

# SAGE

INVEST WITH WISDOM

5900 Southwest Parkway, Building I  
Austin, Texas 78735 phone | 512.327.5530 fax | 512.327.5702  
www.sageadvisory.com

## FUND OBJECTIVE

The Sage All Cap Equity Plus Fund strategy is a global, asset-allocation portfolio which seeks to provide strong risk-adjusted investment returns relative to the global equity market. The strategy will invest primarily in core domestic and international equity markets and will tactically allocate between 0%-40% in non-core segments such as emerging market equity, commodities, real estate and currencies.

## INVESTMENT PHILOSOPHY

Focus on getting the big market segment decisions right. This is based on our belief that the exposure to market segments within an asset allocation has the most meaningful impact on portfolio performance and risk management.

Work diligently to maintain a unique perspective on asset allocation decisions. Meet regularly to evaluate the market segment decisions through a top-down investment process that includes an evaluation of macroeconomic, fundamental, relative valuation and technical analysis.

Apply tactical approach. The opportunities and risks associated with various market segments change constantly and it is vital to tactically adjust market segment exposure as market and economic conditions change.

## ABOUT THE FUND

The Sage Funds are collective investment funds ("CIFs") created by the Hand Composite Employee Benefit Trust and sponsored by Hand Benefits & Trust Company, a BPAS company, that invests in the strategies of Sage Advisory Services, Ltd. Co. which serves as the sub-advisor to the CIFs.

This CIF is available for investment by eligible qualified retirement plan trusts only and has been created specifically for 401(k) and other employer-sponsored retirement plan investors.

## 3 YEAR RISK/REWARD STATISTICAL ANALYSIS

	All Cap Equity Plus Strategy	Global Equity Benchmark**
Standard Deviation	9.63%	10.38%
Sharpe Ratio	0.32%	0.64%
Beta	0.90	-
Annual Turnover Rate	145.33%	-

Share Class	R1
CUSIP	41023V249
Inception Date	Jan. 29, 2014
Total Expense Ratio	0.15%

Total Expense Ratio: The effect of the Total Expense Ratio per \$1,000 investment for the Sage All Cap Equity Plus Fund is \$1.50 per year. The expense ratio does not include service fees payable to the plan's service providers. The expense ratio includes the underlying ETF expenses.

# SAGE ALL CAP EQUITY PLUS FUND R1

EQUITY ALLOCATION · DECEMBER 31, 2018

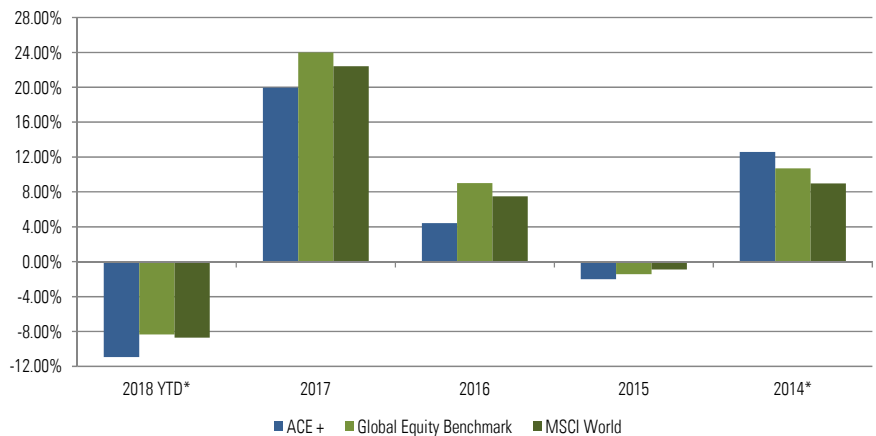
## PERFORMANCE SUMMARY\*

Period Return	Quarter to Date Returns	Year to Date Returns	One Year Returns	Three Years Annualized Returns	Five Years Annualized Returns	Since Inception Returns
All Cap Equity Plus Strategy	-14.04%	-10.93%	-10.93%	3.73%	n/a	4.32%
Global Equity Benchmark**	-12.68%	-8.34%	-8.34%	7.40%	n/a	6.32%
MSCI World Index	-13.42%	-8.71%	-8.71%	6.30%	n/a	5.45%

\* See Disclosures on the back page.

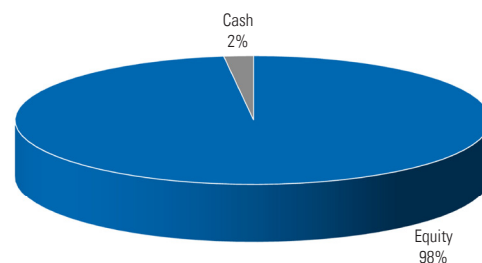
\*\* Global Equity Benchmark (60% S&P 500/40% MSCI ACWI Ex-US)

## ANNUAL RETURNS



\* Returns not annualized.

