

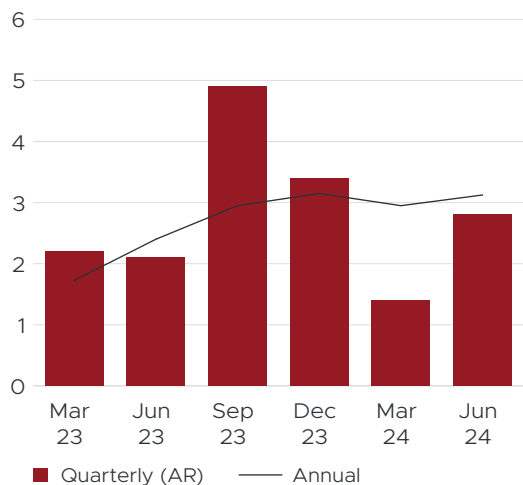
Investment roadmap

AUGUST 2024

AT A GLANCE

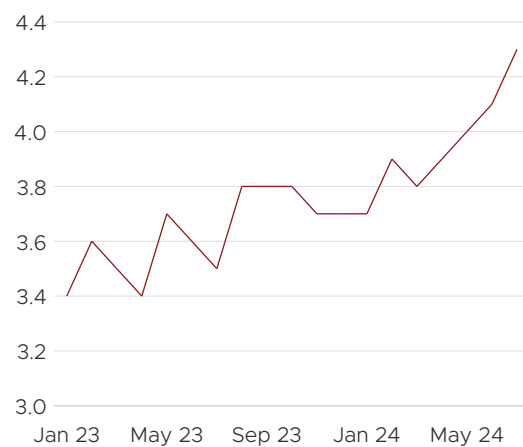
- The main article sets out our views on **recession risk in the US**. The US economy has decelerated since the spring, and the unemployment rate has risen. However, this slowdown is consistent with a conventional ‘soft patch’ from which the economy recovers, rather than the precursor to recession. We review the main structural drivers of US growth, and conclude that some are strongly inconsistent with recession, while others only weakly point in that direction. From an investment perspective, a binary recession/non-recession decision is too restrictive for effective investment decision-taking – a short and shallow recession in which the Fed eases aggressively may be more equity-friendly than a very extended period of stagnating economic growth. We view recession risk for now as best covered by put options and a significant gold exposure rather than a material negative bet on equities.
- Our conviction that the **global economy** is slowing has strengthened, and in a global context there are few outliers. We view this as a ‘mini-cycle’ rather than inherently recessionary. The global inflation background is also improving given the more downbeat growth picture, and we view market pricing of inflation – close to central bank targets – as appropriate
- Even after the recent equity market correction, **global equity market** multiples remain slightly extended, still the result of US megacap valuations. Markets outside the US are on equity multiples in line with or below historic norms. The more important theme in equity markets has been the large rotation away from large to smaller cap stocks.
- An important theme underlying Saranac multi-asset positioning has been the relatively low expected returns, by historic standards, of equities over fixed income. While this gap has moved slightly more in favour of equities given lower equity indexes and the fall in bond yields, expected outperformance is still very moderate by historical standards. In other words, **risk premia** remain low.
- In **fixed income** markets, we see greater scope than previously for the Fed to ease, and hence regard a somewhat lower level of bond yields as more sustainable than previously – while not forgetting that longer-term fiscal risks remain. Our favoured part of the curve remains the 4- to 5-year range. Wider credit spreads have pushed them back closer to fair value,
- In the **private markets** section, we review private equity markets in sport – a very interesting survey.

Chart 1: US real economic growth (%)



Source: Bloomberg, Saranac.

Chart 2: US unemployment rate (%)



Source: Bloomberg, Saranac.

The recent sharp global equity market correction has been attributed by many to an increasing likelihood of a recession in the US

How elevated is US recession risk, and how is it best addressed in multi-asset portfolios?

1. Recent market correction partly attributed to higher US recession risk

The recent sharp global equity market correction has been attributed by many to an increasing likelihood of a recession in the US. While a range of other influences also appear to have been relevant – heightened Middle East political tensions and the demise of the yen carry trade – a perceived shift in the US economic background has been a highly relevant part of the market narrative. In part, this reflects the characteristics of some recent economic data, and in part concerns over the structural drivers of US economic activity.

We explain in this special feature why a US recession is still best seen as a tail risk rather than a central risk, and why the current environment is more consistent with a slowdown in US growth which stops short of an outright decline in economic activity.

