has determined that a benchmark that is weighted 60% the S&P 500 Index ("S&P 500") and 40% the MSCI All Country World Ex-US Index ("MSCI ACWI Ex-US") most closely resemble the Composite managed by Sage (the "Composite Benchmark"). The S&P 500 is a capitalization weighted index of 500 stocks, representing all major industries, designed to measure performance of the broad domestic economy. This popular index includes a representative sample of leading companies in leading industries. The MSCI ACWI Ex-US Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the United States. Prior to December 31, 2014, the Composite was measured against a benchmark that was weighted 80% the S&P 500 and 20% the MSCI EAFE Index ("MSCI EAFE"). The MSCI EAFE is an arithmetic, market-value-weighted average of more than 1,000 securities listed on European, Australian and Far Eastern Stock exchanges. As of December 31, 2014, the Composite Benchmark was selected and applied retroactively as the Composite Benchmark because Sage determined this benchmark more accurately reflects the historical asset allocation of this strategy.

**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 portfolios, calculating performance, and preparing compliant presentations are available upon request. The dispersion measure is the asset-weighted standard deviation of accounts 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 is shown as n/a prior to 2011 as it is not required for all periods prior to December 31, 2010.

**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. The Composite strategy invests in ETPs such as ETFs and ETNs. Investors should consider ETPs' investment objectives, risks, charges, and expenses carefully before investing. The investment return and principal value of an ETP will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. ETPs trade like stocks and may trade for less than their net asset value. Investments in ETNs may be subject to the risk that their value is reduced because of a downgrade in the issuer's credit rating, potentially resulting in default.

# ALL CAP EQUITY PLUS COMPOSITE

## Additional Information

All Cap Equity Plus Composite			
December 31, 2002 to December 31, 2004			
Year	Gross Return (%)	Net Return (%)	Benchmark Return (%)
2003	29.81	29.35	33.47
2004	12.29	11.89	14.82

**Additional Information All Cap Equity Plus Composite (Performance between December 31, 2002 – December 31, 2004):** Since the returns for 2003 through 2004, while using Global Investment Performance Standards (GIPS®) methodology, have not been independently verified as being in compliance with GIPS, the returns for 2003 through 2004 are displayed as “Additional Information”. For the period December 31, 2002 to December 31, 2004, all fully discretionary, fee-paying accounts that have been carved-out from balanced accounts for all periods presented were included in the Composite. The Composite contained accounts investing primarily in Equity ETFs, REIT ETFs and Commodity ETFs (any references herein to ETFs may include other exchange-traded products (ETPs), such as, but not limited to, Exchange Traded Notes (ETNs)). 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 calculated by using the highest investment management fee, pro-rated on a quarterly basis, and are net of all trading expenses. 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 a benchmark that is weighted 60% the S&P 500 Index (“S&P 500”) and 40% the MSCI All Country World Ex-US Index (“MSCI ACWI Ex-US”) most closely resemble the Composite managed by Sage (the “Composite Benchmark”). The S&P 500 is a capitalization weighted index of 500 stocks, representing all major industries, designed to measure performance of the broad domestic economy. This popular index includes a representative sample of leading companies in leading industries. The MSCI All Country World Index Ex-US (MSCI ACWI Ex-US) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the United States. Prior to December 31, 2014, the Composite was measured against a benchmark that was weighted 80% the S&P 500 and 20% the MSCI EAFE Index (“MSCI EAFE”). The MSCI EAFE is an arithmetic, market-value-weighted average of more than 1,000 securities listed on European, Australian and Far Eastern Stock exchanges. As of December 31, 2014, the Composite Benchmark was selected and applied retroactively as the Composite Benchmark because Sage determined this benchmark more accurately reflects the historical asset allocation of this strategy.

**Firm Information:** Sage is a registered investment advisor based in Austin, Texas. Sage specializes in Fixed Income, Balanced and Exchange Traded Fund (“ETF”) investment management for insurance companies and other financial institutions, Taft-Hartley organizations, endowments, foundations, non-profit institutions, corporations, defined benefit plans, healthcare institutions, family offices and high net worth individuals. Sage does not utilize leverage, futures, or options in any portfolios included in the composites. **A complete list and description of all firm composites is available upon request.**

**Risk Disclosures and Additional Information:** 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. 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 portfolios, calculating performance, and preparing compliant presentations are available upon request. The Composite strategy invests in ETPs such as ETFs and ETNs. Investors should consider ETPs’ investment objectives, risks, charges, and expenses carefully before investing. The investment return and principal value of an ETP will fluctuate, so that an investor’s shares, when redeemed, may be worth more or less than their original cost. ETPs trade like stocks and may trade for less than their net asset value. Investments in ETNs may be subject to the risk that their value is reduced because of a downgrade in the issuer’s credit rating, potentially resulting in default.

**Statistical Definitions:** Standard Deviation is a gauge of risk that measures the degree of dispersion of a portfolio’s returns relative to its mean; and, Upside Market (Downside Market) Capture: measure of the manager’s performance in up or down markets relative to the market index itself.

For additional information on Sage and its investment management services please view our web site at [www.sageadvisory.com](http://www.sageadvisory.com), or refer to our Form ADV, which is available upon request by calling 512-327-5530.

# MODERATE GROWTH COMPOSITE

Moderate Growth Composite											
July 31, 2009 to March 31, 2016											
Year	Gross Return (%)	Net Return (%)	Benchmark Return (%)	Number of Portfolios	3 Yr Composite Deviation (%)	3 Yr Benchmark Deviation (%)	Internal Dispersion	Total Composite Assets (\$ millions)	Total Strategy Assets (AUA)*** (\$ millions)	Total Firm Assets (AUM) (\$ millions)	Total Firm Assets (AUA)*** (\$ millions)
2009**	8.85	8.69	9.02	1	n/a	n/a	n/a	1	31	8,093	8,362
2010	12.11	11.71	11.28	3	n/a	n/a	n/a	6	123	8,909	9,429
2011	2.19	1.83	0.66	4	n/a	n/a	n/a	6	197	8,931	9,923
2012	11.27	10.87	11.63	5	9.95	9.61	n/a	27	416	9,069	10,913
2013	10.27	9.85	13.74	6	8.48	7.97	0.06	33	469	8,596	10,103
2014	7.15	6.77	6.29	5	6.32	6.22	0.15	6	427	9,238	10,606
2015	-0.51	-0.91	-0.41	5	7.29	6.55	0.02	6	658	9,413	11,825
YTD*	1.26	1.16	1.72	5	n/a	n/a	0.04	6	663	9,762	12,122

\* Return not annualized.

\*\* Return not annualized for period beginning July 31, 2009.

\*\*\* Supplemental Information: Assets under Advisement (AUA) includes the assets where Sage provides its advisory services in similar strategies and does not have discretionary trading authority.

**Compliance Statement:** Sage Advisory Services, Ltd. Co. ("Sage") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sage has been independently verified for the periods December 31, 2004 to December 31, 2015 by ACA Performance Services. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

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**Composite Characteristics:** The Moderate Growth Composite (the "Composite") consists of all fully discretionary, fee-paying, stand-alone accounts that are managed for a full quarter according to this style. This Composite does include proprietary, fee-paying accounts. The Composite contains accounts investing primarily in fixed income ETFs, equity ETFs, REIT ETFs and commodity ETFs (any references herein to ETFs may include other exchange-traded products (ETPs), such as, but not limited to, Exchange Traded Notes (ETNs)). The Composite creation and inception date is July 31, 2009. 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.

**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 calculated by using the highest investment management fee, pro-rated on a quarterly basis, and are net of all trading expenses. The fee schedule for the Composite is 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.** The Composite strategy invests in ETFs and an investor in the Composite strategy will indirectly bear the operating expenses of the ETFs in which it invests. As of March 31, 2016, the underlying ETF expense ratio of the Composite was 0.20%.

**Composite Benchmark:** Sage has reviewed the relevant universe of indices and has determined that 36% S&P 500 Index ("S&P 500")/24% MSCI All Country World Ex-US Index ("MSCI ACWI Ex-US")/40% Barclays Capital Aggregate Bond Market Index (BC Agg) most closely resembles the Composite managed by Sage (the "Composite Benchmark"). The benchmark is rebalanced on a monthly basis. The S&P 500 is a capitalization weighted index of 500 stocks, representing all major industries, designed to measure performance of the broad domestic economy. The BC Agg is an unmanaged index that represents securities that are U.S. Treasuries, U.S. Agencies, U.S. Corporates, mortgage pass-through securities, asset-backed securities, and secured notes having at least one year to final maturity. The MSCI All Country World Index Ex-US (MSCI ACWI Ex-US) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the United States. Prior to December 31, 2014, the Composite was measured against a benchmark that was weighted 48% the S&P 500/12% the MSCI EAFE Index ("MSCI EAFE")/40% BC Agg. The MSCI EAFE is an arithmetic, market-value-weighted average of more than 1,000 securities listed on European, Australian and Far Eastern Stock exchanges. As of December 31, 2014, the Composite Benchmark was selected and applied retroactively as the Composite Benchmark because Sage determined this benchmark more accurately reflects the historical asset allocation of this strategy.

**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 portfolios, calculating performance, and preparing compliant presentations are available upon request. The 3 year annualized ex-post standard deviation of this composite and its benchmark are not presented prior to 2012 because 36 monthly returns are not available. If there are years whereby there are 5 or fewer accounts, the dispersion is N/A. The dispersion measure is the asset-weighted standard deviation of accounts in the Composite for the entire year.

**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. The Composite strategy invests in ETPs such as ETFs and ETNs. Investors should consider ETPs' investment objectives, risks, charges, and expenses carefully before investing. The investment return and principal value of an ETP will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. ETPs trade like stocks and may trade for less than their net asset value. Investments in ETNs may be subject to the risk that their value is reduced because of a downgrade in the issuer's credit rating, potentially resulting in default.

