

The UK Stewardship Code Disclosure Statement

Under COBS 2.2.3R of the FCA Handbook we are required to make a public disclosure in relation to the nature of our commitment to the UK Financial Reporting Council's Stewardship Code ("the Code") published by the FRC, the United Kingdom's independent regulator responsible for promoting high quality corporate governance and reporting, in order to foster investment.

We support the principles underlying the Code and have set out below the approach taken to the Code principles and explained the approach taken where we consider it not appropriate or proportionate to our business. The code allows organisations to meet the expectations in a manner that is aligned with their own business model and strategy. We support the FRC definition of stewardship as the "responsible allocation, management and oversight of capital to create long term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society".

As a 'fund of funds' investor our holdings are overwhelmingly with other managers via regulated collective investment schemes. As such we rely on the manager for the practical, day to day implementation of the code with investee companies (e.g. via exercise of voting rights). Similarly in relation to an Engagement Policy (under COBS 2.2B SRD Requirements), we have a de-minimus exposure to listed equity investments, but where that exposure might exist this document also serves to set out the policies we would apply.

Principle 1: Signatories' purpose, investment beliefs, strategy and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society

As an entity Saltus exists to deliver high quality, effective wealth management services to our clients. We have a strong belief in doing the right thing for our clients by helping them and their families reach life goals by planning their finances, making their financial life simpler and providing peace of mind when it comes to their money. We also aim to provide a decent return for our shareholders and to be a pleasant place to work, where our people can be proud of what they do.

To deliver on these goals we focus on financial planning, finding the right risk profile for each client and investing their money in an intelligent way, aiming for the best returns for each risk budget whilst also investing responsibly and ensuring our clients families are protected should the worst happen.

As investors we believe that controlling risk is at the heart of generating consistent returns. We believe in unconstrained investing and seek the broadest and widest possible set of opportunities across asset classes, investment styles and geographies for our clients. We believe that these portfolios are best constructed by identifying and investing alongside investment managers in each asset class. We also believe that responsible investing works in tandem with these goals. We have specific policies in place describing our overall approach to investing and to responsible investing in particular.

We regularly survey our clients and are in constant communication with them through reviews, webinars, and regulatory quarterly reporting, allowing us to assess how effective we have been in delivering on these goals.

Principle 2 – Signatories governance, resources, and incentives support stewardship

Oversight and accountability for investment matters rests with the Investment Committee (IC) which is responsible for all aspects of client investing. The Chairman is a Member of the Management Committee of Saltus, which is responsible for the day to day running of the firm and the resourcing of the IC.

The IC has a detailed term of reference and an investment philosophy that describes the systems, processes, and controls we use to ensure good outcomes for our clients. Service providers for the IC consist mainly in the research and data area where a wide range of investment banks, boutique research providers and global data providers input into the IC decision taking process. Training and competence of IC members is provided and assessed by the group compliance function.

There is no specific reward structure to incentivise the integration of stewardship and investment decision making as we believe this is already embedded in the invest process itself. A separate Risk Committee monitors the key risks pertaining to the investment function, including the maintenance of a risk register. We believe that this approach is the most effective way of supporting good stewardship of our client's capital.

Principle 3 – Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first

Saltus is authorised and regulated by the Financial Conduct Authority, which requires firms to identify, and mitigate any conflicts of interest between itself, its clients, and between clients that may result in a loss to them. We maintain a conflicts of interest policy and register to satisfy this requirement, which is subject to regular management review.

We act as investment managers with a fiduciary responsibility to act in the best interests of our clients. We seek to optimise investment returns for our clients through thorough investment research and, since our revenues are dependent on both management and performance, believe our interests are aligned.

Where a conflict exists between clients' interests in relation to, for example, voting, engagement, nomination of directors, etc we will assess this and manage the conflict in accordance with our Conflicts of Interest policy.