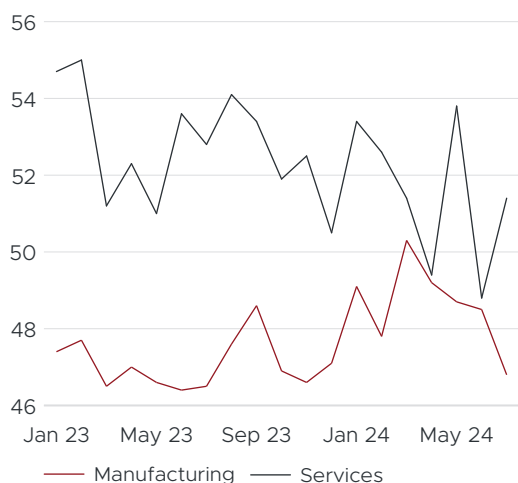
We also believe that a degree of humility is required when taking market decisions on the basis of economic views. For example, there was a very strong consensus after the Russian invasion of the Ukraine that a US recession was inevitable in 2022–23, but in the event such an outcome was clearly avoided. We set out in the final section how we address uncertain recession risk in building multi-asset portfolios. In this context, we note that the recession/non-recession call is too binary to be particularly helpful for market analysis: recessions can be short and shallow with limited equity market consequences, and the avoidance of recession can still deliver environments that are problematic for equity markets.

2. Why has perceived recession risk risen?

At first glance, the US economy appears to be nowhere near recession (defined as two quarters of negative growth). Growth in the first half of the year was over 2% (chart 1) unsurprisingly slower than the ‘boom’ rates of the second half of 2023, and growth in the second quarter was stronger than in the first.

Transitions from moderately buoyant to challenging economic conditions can, however, occur fairly quickly, and there have been claims that such a

Chart 3: US business sentiment



Source: Bloomberg, Saranac.

Chart 4: US economic surprises
+ = positive surprise



Source: Citibank, Bloomberg, Saranac.

The US publishes a vast range of economic statistics, and it is usually unhelpful to read too much into individual releases, and better to look for broad patterns over time

transition is under way. Recent concern in this respect has been focused on the US labour market, in particular the July employment report. There has clearly been a significant rise in unemployment in the past year and a slower rate of increase in employment. In previous US economic cycles, the unemployment rate has tracked Scott Fitzgerald's description of bankruptcy¹, with a slow initial rise giving way subsequently to a faster and more substantial increase. More specifically, it has been claimed that any increase in unemployment of 0.5% provides advance warning of a recession. This 'rule' has just been triggered (chart 2). Apparently confirmatory signals have been also provided by other recent data releases, for example the fall in confidence as reflected in a recent gauge of sentiment in manufacturing (chart 3).

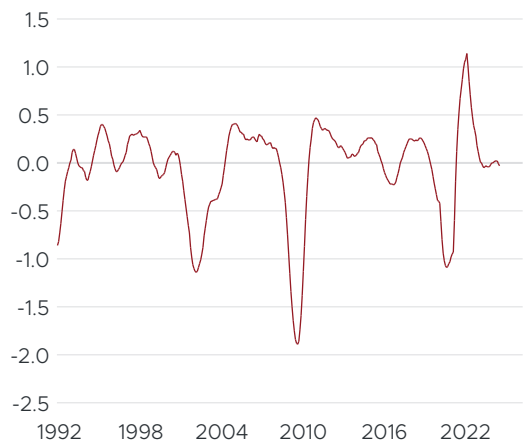
Care needs to be taken in this context, however. The US publishes a vast range of economic statistics, and it is usually unhelpful to read too much into individual releases, and better to look for broad patterns over time. Our assessment is that the US economy is indeed slowing, and has been since the spring (albeit from an unusually buoyant starting point), as evidenced in one measure which summarises the extent to which economic data releases match with expectations (chart 4). It is evident that following a firm start to the year, economic data have surprised to the downside in recent weeks.

However, it is by no means unusual for the US economy to hit 'soft patches' from which it subsequently recovers, as in 2015 and 2019. Indeed, such recoveries are more the rule than the exception. More generally, Saranac's proprietary indicator of the stage of the US cycle based on a wide range of data releases suggests a slowdown, but not a discernible shift to a more problematic cyclical phase (chart 5). Indeed, a report on the services sector last week suggested much greater buoyance than in manufacturing (also chart 3).

