

March 23, 2020

Dear Friends of Sentinel Trust,

I am writing to reassure you that as the coronavirus spreads and markets weaken, Sentinel Trust remains strong. As you know, Sentinel Trust has weathered two previous recessions since our 1997 founding (recessions in 2001 and 2008). Prior to that, our founding families managed private, institutional-like portfolios for decades, navigating and opportunistically investing during previous market corrections. We come into these uncertain times prepared with the knowledge and experience to continue rendering the highest level of service to you, our client families.

Business Continuity

Specifically as it relates to managing the impact of coronavirus, the business is performing at a high level and has been consistently ahead of the curve in terms of our communications and decision-making. We are and have been actively working to prepare for every possible scenario including monitoring business disruption risks and receiving status updates from key third parties (e.g., investment managers, regulators, custodians, etc.). Our business continuity plans are well-refined and tested in large part due to Houston's multiple weather events over the past 20 years, each of which has required us to work remotely for extended periods of time.

Our specific preparation efforts began as early as mid-February when we started educating employees; distributing hygiene-related supply kits to each employee and in all public spaces of the Firm; and providing paid sick leave (separate from their existing paid-time off) to all employees in order to ensure they did not feel any need or reason to report to work if ill. Employees began testing their remote computer access.

Protecting the health of our clients and staff is paramount. In late February, we implemented travel restrictions and strict limitations on in-person meetings. Beginning March 16th, our workforce went remote until further notice. To compensate, we are even more proactively promoting communications that are essential to our team-based approach to client service. We are staying abreast of the health of our employees and clients, while ensuring privacy is respected. All managers receive email check-ins from their direct reports daily by 9 AM, including daily work deliverables. I send a daily all-employee email updating our staff on the current state of affairs, as well as areas in which the business should be focusing. This has helped keep people focused and communicating. We have a 30-minute all-employee virtual townhall Tuesday afternoons, which helps morale and general communication.

Our Firm communications have stressed the important role each employee and Sentinel Trust play in limiting our interactions (social distancing) in order to protect ourselves, our clients, and those most vulnerable in our community (as well as to limit the toll on our healthcare infrastructure). We are well-prepared and I am confident that our team is ready for the uncertainties that may lie ahead.

Client Service & Planning

All of our relationship officers, investment advisors, executives, and staff are reachable by telephone and e-mail and have video conferencing capabilities. Rest assured: our Firm remains dedicated to providing unmatched wealth management and family office services with our personal touch.

To that end, we continue to monitor federal and state responses to the crisis, including proposed changes to tax payment and filing deadlines. We want to assure all clients who rely upon Sentinel Trust to marshal their tax documents and remit timely tax payments that we will continue to serve you in this way. We will

continue to organize your filings and arrange for the payment of any taxes due within the applicable deadlines announced by Treasury and the state and local tax authorities.

While it is always important to ensure that your wishes are accurately reflected in your testamentary documents (wills, revocable trusts, etc.), a situation like this pandemic has understandably led many to give renewed thought to their estate planning. We stand ready to assist clients in implementing any changes they would like to make to existing documents.

Not surprisingly, the economic downturn combined with low interest rates creates some planning opportunities as well. We have written and will be publishing a new edition of *OnWatch* focusing on how you might leverage current market conditions to your benefit including refinancing loans and mortgages, converting retirement assets from traditional to ROTH IRAs, and considering GRAT strategies as a mechanism for wealth transfer.

Finally, we know from talking with you that it is often our simplest, most personal services that you value most. To that end, if you need help arranging private travel, online grocery shopping, telemedicine, or navigating anything else in your day-to-day life, please do not hesitate to reach out. We are, as always, at your service.

Investment Management

While these can be unnerving times, they also present unique opportunities for investors. As you know, subject to client-specific constraints and wishes, portfolios managed by Sentinel Trust were tactically positioned for a market correction, holding high amounts of cash and cash equivalents. As markets began their downward trend, our investment management team actively harvested losses while markets were still trading near record highs, further reducing portfolio risk. These efforts provide tax benefits and also “dry powder” to re-invest as markets trend lower and assets become more fairly valued. We have only just begun to be buyers in this fast-moving market. Todd Burchett, our Chief Investment Officer, and his team will update you with their thoughts as markets continue to move. In any case, I assure you that the Firm is firmly at the wheel, helping clients participate in and even benefit from the market upheaval.

Supporting Our Employees

As a government-designated essential-service provider, we must continue to serve you, our clients. In order to do this, we must simultaneously support our employees and their families to ensure they can follow public health guidance. Some of our actions to ensure our employees are cared for include providing the technology necessary for alternative work environments, continually improving how we do business in order to streamline and automate procedures, and providing employees with an infrastructure for communication such that they continue to feel in the loop and less isolated.

In addition to the global pandemic, lack of consumer spending and market volatility, anxiety is further heightened in the Houston area due to the impact of falling oil prices. Many of our Sentinel Trust staff have spouses with jobs at risk due to these factors. Just as the federal government is working to get cash to working families in myriad of ways, Sentinel Trust has an opportunity to take actions to do the same. Accordingly, I have accelerated the payment of a portion of estimated 2020 bonuses that normally would be paid at year end. As a Firm, we are well-positioned financially to take this action. We believe it sends a message of goodwill, stability, and safety to our workforce at a time when they most need to hear it.

You will continue to hear from us throughout the recessionary period as to the strength and well-being of the Firm. You will continue to hear, as you already have, about our plans to respond to the Covid-19

pandemic. You will hear about our investment positioning and the reasons why we are taking them on your behalf.

As we all continue to gather data to make well-informed decisions in this unparalleled situation, you have shared your unique insight, expertise, and experiences. Sentinel's client service officers, our executive team, and I have been discussing and implementing your collective suggestions on a real-time basis. As you lead your families, businesses, faith-based and charitable organizations, and communities, we are eager to continue the dialogue about the role each of us will play to move past, and get better from, this pandemic. Finally, and most importantly, we are grateful for the trust and confidence you have placed in Sentinel Trust and look forward to serving you now and in the future.

I wish you and your families good health and best wishes as we work through these trying times.



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