Principle 4 – Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

Saltus views adherence to this principle as resting mainly with the day to day activities of the Investment Committee which assesses multiple inputs to identify market wide (or macro) investment risks as part of the investment process. The inputs and processes are described in our

Investment Philosophy and a key element of our work is regular interaction with managers of client investments, often from much larger firms, where we discuss and assess potential market wide and systemic risks. The IC meets weekly to formally assess these issues and other factors which could impact client portfolios, a frequency which we believe allows for rapid adaptation to constantly changing market conditions and integration of new ideas into our process.

Principle 5 – Signatories review their policies, assure their processes, and assess the effectiveness of their activities.

Saltus has been a manager of regulated NURS funds for many years and as a function of the professional oversight of an authorized corporate director has continuously developed multiple procedures and policies to promote good stewardship. These policies and procedures are regularly reviewed and tested as part of annual due diligence. We also submit data to external consultants for quarterly benchmarking our investment portfolios against peers. Our group compliance function also regularly reviews our policies and procedures to ensure they remain fit for purpose. In conjunction with the day to day activities of the IC, we believe that these measures help Saltus discharge its stewardship duties effectively, taking account of our specific business model and strategy.

Principle 6 – Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them

As described in principle 1 the purpose of Saltus is to deliver high quality wealth management services to our clients – including the management of their investments, which in turn requires good stewardship of their capital. We manage over £1bn of client money across multiple asset classes with long term (three years plus) time horizons. We report in detail quarterly to our clients and also provide multiple more frequent interactions through webinars or market updates, or formal reviews. We have a take on process which requires a detailed assessment of client circumstances and needs as part of their regulated journey towards a suitable portfolio. This combination of activities we believe effectively addresses the intent of this specific principle.

Principle 7 – Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities

Saltus has a Responsible Investing Policy which explains in detail how we integrate ESG factors into our investment process. We believe ESG factors work in tandem with other, more traditional investment considerations to produce good outcomes for clients. For example, we include ESG factors as part of every research note, which is required before an investment can be made. We also have developed our own questionnaire to use in conjunction with external data providers to produce a scoring system for ongoing monitoring. An integral part of our process is regular dialogue with managers, during which we provide a clear explanation of our ESG expectations (we also in return receive very good input from larger managers on how to improve our own ESG integration).

Principle 8 – Signatories monitor and hold to account managers and/or service providers

Holding managers to account and monitoring their performance is an integral part of the investment process and is executed through multiple tools and processes, described in our Investment Philosophy. Service providers are assessed annually when invoices are due and the IC then decides whether to continue, cancel or adapt the contracts depending on how they are meeting our needs. Each of our key service providers has an active dialogue with Saltus so that in reality, service monitoring is continual and assessed or corrected in real time

Due to the nature of Saltus's mainly fund of funds' business, the main area of monitoring is the fund groups rather than individual companies, which are held passively inside a regulated collective investment scheme. However, when companies are held actively (e.g. investment trusts), Saltus monitor's the companies to ensure that capital is being deployed effectively, that the long term outlook remains valid and that the company is following this strategic direction in an effective manner. All fund data is monitored closely by the Saltus investment management team to assess whether funds are keeping to their investment objectives, performing in line with expectations and in line with benchmarks, if appropriate. The Saltus investment management team meets regularly with the portfolio managers to discuss current strategy and performance and any issues that may have arisen with the fund. While the monitoring of active managers is clearly very important and there is very regular contact, the passive funds within portfolios are also monitored for performance with attention paid if funds do not appear to be tracking their benchmarks closely enough.

Saltus has regular meetings with the senior management of investment companies in which it invests. These meetings examine performance, value drivers, potential risks to capital and management and corporate governance issues. Saltus would engage directly with those companies if there were concerns about performance, value risks or management or corporate governance concerns

Principle 9 – Signatories engage with issuers to maintain or enhance the value of assets

Our engagement with listed companies is limited by the fact that we are a fund of funds investor. We do engage with the managers of the regulated collective schemes or closed end funds we hold, but do not for tracker funds as we judge it to be ineffective in achieving good stewardship.