The unemployment 'rule' described above does have an impressive track record, but so have other simple forecasting rules whose previous reliability has been compromised in the current cycle. In particular, an inverted yield curve (short-term

¹possibly also Hemingway and Mark Twain

Chart 5: Saranac US cyclical indicator



Source: Bloomberg, Saranac.

Chart 6: US 2-year less 10-year yield (%)



Source: Bloomberg, Saranac.

Employment growth has slowed, but there has not been a significant increase in layoffs

interest rates above long-term rates) had historically been a very helpful recession forecaster, but this very transparent signal has been sending the wrong message for some time (chart 6) – the recession flagged for the best part of the last two years never materialised.

We suspect that this is in part because the period since covid has been dominated by a series of frequent and interacting economic shocks, supportive and problematic, for the US economy. These have led to more frequent ‘mini cycles’ of alternating firm and weaker growth, rather than the more historically normal extended cycles. They also seem to have rendered the information from previous ‘normal’ cycles’ forecasting rules, such as the yield curve slope, less relevant. The same might be true going forward for the unemployment recession signal described above, for two reasons.

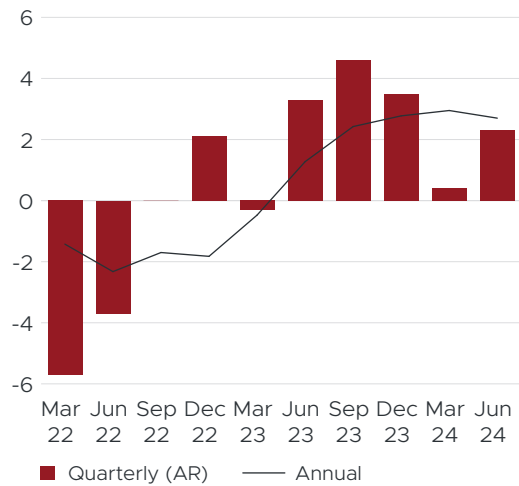
First, employment growth has slowed, but there has not been a significant increase in layoffs. The rise in unemployment has resulted to some extent from a much higher level of immigration than usual, and employees who dropped out of the labour force during covid returning to it. The increase in the supply of labour may have contributed to a higher unemployment rate recently, and this should not necessarily be interpreted as cyclical weakness. If so, the rise in the unemployment rate may be giving an exaggerated recession signal.

Second, and more speculatively, employment and growth trends can diverge if productivity growth changes. Over the past year, productivity growth has accelerated (chart 7), meaning that more growth is associated with a particular level of employment. It remains to be seen whether this acceleration can be maintained, let alone be associated with the more intensive use of IT, but for now slightly weaker employment growth tells a less-than-complete picture of the broader economy.

3. Does this look like a recessionary environment?

An evaluation of recent US economic data in isolation does not, therefore, provide compelling evidence of an approaching recession. A more complete evaluation of recession risk would include an assessment of a broader range of economic

Chart 7: US productivity growth (%)



Source: Bloomberg, Saranac.

Chart 8: Brent oil price (\$ per barrel)



Source: Bloomberg, Saranac.

What has caused recessions in the past, and how relevant might these potential influences be at present?

risks. Specifically, what has caused recessions in the past, and how relevant might these potential influences be at present?

We set out a highly simplified summary of five key factors that have been associated with recessions in the past, and give them a rating out of five (5 = high risk).

External shocks (1/5): these would include sharp rises in commodity prices, or a sharp slowdown in major export markets. Neither risk seems high at present. The oil price has been stable at around two-thirds of the early-2022 peak for a couple of years (chart 8), and while economic growth outside the US remains subdued, there is little sign that it has decelerated recently.

Inflation risk (2/5): we would not regard this as being particularly elevated at present, as both domestic and external influences suggest a longer-term inflation outlook which is broadly consistent with the Fed’s longer-term objectives in this area. Inflation expectations in bond markets do not signal immediate stresses.

US consumption (2/5): concerns have re-surfaced about an over-leveraged consumer sector. While there are evident pockets of weakness, the overall picture is more robust: real incomes are growing, the saving ratio is only slightly below the long-term average, and consumer assets less liabilities are around 8x personal income, close to an all-time high and up from a year ago.

