SARANAC

PARTNERS

Statement of Responsible Investment Principles

Saranac Partners adheres to the United Nations Principles of Responsible Investing (UNPRI)

1. Saranac Partners recognises a duty to clients to incorporate in its investment decisions the potential impact of ESG factors (environmental, social, governmental), as they are important influences on the return and risk in client portfolios. These considerations are taken into account in the research processes covering equities, fixed income and alternatives in public and private markets, and integrated judgementally into portfolios. Awareness of these issues can enhance performance over the long term. However, Saranac Partners is also aware of the obligation to balance these insights against other important aspects of the client experience, for example investment returns, the capacity for loss, risk appetite and adequate diversification.

2. Saranac Partners allows clients to reflect their own preferences and beliefs in their investment exposures, by excluding particular companies or industries from segregated portfolios. Saranac Partners will work with clients to implement their ethical views based on agreed screening criteria.

3. Saranac Partners does not run funds which have narrowly-defined ESG characteristics (e.g. wind, solar, or 'impact investing'). However, it does advise clients who wish to build portfolios with very focused ESG characteristics tailored to their own preferences, using managers in both public and private markets. This engagement covers the overall strategy, its implementation, and the monitoring and evolution of a portfolio over time.

4. While Saranac Partners recognises ESG investing as durable element of the investment landscape, it also recognises a duty to be transparent with clients concerning its implementation, and to incorporate a pragmatic element in decision-taking. In addition, Saranac Partners has a fiduciary duty to clients to explain the limitations of ESG metrics and the complexities of investing in this area. There are different ways to define 'E', 'S' and 'G', different ways to decompose the breakdown of these categories into sub-categories, and there can be trade-offs between them. Third-party metrics increase transparency in this context, but all quantitative approaches are necessarily dependent on subjective assessments of the key factors. Scores can differ for legitimate reasons.

5. Saranac Partners monitors the ESG exposures in its equity portfolios, using third party screens, even where these are not constrained by client restrictions and preferences.

6. Saranac Partners regularly monitors the approach to ESG adopted by the external managers in which client assets are invested.

7. Custodians' ESG policies are monitored, and can be discussed with clients with ESG objectives in their custodian selection process.

How to incorporate sustainability into your investment portfolio

Saranac Partners' approach to sustainability combines our propriety investment process and philosophy, while reflecting the requirements and values of our clients. We engage in an open dialogue to understand our clients' preferences, objectives and tolerance for risk.

Where do you want to be on the sustainability spectrum?

There are a number of different styles and approaches to incorporating sustainability criteria into investment decisions, some of which are shown below:

ESG
Screening

Focus on companies which perform strongly on environmental, social and governance criteria, whilst avoiding those that score poorly.

Sustainable
Positive Selection

Incorporate sustainability as a potential driver of returns and select well positioned businesses.

Impact
Measurable Impact

Seek to create a measurable positive impact through businesses in your portfolio.

Which issues are most important to you?

'Sustainability' incorporates a broad spectrum of issues and objectives.

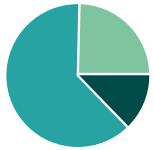
In 2015, the United Nations General Assembly set 17 Sustainable Development Goals (SDGs, shown below) designed to be a "blueprint to achieve a better and more sustainable future for all". They are intended to be achieved by the year 2030 and are included in a UN Resolution called the **2030 Agenda**.

These may act as a useful guide and you may wish to emphasise some of these goals or special themes that are important to you within your portfolio.

The Global Goals for Sustainable Development

How and where do you want to incorporate sustainability into your portfolio(s)?

Should sustainability criteria be applied consistently and homogeneously across the portfolio, or is a heterogeneous approach more consistent with your preferences and objectives.



Consistently balance risk, return and sustainability across your portfolio through asset allocation and security/manager selection.

Use a "core/satellite" approach to balance the need for diversification and risk management with a desire to focus on specific issues and styles.

A bespoke approach to asset allocation.

We combine traditional 'technical inputs' with an understanding of your personal goals. These incorporate both considerations of risk and return requirements as well as objectives, preferences and constraints around sustainability.

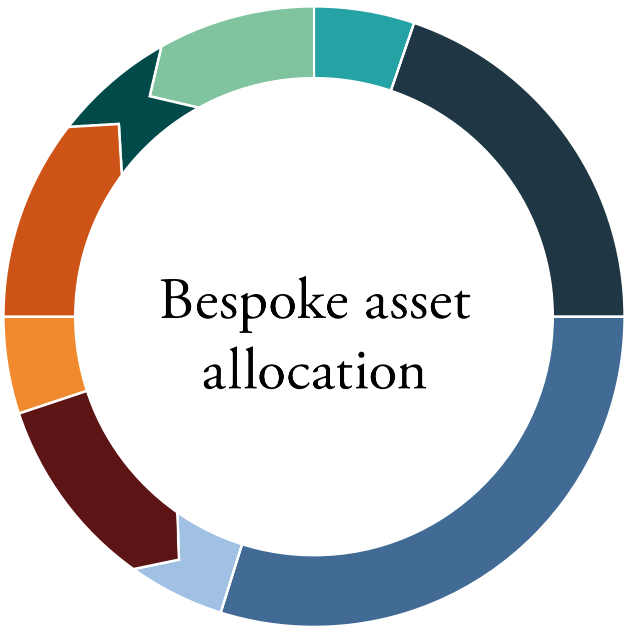
Technical Inputs

Capital Market Assumptions
Medium and long term forecasts for return and volatility by asset class

Macro Outlook
Perspectives on the macro-economic context over the short, medium and long term

Portfolio Optimisation
Quantitative modelling techniques to identify optimised portfolios for a given level of risk

Scenario Modelling
Scenario analysis to project hypothetical portfolio behaviour under a range of economic conditions



Personal Inputs

Risk and Return Objectives
Your target returns together with quantitative indications of risk tolerance

Sustainability Objective
Your preferences and objectives around the sustainability spectrum, issues of focus and portfolio structure

Investment Style/Philosophy
An understanding of your approach to issues such as benchmarks, risk budgets, and costs

Investment View/Themes
Strategic and structural perspectives on particular asset classes, themes or factors

The Six Principles for Responsible Investment

As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). We also recognise that applying these principles may better align investors with broader objectives of society.

Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

