

# Martin U.S. Investing

**Martin U.S. Investing Strategy**, funded in 1989 and the genesis of Martin's "Best Ideas" investment philosophy, is a concentrated core U.S. equity strategy that invests in 25 to 30 high quality U.S. registered stocks with market capitalization above \$2 billion.

**Benchmark: iShares Core S&P 500 ETF**



Our edge is Martin's active, time-tested, and repeatable investment process driven by our **team's combined (90+ years) portfolio management experience** and disciplined fundamental, valuation risk management, and proprietary research. The strategy is designed to benefit from a long investment horizon with favorable risk/return characteristics and historical turnover of less than 20% annually, which supports tax efficiency.



## Philosophy and Process

**Quality and valuation are equally important factors** in the investment process. The firm's proprietary research of fundamental factors includes **high returns on invested capital, positive free cash flow, low leverage, and above average earnings growth rates**. Intangible factors such as physical and transition risks are integrated into the process as a quality check to assess both tangible and intangible assets or drivers of potential risks. Macro research is used to understand government policy and geopolitical risk.

## Portfolio Construction

We select 25 to 30 equity holdings through a disciplined implementation of the firm's philosophy and a review of portfolio diversification to reduce business correlations. A high bar for security inclusion is required since initial position sizes can be about 4% of the portfolio with no sector constraints. Risk controls include limits on position sizes and industry exposures. Liquidity is an important criterion for investments and positions are monitored for ease of purchase or sale. The portfolio managers continuously monitor valuation and growth expectations of current and prospective holdings. Shifts in business fundamentals are evaluated alongside new opportunities. Martin's commitment to quality investing and strong fundamental approach tend to provide favorable downside capture in volatile markets.

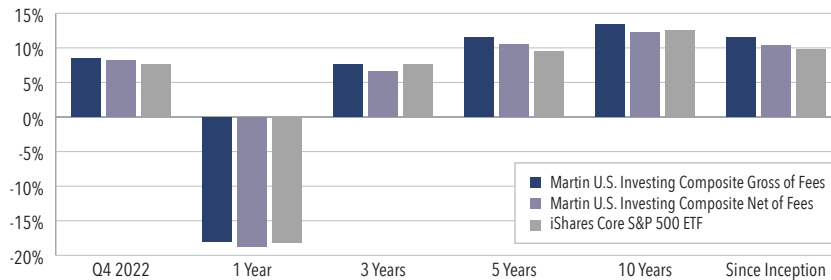
For more information, visit [www.martin-investments.com](http://www.martin-investments.com)

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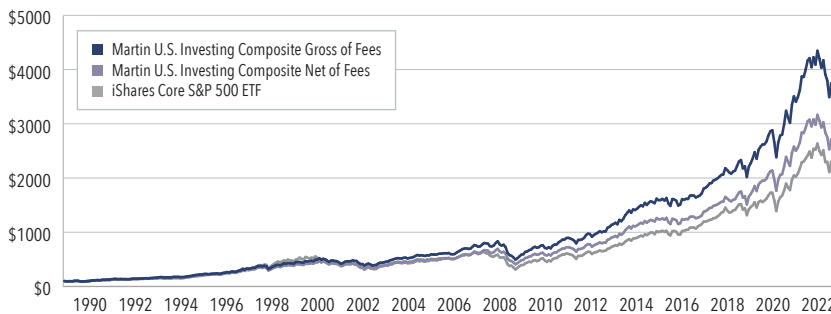
Incepted 1/2/1990

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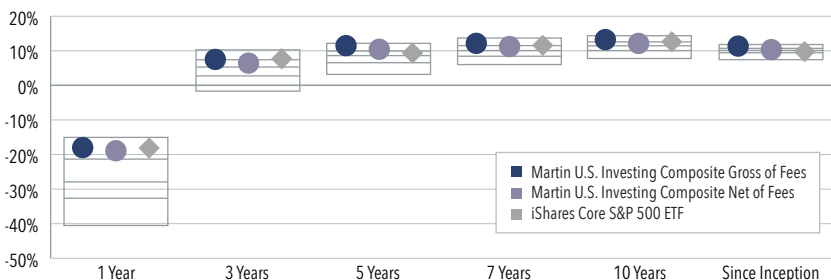
## Returns As of 12/31/22



## Investment Growth As of 12/31/22



## Performance Relative to Peers As of 12/31/22



## Top 10 Holdings As of 12/31/22

Mastercard Inc Class A	7.33%
Apple Inc	6.88%
Thermo Fisher Scientific Inc	5.47%
Berkshire Hathaway Inc Class B	4.67%
Johnson & Johnson	3.76%
Bristol-Myers Squibb Co	3.72%
American Express Co	3.63%
L3Harris Technologies Inc	3.58%
Procter & Gamble Co	3.53%
General Dynamics Corp	3.52%

## Portfolio Characteristics As of 12/31/22

	Martin U.S. Investing Composite	iShares Core S&P 500 ETF
Asset Alloc Cash	11.14%	0.29%
Asset Alloc Equity	88.86%	99.71%
P/E Ratio (TTM)	21.75	20.06
P/C Ratio (TTM)	15.62	14.97
ROE % (TTM)	32.17%	31.23%
Equity Style Factor LT	10.48	11.69
Earn Growth		
Debt to Capital (trailing)	41.52%	42.97%

## GICS Sectors (Excluding cash) As of 12/31/22

Energy	4.13%
Materials	3.52%
Industrials	18.07%
Consumer Discretionary	3.36%
Consumer Staples	7.12%
Healthcare	18.46%
Financials	16.33%
Information Technology	25.31%
Communication Services	3.71%
Utilities	0.00%
Real Estate	0.00%

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MIM claims compliance with the Global Investment Performance Standards (GIPS®). To receive a list of composite descriptions of MIM and/or a GIPS Report please contact Patrick A. Martin at (847) 424-9124, or write MIM at 1560 Sherman Ave, Suite 1250, Evanston, IL 60201, or email info@martin-investments.com.

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Returns are presented net of an annual fee of 100 basis points, accrued monthly. The returns in this presentation include the reinvestment of income. Dividends are accrued as of the ex-dividend date and interest is accrued monthly and in each case are accrued gross of non-reclaimable withholding taxes.

This presentation used the iShares Core S&P 500 ETF (the "ETF"), which tracks the S&P 500 Index, as a proxy for the S&P 500 Index. It is not possible to invest directly in an index. An ETF incurs trading costs and other charges, including taxes. The ETF is shown net of fees and other costs.

The Martin U.S. Investing Composite represents the performance for the Martin U.S. Investing Strategy. Prior to January 1, 2022, the composite was named Long Term Growth Composite. As of January 1, 2022, the composite was named Martin U.S. Investing Composite. Prior to January 1, 2022, the strategy was named U.S. Equity "Best Ideas" Strategy. As of January 1, 2022, the name of the strategy was changed to Martin U.S. Investing Strategy.

**Ranking Source:** Morningstar, Inc. The peer group used to calculate this data is the Morningstar Separate Accounts U.S. Large Growth Universe. Calculated using monthly returns. The above graphical representation of rankings is based on where a strategy's performance ranks within its peer group. The index information and the universe information were obtained from Morningstar, Inc.

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