US banking system (2/5): concerns surfaced last March, in particular over the regional banks and their exposures to commercial real estate in particular. These exposures are to a significant extent understood and visible. While CRE prices are falling, it is interesting to note that regional banks’ share prices have rallied since the Silicon Valley bank sell trigger last March (chart 9). Perhaps the market is evaluating this exposure wrongly, but there is little evidence of current stress from this source. The CRE background remains problematic, but in a highly diversified economy there are other sectors which have taken up the slack.

Chart 9: US regional banks' share price (\$)



Source: Bloomberg, Saranac.

Chart 10: US 10-year real interest rate (%)



Source: Bloomberg, Saranac.

Political risk is elevated at present – but for the moment US recession risk seems more of a tail risk than a central risk

US economic policy (3/5): there has been no move to restraint in fiscal policy, and the greater perceived risk has been that US monetary policy is too tight. However, the current level of long-term real interest rates is 1.7%, broadly in line with the average of the past two years and below the 2.5% peak of last autumn. It is unclear that this is a very restrictive policy rate (chart 10). Tighter credit spreads, lower bond yields and surveys of bank lending standards point to somewhat easier monetary conditions compared to last autumn. We would expect the Fed to ease policy further in the second half of the year and into 2025, even absent a recession.

Of course, these risks may change as new evidence becomes available – and political risk is elevated at present – but for the moment US recession risk seems more of a tail risk than a central risk.

4. Integrating recession risk into multi-asset portfolios

More generally, Saranac’s macro views are used as an input into investment decisions, rather than an input into a macro forecasting competition. Restricting a macro view to a binary recession or non-recession call is far too restrictive to be useful from a broader investment perspective. Consider, for example, a recession which is very short-lived (six months), very shallow in terms of the loss in output, and accompanied by significant interest-rate cuts. The impact on equity markets in this eventuality might be very limited – certainly very different from the severe loss in value in the 2008 recession. Moreover, such a shallow recession might be little different in terms of market implications from an outturn in which recession is avoided, but economic growth is sclerotic for an extended period.

Saranac’s view from the spring has been that the US economy was slowing, even if this slowdown has become more widely visible only recently. Our central case is that there will not be a recession on a 12-month horizon, or at worst a short and shallow one. The economy may grow at a slightly slower pace than in the past couple of years, but this does not imply recession. This growth slowdown is expected to constrain, but not eliminate,

upside equity market potential, particularly given other constraints such as the elevated valuation and prevailing general market confidence in the corporate earnings background. We view recession risk more as a potential tail event than a central risk, and we see this as best handled in multi-asset portfolios through put options and building a position in gold rather than a major negative bet against equities at the asset class level.

Public markets

EQUITIES



- Asset class outlook +

Valuation



Earnings



Positive

Infrastructure & Resource Scarcity; MedTech; Japan/South Korea

Negative

Financials & other interest rate sensitive sectors; Emerging Markets

Market background

Following a strong start to the month, markets witnessed a pick-up in volatility during the latter half of July. The equity backdrop was dominated by a significant rotation away from megacap to small cap which seemed to have been prompted by the US elections and the sense that the Fed was edging ever closer to its first rate cut.

Targeted exposure

We favour a number of secular themes. As investors question the return potential from the vast sums being invested in AI, our focus are on software names that have yet to benefit. Efforts to shift from fossil fuels to renewable energy are being complicated by additional energy demands from the build-out of data centres. We favour companies who can benefit from this. Health systems are striving to improve efficiency as they prepare for an ageing population which we believe will benefit healthcare companies. Despite the recent setbacks, we're encouraged by the progress being made to Japan and South Korea to strengthen corporate governance and shareholder returns.

GOVERNMENT BONDS



- Asset class outlook +

Short maturity



Long maturity



Positive

US 2-5Y TIPS, 30Y Nominal Gilts, Australian Sovereign and Agency bonds across tenors

Negative

>5 year European sovereign bonds, Japanese government bonds.

Market background

Government bonds rallied in July as a result of increasingly weak macro-economic data, which led to growing anticipation that the Fed would cut rates by their September meeting. The ISM prints for June were in contractionary territory, and then the US jobs report showed the unemployment rate moving up to 4.1% in June. Finally, the weakest monthly core CPI since January 2021 turbocharged the pricing for rate cuts. The amount of cuts priced in by the Fed's December meeting was up +28bps over the month to ~73bps, close to three 25bp cuts.