Where Saltus makes active investment management decisions to buy companies (e.g. such as UK listed closed end funds), it meets and monitors management on a regular basis and engages when appropriate. An example of such engagement is discussion of the discount control mechanism or if Saltus considers it may be in the best interests of investors for a company to be wound up rather than continue trading.

The funds bought by Saltus are chosen by the Saltus in-house fund selection team that meets the portfolio managers to establish their investment policies for strategy and security selection and to ensure that the fund manager has appropriate governance policies in place, including a voting policy. If Saltus became concerned about governance within the fund or had other concerns, it would through these concerns with the fund manager directly. If it was not satisfied with the response, Saltus would look for another fund that did have the appropriate policies in place.

When Saltus outsources security selection to an external manager, that manager is bound by their investment mandate to follow the investment objective as defined by the fund prospectus and to follow appropriate policies and procedures. This includes reporting from time to time on voting and engagement. Saltus has satisfied itself that the external manager has the appropriate resources, policies and procedures in place to fulfil the stewardship requirements, including receiving regular reports on the funds and regular contact with the managers to make sure all the aspects of the mandate are observed.

Saltus does not engage with the managers of passive funds in which its funds are invested. However, it would expect these managers to engage and vote in line with the policies laid out on their respective websites in terms of engagement, sustainability of financial performance over the long term as well as providing insight into environmental, social and governance considerations where possible..

Saltus records corporate action notices centrally and will develop new systems to ensure that there is a suitable record of voting activities that can be made available to investors in the funds should they require. Saltus considers that it is discharging its stewardship responsibilities in the optimum way by making use of the services of the managers to which security selection is outsourced.

Principle 10 – Signatories, where necessary, participate in collaborative engagement to influence issuers

Where Saltus believes it is in the interests of its clients, Saltus will participate in collaborative engagement activities. Collaborative engagement may be more appropriate than acting alone in certain instances; such as, but not limited to, during times of significant corporate or wider economic stress, when the risks posed threaten the ability of the company to continue, and where Saltus's shareholding may not be sufficient to exert influence alone. Saltus has not recently been involved in such collaborative activities given the high proportion of Saltus investments being in fund of funds or in passive funds.

Principle 11 – Signatories, where necessary, escalate stewardship activities to influence issuers.

Saltus is mainly a fund of funds manager; consequently, the opportunities for Saltus to intervene or escalate their stewardship activities at the company level is fairly limited. If Saltus had concerns about a company held in a fund in terms of its performance, governance, remuneration or approach to risk, it would enter into an active dialogue with the manager of the fund or with those who have overall governance responsibilities at the manager firm. Following engagement with the manager, if Saltus still had concerns, it might be appropriate to sell the fund. Occasionally, Saltus may share concerns with other fund holders as this may have a more effective outcome than acting on our own. Engagement with companies held via passive investments is not undertaken

Principle 12 – Signatories actively exercise their rights and responsibilities

Saltus seeks to vote all holdings in collectives as appropriate i.e. upon receipt of the corporate action statement. The policy on disclosure of voting activity is to make records available on request to clients who wish to see it. The number of clients who make such request has been very few, but we will develop a recording methodology to quickly respond should such a request be made.

When Saltus outsources stock selection to an external manager it has policies and procedures in place governing what is expected from the external manager in terms of voting and governance activity. The manager reports to Saltus as part of our normal monitoring process on governance activity.

Saltus undertakes voting this activity using internal resources, as it better reflects Saltus's governance views rather than by taking an external advisor's recommendation with which Saltus may disagree.

Saltus reports to clients on stewardship and voting activity, when requested, which, given the fund of funds and passive fund nature of Saltus's investment activity, is rare. Currently Saltus reports back to clients on an ad hoc basis if they request a copy of the Stewardship Code or ask about frequency of voting. We will work to develop a more robust and real time process to meet any future demands from clients or regulators.