



## OVERVIEW

As a fiduciary to our clients, Martingale seeks to protect and enhance the value of assets entrusted to us. Since Martingale's founding in 1987, our investment philosophy has been grounded in behavioral finance—the belief that investors' innate biases and emotions cause market inefficiencies. In seeking to exploit these inefficiencies, our investment philosophy is characterized further by a set of core beliefs and guiding principles centered on fundamental investment concepts, a scientific approach backed by rigorous research, thoughtful risk management and sound investment judgment. Consistent with this philosophy and our fiduciary responsibilities, we seek to consider and apply responsible investment principles to improve the risk/return potential of client investments.

## INVESTMENT OPPORTUNITIES

Martingale focuses on careful analysis of systematic factors intended to improve return potential and manage risk. Our investment process tends to favor profitable companies with positive business momentum selling at relatively low valuations. In this data intensive process, we value transparency, earnings quality and other indications of good corporate governance and sustainable business models. Data related to environmental, social, and governance (ESG) issues provides an additional lens through which we identify potential opportunities or risks that may not be fully reflected in company financials alone, including climate-related risks. We also recognize that a range of responsible investing concepts exists today and not all are easily quantified or actionable. In keeping with our systematic approach, we employ objective metrics that have the potential to enhance our investment process.

## CLIENT DIRECTIVES

Martingale understands that investors may have broader objectives for responsible investing. The breadth of our investment approach is well-suited to incorporating client directives. We have more than 30 years of experience in managing portfolios that involve client-directed preferences, including those for social purposes. We are happy to work with clients to develop customized solutions to meet their objectives.

## STEWARDSHIP

Proxy voting is Martingale's primary means of engaging with corporate issuers. In exercising this responsibility, Martingale utilizes an independent proxy voting service provider to research, recommend and vote proxies. Certain responsible investing considerations are included in their analysis and recommendations. Where a client has a special sustainability focus, the client can also request that their proxies be voted using guidelines that incorporate a broader set of sustainable investing issues.

## UNITED NATIONS PRINCIPLES FOR RESPONSIBLE INVESTMENT

Martingale is a signatory to the United Nations Principles for Responsible Investment (PRI), since June 2018. As institutional investors, we have a duty to act in the best long-term interests of our clients' beneficiaries.

Signatory of:



## DISCLOSURES

*Unless otherwise stated, ESG considerations do not change a strategy's investment objective. As with any active equity strategy, past performance is not an indicator of future results and there is no guarantee a strategy will achieve its objectives, including with respect to the impact of sustainable investing considerations.*