Targeted exposure

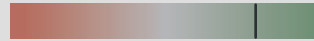
Amidst signs of loosening in the job market and further macro momentum deceleration, we now believe that US inflation is likely to revert to the Federal Reserve's 2% target in the near term. As such, we think the Federal Reserve will be in a position to normalise its restrictive monetary policy, as reflected in the market's pricing. We believe July's decline in sovereign yield was warranted and we took profit on long-dated bonds within multi-asset portfolio, in order to reset duration risk back to a neutral stance. With inflation break-evens back to 2%, we maintain a balanced exposure between nominal and inflation-linked bonds.

Public markets

CORPORATE AND EMERGING MARKET DEBT



Investment grade credit



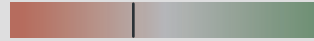
High yield



SUB



EM debt



Positive

AAA/A securitisation,
US Agency MBS

Negative

US High Yield.

Market background

In July, \$IG spreads were flat at 89bp, while \$HY spreads widened by 7bp to end at 350bp. Both levels remain close to cyclical highs. Credit yields declined due to the sharp drop in sovereign bond yields, fuelling strong absolute returns. In IG corporate, the \$ market fared best returning +2.4% in July, whilst €IG returned +1.7% and £IG returned +1.9%. In HY markets, subordinated bonds (+2.5% for AT1 and +2.4% for hybrids) outperformed HY corporate (+1.2% to +2.0% across currencies), benefiting our positioning. US Agency MBS yields declined by 36bp to 4.87%, benefiting from (i) the decline of US Treasury yields and (ii) a tightening in MBS spreads. This drove positive total returns of +2.6% in July.

Targeted exposure

Despite relatively tight spreads, IG corporate fundamentals remain excellent and headline yield levels remain attractive at ~5.2%. As such, we are maintaining significant IG credit allocations. We maintain our material exposure to securitised credit and Agency MBS, both providing attractive relative value against IG credit and US Treasuries. We maintain our cautious stance in corporate high yield, preferring financial subordinated bonds.

Public markets

HEDGE FUNDS



Heading into the start of the second half of the year, markets were strong, gross flows and leverage were high, Tech was bought, and hedge fund performance and alpha were broadly on a positive streak. A lot has seemingly changed in a month, even though from an absolute standpoint things seemed fairly stable...equity markets notched another gain, hedge fund performance was flat/down slightly, and hedge fund leverage was basically unchanged (net leverage though has declined in the past few weeks, reported the Goldman Sachs Prime Brokerage desk).

Observations from global prime brokers point towards negative crowding returns for Tech over the past 1–3m, large hedge fund de-grossing in the sector, retail flows slowing, and big moves in futures/CTAs between NDX and RTY all suggest that the rotation out of Tech and into riskier assets might be mostly done. Having said that, some parts of Tech positioning (esp. Semis and Tech Hardware) remain high from a long-term. However, small caps / low quality stocks (i.e., things hedge funds tend to be short) could underperform as long as the market trends lower, which could limit the rotation. The biggest beneficiaries if the market remains weak might be defensives, which have underperformed over the past few years.

CURRENCIES

Dollar



Sterling



Euro



Yen



Market background

Markets have recently paid greater attention to US economic data misses and reflected greater concerns about a growth scare. The result of these shifts saw a material decline in short-dated US bond yields as markets started to reprice the chances of the Federal Reserve cutting aggressively. These shifts dragged the trade-weighted US dollar ~1.7% lower in July. The biggest story in FX markets over the past month has come out of Japan. Worries about US growth dragged USD/JPY lower, with these moves exacerbated by a hawkish surprise from the Bank of Japan as rates increased 0.25%.

Market outlook

The result of Japan shifting from ultra-accommodative monetary policy has been a doubling in short-dated USD/JPY implied volatility, with the yen appreciating 8.5% and 7.8% against USD and GBP. Gains in the yen have been greater against higher beta currencies as the JPY carry trade continues to be unwound. There are signs that Japanese authorities will be tapering prior hawkish comments to bring about calmer FX markets.

Public markets

COMMODITIES

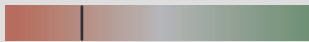
Gold



Energy



Industrial metals



Softs



Market background

There has been a marked divergence across the different commodity groups in recent months. Cyclically sensitive industrial commodities have corrected sharply, in part reflecting the slowdown in the global economy. Soft commodities prices have drifted lower. By contrast, oil prices have continued to trade in a range, reflecting a more supportive demand-supply balance. Gold has been the strongest performer, reflecting support from lower bond yields, continuing central bank purchases and the elevated level of political risk. However, silver has not kept pace with gold in recent weeks

Targeted exposure

We remain cautious of industrial metals given the slowdown in global manufacturing output, and the ongoing weakness in the Chinese economy. Oil continues to be supported by supply issues, and also by Middle East political risk. We have recently raised gold holdings in our multi-asset portfolios, in part because of elevated political risk.

Private markets

Private equity in sports

The role of PE in the sports industry has evolved significantly. Notable PE investments, such as CVC Capital Partners' backing of Formula 1 in 2005 have paved the way for broader institutional interest. The recent surge in franchise valuations, underpinned by steady income streams from media rights, sponsorship, brand value, strength of fan base and market size has transformed sport teams from a risky vanity asset into a distinct asset class with proven market-beating returns.

The shift towards PE ownership reflects a broader trend of professionalisation and commercialisation in the sports industry. This change is driven by the potential for high financial returns and the recognition of sports franchises as valuable assets in diversified investment portfolios. PE firms have been particularly attracted to the potential for revenue growth through media rights, sponsorships, and global fan engagement. They bring a disciplined approach to cost management, often implementing strategies to optimise operational efficiency and enhance revenue streams. The scale of opportunity in the sector has led to established PE firms raising dedicated funds, such as the \$3.7bn raised by Ares. This is in addition to the PE firms solely dedicated to investment in sports and related media. Bluestone Equity Partners, a firm co-led by former NBA executive Bobby Sharma, successfully raised its inaugural \$300m growth equity fund focused on the global sports, media, and entertainment industry. In September 2023, Dynasty Equity (another recently formed sports-sector PE firm) acquired a strategic minority equity stake in Liverpool Football Club with an investment reported to be over \$100m.

A confluence of transformative trends has fuelled the surge in institutional investors and PE firms into the sports industry. The growth of revenue diversification and tech-enablement, the rising value of sports media rights, changes in players' salaries and regulation, and an opportunistic entry valuation (pandemic related) have made sports a more attractive and defensive investment.

Long-term media rights and sponsorship deals, combined with ticket pricing power provide stable, recurring, and growing core revenue streams for sporting organisations. Tickets, sponsorships, and broadcast rights continue to be the main buckets of revenue, while concessions, parking, merchandise, and non-team events fill out the income statement. The NFL recently

concluded another exceptional season off the field, with league revenue surpassing \$20bn. As a result, each of the other 31 NFL team owners received a check exceeding \$400m from the league's shared revenue pool. Along similar lines, NFL teams only have 10 home games a year, including preseason, but are still able to generate more than \$3bn a year in ticket and suite revenue, or 17% of their total.

It's a similar story for the NBA; In the 2022/23 season, the NBA generated \$10.9bn in total revenue, of which 44% was derived from broadcast deals with ESPN and TNT – a contract based, recurring revenue stream. Not only do these broadcast rights create recurring revenues, but they also continue to grow at a significant rate. When surveyed, NBA teams are expecting the next round of TV deals to increase by 100%-150% on the current c.\$2.6bn a year value.

PE sponsors around the world have increasingly focused on sport franchises with long-term media rights and sponsorship deals as key revenue growth drivers. This trend can be seen in their attention to commercial rights licensing and broadcasting opportunities, largely due to the surge in streaming service technology and on-demand content platforms. For instance, CVC recently invested \$150m in the Women's Tennis Association, obtaining 20% equity in a new commercial subsidiary – WTA Ventures. This subsidiary aims to generate revenue through the management of sponsorship sales, broadcasting, and data rights. This investment is akin to CVC's \$2.2bn media rights deal with Spain's LaLiga in December 2021, where they acquired an 8.2% in a newly established entity to oversee LaLiga's broadcasting and sponsorship rights for the next 50 years. Consequently, this arrangement resulted in a recent €915m capital injection into 38 of the top Spanish clubs, structured to enhance their value by reducing debt, improving club infrastructure, and facilitating new player acquisitions.