# MODERATE GROWTH STRATEGY

## Supplemental Information

Moderate Growth Strategy				
December 31, 2007 to December 31, 2009				
Year	Gross Return (%)	Net Return (%)	Benchmark Return (%)	Total Strategy Assets (AUA)** (\$ millions)
2008	-18.75	-19.08	-24.48	1
2009	19.13	18.66	21.77	31

**\*\* Supplemental Information:** Assets under Advisement (AUA) includes the assets where Sage provides clients with a model allocation and does not have investment or trading discretionary authority. Assets Under Management (AUM) are those assets where Sage has investment and trading discretionary authority.

**Supplemental Information Moderate Growth Strategy (Performance between December 31, 2007 – December 31, 2009):** Since the returns for 2008 through 2009 include model performance and did not use Global Investment Performance Standards (GIPS®) methodology, the returns for 2008 to 2009 are displayed as “Supplemental Information”. The information contained herein is supplemental to the Moderate Composite GIPS compliant presentation. The Strategy is designed to invest primarily in fixed income ETFs, equity ETFs, REIT ETFs and commodity ETFs (any references herein to ETFs may include other exchange-traded products (ETPs), such as, but not limited to, Exchange Traded Notes (ETNs)). For the period December 31, 2007 to December 31, 2009, the performance for the Strategy was represented by a model portfolio and was calculated using the returns for the component ETFs multiplied by the target asset allocation to determine the weighted return. For the period December 31, 2007 to December 31, 2009, the assets under advisement include assets which were managed in similar strategies through model sub-advisory relationships on a non-discretionary basis. The gross investment results for the Strategy presented herein represent gross performance with no deduction for investment management fees or trading expenses. Net returns for all performance are calculated by using the highest annual investment management fee but are not net of trading expenses. As of December 31, 2009, the highest annual fee applicable to the Strategy was 0.40%. The fee schedule for the Strategy 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 the fee schedule.**

**Assets under Advisement (AUA) includes the assets where Sage provides clients with a model allocation and does not have investment or trading discretionary authority. Assets Under Management (AUM) are those assets where Sage has investment and trading discretionary authority.**

**Strategy Benchmark:** Sage has reviewed the relevant universe of indices and has determined that 36% S&P 500 Index (“S&P 500”)/24% MSCI All Country World Ex-US Index (“MSCI ACWI Ex-US”)/40% Barclays Capital Aggregate Bond Market Index (BC Agg) most closely resembles the Strategy managed by Sage (the “Strategy Benchmark”). The benchmark is rebalanced on a monthly basis. The S&P 500 is a capitalization weighted index of 500 stocks, representing all major industries, designed to measure performance of the broad domestic economy. The BC Agg is an unmanaged index that represents securities that are U.S. Treasuries, U.S. Agencies, U.S. Corporates, mortgage pass-through securities, asset-backed securities, and secured notes having at least one year to final maturity. The MSCI All Country World Index Ex-US (MSCI ACWI Ex-US) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the United States. Prior to December 31, 2014, the Strategy was measured against a benchmark that was weighted 48% the S&P 500/12% the MSCI EAFE Index (“MSCI EAFE”)/40% BC Agg. The MSCI EAFE is an arithmetic, market-value-weighted average of more than 1,000 securities listed on European, Australian and Far Eastern Stock exchanges. As of December 31, 2014, the Strategy Benchmark was selected and applied retroactively as the Strategy Benchmark because Sage determined this benchmark more accurately reflects the historical asset allocation of this strategy.

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**Risk Disclosures and Additional Information for Modeled Returns:** Modeled (projected) returns are an estimate of hypothetical average historical returns of asset security classes, derived from the application of model asset allocations. Actual returns are likely to vary from modeled returns. These models have limitations, as the results do not represent actual trading and they may not reflect the impact that material economic and market factors may have had on Sage’s decision-making if Sage had been managing actual client portfolios. Accordingly, these model returns should not be relied upon to make predictions of actual future account performance. Actual performance results may differ from Strategy 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 vehicle, there is always the potential for gains as well as the possibility of losses. Strategy invests in ETPs such as ETFs and ETNs. Investors should consider ETPs’ investment objectives, risks, charges, and expenses carefully before investing. The investment return and principal value of an ETP will fluctuate, so that an investor’s shares, when redeemed, may be worth more or less than their original cost. ETPs trade like stocks and may trade for less than their net asset value. Investments in ETNs may be subject to the risk that their value is reduced because of a downgrade in the issuer’s credit rating, potentially resulting in default.

**Statistical Definitions:** Standard Deviation is a gauge of risk that measures the degree of dispersion of a portfolio’s returns relative to its mean; and, Upside Market (Downside Market) Capture: measure of the manager’s performance in up or down markets relative to the market index itself.

**For additional information on Sage and its investment management services please view our web site at [www.sageadvisory.com](http://www.sageadvisory.com), or refer to our Form ADV, which is available upon request by calling 512-327-5530.**