

# **GlobeFlex Capital Responsible Investment Policy**

*Reviewed and Updated: April 2026*

## **Philosophy**

We believe environmental, social and governance (ESG) matters impact companies' long-term corporate value, influencing future expected returns and risk profiles over a medium- to long-term time horizon.

Our investment philosophy focuses on identifying companies on a global basis that are characterized by accelerating fundamentals, quality management, and attractive valuations. We assess a company's fundamental profile by evaluating a wide array of traditional and non-financial metrics, including ESG-related risks and opportunities.

We employ a systematic process that combines our fundamental bottom-up judgments into quantitative methods, ensuring a consistent, repeatable delivery of alpha. Our process models both financial and non-financial metrics and is applied across roughly 20,000 companies globally. Our ESG criteria are fully integrated into this process within our Alpha Model, our proprietary and primary stock selection tool. Our Alpha Model, in combination with our portfolio construction techniques and risk management considerations, drives our investment process for all of our strategies.

## **Approach**

Our approach to responsible investment involves integrating ESG considerations into our bottom-up analysis of all companies in our universe. We identify a suite of ESG factors within our Alpha Model, comprised of relevant and material industry-specific risks and opportunities influencing a company's potential financial sustainability. The ESG data behind these factors is sourced from several third-party research providers as well as our own proprietary data.

Within our Environmental assessment, we include climate related metrics such as measures of carbon intensity. Social considerations encompass both human and social capital and include metrics which measure diversity and inclusion and product safety, among others. Governance scores evaluate board composition as well as corporate behavior. We avoid investing in industries with high long-term risks and low transformation probabilities including coal, detention centers, retail assault guns, and tobacco.

In general, a substantial portion of our research efforts are focused on improving our fundamental stock selection criteria and enhancing every facet of our systematic process so that, in the end, each client portfolio truly reflects our philosophical tenets. New process ideas are continuously generated through our ongoing dialogue, industry exposure, academic review, and creative thought. As such, we will continue to evaluate new sources of ESG information as we refine and enhance our overall investment process.

## **Proxy Voting**

Given our systematic approach, we do not directly engage with issuers and proxy voting is not our primary governance tool. When our process detects deterioration in management quality, we typically divest. Though GlobeFlex does not seek to influence management decisions, we recognize the voting rights accompanying stock ownership are client assets, and that investors can impact company practices through proxy ballots.

When so directed and authorized by a client via our investment management agreement, GlobeFlex is responsible for voting proxies for securities held in the client's account(s). We engage Institutional Shareholder Services (ISS) on an agency basis to carry out the mechanics of the voting process. ISS maintains country-specific and regional voting guidelines which serve as the foundation for their voting recommendations. These guidelines are used for all accounts where GlobeFlex has proxy voting responsibility, except where a client has provided their own custom proxy voting guidelines.

We have reviewed ISS's global voting framework and believe its core principles — accountability, independence, transparency, and stewardship — represent reasonable expectations for issuers, with appropriate emphasis on long-term shareholder value. We also believe that ISS assesses all proposals in an unbiased fashion, regardless of the proposer or the particular matter proposed.

We make proxy voting reporting available to our clients. Should a client desire an ESG-focused approach to proxy voting, we will be happy to work with the client and ISS to employ specialized voting guidelines for the portfolio.

## **Reporting**

Upon request, GlobeFlex can provide ESG reporting, including portfolio and benchmark ESG characteristics, scorecard, and carbon metrics.

## **Governance**

A cross-functional team, including the CEO and CIO, evaluates ESG-related risks and opportunities, promoting policies and actions aligned with our long-term client relationship objectives. The group is responsible for the implementation of this Policy.