The sports industry has consistently thrived even amid economic volatility and downturn cycles, underpinned by strong business fundamentals. Historically, sports ownership has generated attractive returns with low leverage and low correlation to market and economic fluctuations. Owning these assets represents a durable opportunity to compound capital over long periods. Furthermore, these businesses have achieved this with very low leverage:

the average debt level for a North American professional sports franchise typically ranges from 10–20% Loan to Value TV due to league-imposed borrowing restrictions. The resilience of sports as an asset class is evident across different economic cycles. During the pandemic, when games were either not played or held without fans, revenues never dropped below 85% of pre-pandemic levels. According to Arctos Sports Partners, N. American sports are one of only three industries (along with healthcare and education) that have seen a 7% revenue growth CAGR or higher over the last 30 years, with this growth rate persisting despite the disruptions caused by the COVID-19 pandemic.

Regulatory reforms and ownership changes have also played a key role in the evolution and sponsor interest. Major US leagues like the NFL and NBA, which traditionally restricted team ownership to individuals, have broadened their scope to include a variety of investors. This shift was exemplified by the NBA’s decision in January 2021 which allowed PE firms to purchase up to 20% of a single NBA franchise. This change has provided teams and leagues, whose value is heavily concentrated in their franchises, with opportunities for liquidity, enabling them to generate additional capital for more lucrative and expedited deals.

In conclusion, the sports industry’s evolution into a lucrative and stable asset class has been significantly driven by private equity investments. This transformation is characterized by increasing franchise valuations, driven by steady income streams from media rights, sponsorship, and fan engagement. The entry of PE firms has brought professionalisation, disciplined cost management, and operational efficiency to sports franchises, enhancing their financial performance and attractiveness to investors. The resilience of sports as an asset class, demonstrated through economic volatility and the COVID-19 pandemic, underscores its viability for long-term capital compounding. Regulatory reforms have further facilitated this shift, enabling a broader range of investors to partake in the ownership of major sports franchises. As a result, the sports industry is poised for continued growth and stability, supported by strong business fundamentals and the strategic involvement of private equity.

	NFL	NBA	MLB	NHL	MLS
Maximum equity a team can sell to funds	Prohibited	30%	30%	30%	30%
Maximum equity a single fund can own in one team	Prohibited	20%	15%	20%	20%
Maximum number of teams a fund can own	Prohibited	5	Unlimited	5	4
Minimum investment	Prohibited	Unknown	Unknown	\$20m	\$20m
Average franchise value	\$4.14bn	\$3bn	\$2.36bn	\$1.01bn	\$582m

Private markets

ALTERNATIVE SOURCES OF RETURN

Secondaries



Undercapitalisation of the secondary market has created a structural imbalance between supply and demand, creating an attractive environment for long-term allocation to secondaries

Special situations



Favourable market environment given the likely stress corporates will face in a higher rate environment

Venture capital



Early-stage venture has benefited from the correction in late-stage valuations, providing an opportune time to invest in long-term productivity gains, labour replacement and other venture investment qualities

Infrastructure



Attractive, long-term asset class given supply chain issues, regulatory initiatives and geopolitical uncertainty are driving demand for new / the development of infrastructure higher

Real estate



As cap rates have expanded and lending has tightened, we see opportunities to acquire high-quality assets at attractive entry prices GP stakes and financing

GP stakes and financing



Opportunity for higher yield and greater structural protection as a result of limited GP liquidity

Real assets



At risk from weak growth environment

Private debt



A negative economic outlook with the potential for above-trend default rates and extension risk make private direct lending unattractive on a risk-adjusted basis

Leveraged buyouts



Softened valuations, reduced debt levels, and increasing focus on corporate carve-out opportunities has created a window for investors to deploy into operationally focused private equity strategies

Mid-market growth



A prolonged period of weak/negative earnings growth as a result of a weak economic environment and increased cost of capital will see valuations struggle in the short term

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We founded Saranac Partners to do things differently. To create a community based around like-minded people, shared wisdom and collective learning. To work as partners, creating compelling opportunities and effective solutions. To offer unfailing support, honest challenge and thoughtful inspiration.

Our business combines the personal touch of a private office with the capability and breadth of a large institution. Our firm has strategic shareholders, outstanding technology, broad capabilities and the highest standards of corporate governance. Saranac Partners is a signatory to the United Nations Principles of Responsible Investing (UNPRI).


OUR SERVICES

We start with the question. We listen and seek to understand. We don't make assumptions or force solutions. Rather we co-create a path with our clients.

 **Strategy.** Planning, governance and oversight

 **Financing.** Access to diverse sources of capital

 **Investments.** Allocation and deployment of capital

 **Corporate advisory.** Supporting corporates and business owners

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