## ASSET ALLOCATION



## TOP 10 HOLDINGS

IEFA	ISH (IEFA) CORE EAFE	26.16%
SDY	SPDR (SDY) S&P 500 DIV	14.95%
XLK	SPDR (XLK) TECHNOLOGY	14.81%
IEMG	ISH (IEMG) EMERGING MKTS	13.22%
VLUE	ISH (VLUE) MSCI VALUE	9.91%
XLF	SPDR (XLF) FINANCIALS	9.85%
XLI	SPDR (XLI) INDU SELECT	8.92%
USD	US DOLLAR	1.86%
HBT	HAND BENEFITS AND TRUST	0.32%

This page must be accompanied by Disclosures on back page.  
Past performance is not indicative of future results.

FOR PROFESSIONAL USE ONLY.

## FIRM OVERVIEW

Sage Advisory Services, Ltd. Co ("Sage"), headquartered in Austin, Texas, serves the institutional and private client marketplace with liability-driven fixed income asset management and tactical ETF strategies. With over a decade of experience utilizing Exchange Traded Funds, Sage was one of the first investment managers to launch an all-ETF strategy back in 2003. In addition to the Core Plus Fixed Income and All Cap Equity Plus strategies, we offer a series of total portfolio solutions that have a target-risk orientation. Our investment and research process is built around the forward-looking tactical management of the big market segment decisions, as we believe the market segment allocation has the biggest impact on portfolio performance and risk management. The depth of our investment team and experience delivering solutions to the institutional marketplace gives Sage a very unique perspective in the way that the tactical ETF strategies are managed.

## ETF IMPLEMENTATION

Exchange Traded Funds offer efficient market segment access and the structural advantages necessary to tactically manage a multi-asset class strategy. Each strategy is implemented using 10-20 ETFs which have been researched and vetted by the Sage research department.

## PRINCIPAL RISKS

Any of the principal risks summarized below may adversely affect the Fund's net asset value, performance and ability to meet its investment objective.

**Suitability:** Investors are expected to select investments whose investment strategies are consistent with their financial goals and risk tolerance.

**Active Management:** The investment is actively managed and subject to the risk that the advisor's usage of investment techniques and risk analyses to make investment decisions fails to perform as expected, which may cause the portfolio to lose value or underperform investments with similar objectives and strategies or the market in general.

**ETF:** Investments in exchange-traded funds generally reflect the risks of owning the underlying securities they are designed to track, although they may be subject to greater liquidity risk and higher costs than owning the underlying securities directly because of their management fees. Shares of ETFs are subject to market trading risk, potentially trading at a premium or discount to net asset value.

**ETN:** Investments in exchange traded notes may be subject to the risk that their value is reduced because of poor performance of the underlying index or a downgrade in the issuer's credit rating, potentially resulting in default. The value of these securities may also be impacted by time to maturity, level of supply and demand, and volatility and lack of liquidity in underlying markets, among other factors. The portfolio bears its proportionate share of fees and expenses associated with investment in ETNs, and its decision to sell these holdings may be limited by the availability of a secondary market.

**Underlying Fund/Fund of Funds:** A portfolio's risks are closely associated with the risks of the securities and other investments held by the underlying or subsidiary funds, and the ability of the portfolio to meet its investment objective likewise depends on the ability of the underlying funds to meet their objectives. Investment in other funds may subject the portfolio to higher costs than owning the underlying securities directly because of their management fees.

**New Fund:** Investments with a limited history of operations may be subject to the risk that they do not grow to an economically viable size in order to continue operations.

## SAGE ALL CAP EQUITY PLUS FUND STRATEGY MANAGEMENT DISCLOSURES:

**CIF Disclosure:** The CIF is not a mutual fund. Its shares are not deposits of Hand Benefits & Trust Company, a BPAS company, or Sage Advisory Services, Ltd. Co., and are not insured by the Federal Deposit Insurance Corporation or any other agency. The CIF is a security which has not been registered under the Securities Act of 1933 and is exempt from investment company registration under the Investment Act of 1940. **The performance quoted here does not guarantee future results.** As market conditions fluctuate, the investment return and principal value of any investment will change. Diversification may not protect against market risk. There are risks involved with investing, including possible loss of principal. Before investing in any investment portfolio, the client and the financial professional should carefully consider client investment objectives, time horizon, risk tolerance, and fees.

**CIF Performance:** The CIF Investment strategy (the "Strategy") is designed to invest primarily in fixed income ETFs and ETNs, equity ETFs and ETNs, REIT ETFs and ETNs, and commodity ETFs and ETNs. Any reference to ETF herein includes all Exchange Traded Product, such as ETFs and ETNs. Returns are net of all estimated expenses, including underlying ETF expenses, and assumed dividends are reinvested monthly. The CIF performance inception date is January 31, 2014 which reflects the first full month of performance.

**CIF Benchmark:** Sage has reviewed the relevant universe of indices and has determined that 60% S&P 500 Index/40% MSCI All Country World Index Ex-US most closely resembles the Strategy managed by Sage. 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 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. The MSCI World is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of development markets.

**Statistical Definitions:** Standard Deviation: a gauge of risk that measures the degree of dispersion of a portfolio's returns relative to its mean; Sharpe Ratio: a gauge of excess return of a portfolio above the risk free rate (90-day T Bills) divided by the portfolio's standard deviation; Beta: measures the volatility of the portfolio in comparison with the benchmark as a whole; a beta of 1 indicates the portfolio moves with the benchmark. Turnover Ratio: a measure of the fund's trading activity, which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets.