

Responsible Investment Statement

Executive Summary

At Mar Vista, we value transparency, integrity and balance in all aspects of our business. As stewards of our clients' capital, we strive to create value for our investors by generating unique, risk-adjusted returns that exceed the opportunity cost of investing in a passive index. Our mission requires a conviction to be different in how we think, behave and invest.

Our approach to investments is aligned with our commitment to our clients, employees and the community. The basic foundation of Mar Vista is rooted in diversity, and there is a commitment to outreach embedded in the Mar Vista culture which is cultivated through the Mar Vista Charitable Foundation. The positive ramifications of Mar Vista's own commitment to ESG initiatives further fuels us to incorporate this lens to our investment approach.

At Mar Vista, we view our journey on the path of responsible and sustainable investing to be one of continuous improvement. While we have traditionally incorporated many of the relevant factors and trends into our investment mosaic, we understand that the true power of the movement is still in its infancy. As the investment tools and standards evolve with investor demand, Mar Vista looks forward to working with peers, clients and the consulting community to advance these worthy initiatives and, ultimately, set the stage for a more just and equitable global community for all.

Mar Vista's Investment Approach

The mission of Mar Vista Investment Partners is to grow our clients' wealth while preserving their capital through superior risk-adjusted returns over the long-term. To accomplish this, we delve deeply into the capital allocation strategy, corporate structure and culture of each business in our investment universe. Our long-term horizon recognizes that each company must understand how the environment, social progress and corporate structure influence its ability to sustain competitive advantages over time and incorporate mechanisms that allow it to evolve with and optimize the impact of these influences. We believe analysis of ESG factors fits hand-in-glove with our fundamental, long-term investment process. In addition to being an ethically correct approach, there is an economic incentive as well. Among other benefits, companies that embrace high moral standards may have favorable employee and customer retention rates which contribute to the bottom line.

Mar Vista makes proprietary assessments driven by a multitude of factors that may include interactions with management teams, internal research, and third-party data sources. Since becoming UNPRI signatories in early 2020, the firm has started leveraging company level Sustainalytics ratings to expand upon the qualitative assessments derived by the investment team. The ratings serve as a quantitative check on the fundamental process conducted, while also providing an aggregated portfolio rating which can be used to compare ESG scores of similar strategies and relevant benchmarks. These developments have been significant in the education of both the firm and its clients on how ESG incorporation fits into a company's intrinsic value growth, competitive moat durability and range of possible outcomes.

Impactful Ownership

We value companies as private entities, discounting free cash flows, or economic value added, to determine what the business is worth. There are many factors that contribute to our analysis, and have a direct impact on our estimates of intrinsic value and margin of safety. Mar Vista's missive toward incorporating ESG into its holistic investment approach has been bolstered as initiatives like diversity and inclusion, data security, and environmental conservation have been thrust to the forefront of conversation. Their positive effects on a company's long-term prospects are being increasingly valued by management teams, and we have seen a noticeable uptick in the adoption of ESG related issues on the executive and board levels of companies within Mar Vista's coverage universe. Mar Vista will continue to advance these initiatives, as they directly align with the commitments we have made as stewards of our clients' capital.

The investment industry possesses the capacity to guide the course of action companies take to promote a more just and sustainable world. Our attention remains on a multifaceted view of the companies within our universe, dynamically incorporating ESG components with decisions that veer industry leaders in the direction most advantageous for all stakeholders.

Investment Priorities

Mar Vista recognizes the impact a strong culture has on the long-term stability and growth of any corporation, and its foundational effect on the success or failure of a business. Over the past decade, there has been a gradual increase in the adoption rate of sound environmental, social and governance practices. Many of these trends have been pillars of our own Mar Vista culture since inception, and they are now fully integrated into our investment mosaic.

As a firm, Mar Vista has prioritized a number of initiatives that have positively impacted our business, and we are committed to inspiring companies within our investment universe to do the same. We promote executive compensation tied to corporate ESG objectives, and track salary increases to relative average employee pay. We understand the importance of aligning incentives with all stakeholders and seek companies that promote diversity and healthy labor relations. Investors, particularly younger generations, demand the businesses they support to look past the bottom-line and aspire to affect positive change on the communities they impact. Mar Vista considers community outreach as an integral part of our firm's fabric, and we seek similar initiatives within our portfolio companies. Additionally, by tracking long-term goals and rewarding companies within our portfolio that effectively alter the trajectory of their carbon emissions, we aim to positively address the climate crises our world faces.

Proxy Voting

One of the more influential shareholder opportunities is to vote at a company's annual and extraordinary meetings. Our clients typically delegate to Mar Vista the authority to vote proxies for the securities held in their accounts.

While Mar Vista is not an activist investor, we consider a wide range of ESG issues when engaging in proxy voting. We engage a third-party proxy advisory firm to help inform our team on specific issues that favor long-term, sustainable solutions. Our investment team is well-equipped to evaluate any proposal through a long-term lens and assess its impact across a multitude of scenarios.

We believe that ESG-related proposals are best approached on a case-by-case basis, as it is impossible to incorporate each client’s preferences into a solitary ESG voting policy. Ultimately, it is Mar Vista’s mission to provide our investors with the best opportunity to achieve unique, risk-adjusted returns while prioritizing capital preservation.

Custom Client Accounts and Exclusionary Screening

Mar Vista has implemented a consistent and repeatable investment framework to equity markets since its inception. Due to the firm’s bottom-up and integrated ESG approach, our team does not automatically exclude specific companies or industries within the investment universe. However, we can accommodate ESG restrictions, specific to a client request. Mar Vista has the capability to place trade restrictions on any company that does not meet a client’s defined investment criteria. We are also willing to incorporate systematic third-party screening/exclusionary lists upon demand.

External Resources and Data Providers

Sustainalytics: A Morningstar Company, is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 25 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors.

Sell-Side Research: Our team frequently leverage`s sell-side research when performing due diligence on prospective and current investment opportunities. Sell-side analysts are increasingly providing insight on ESG-related issues and themes that have a direct impact on the industries, sectors and regions of Mar Vista investments.

Advancement of Responsible Investment

Along with being stewards of our client’s capital, Mar Vista has the responsibility to advance responsible investment and sustainable initiatives within the asset management industry. As previously stated, the integration of ESG into our firm and process is an evolving journey. Collaboration with peers, clients and organizations that endeavor for increased ESG promotion will be essential to our mutual success. To further this, Mar Vista has become a signatory of the **United Nations–supported Principles for Responsible Investment (PRI)**. The PRI is the world’s leading proponent of responsible investment. It works to understand the investment implications of environmental, social and governance factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate, and, ultimately, of the environment and society as a whole.

Mar Vista does not offer an ESG investment strategy, but rather incorporates ESG screens into the investment process for each of its investment strategies. A company will not be added or eliminated from the portfolio based solely on its ESG rating/score. Investors in Mar Vista’s Strategic Growth, Focus, Global, Select Equity or International strategy acknowledge and agree that (I) any information provided by the Firm is not a recommendation to invest in the strategy and that the Firm is not undertaking to provide any investment advice to the investor (impartial or otherwise), or to give advice to the investor in a fiduciary capacity in connection with an investment in the strategy and, accordingly, no part of any compensation received by the Firm is for the provision of investment advice to the investor and (II) Mar Vista has a financial interest in the investor’s investment in the strategy on account of the fees and other compensation the Firm expects to receive from the client.