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ESG Rating Criteria and Methodology

Bordeaux Wealth Advisors ("Bordeaux") assists clients in reviewing certain Environmental, Social and Governance ("ESG") focused investments.

Bordeaux's Investment Committee has adopted the methodology usedby our two investment research firms, Mercer and Morningstar, to provide a comprehensive framework in order to meet the unique and diverse ESG goals set by our clients. The following is a summary of the evaluation process used by each firm and is the basis for our portfolio recommendations to Bordeaux clients.

MERCER

Mercer considers several factors in defining how a third-party fund manager evaluates and considers ESG in their investment process, including a business's negative externalities, its regulatory and policy framework, and the management team's incentives and timeframe in achieving positive social outcomes. Mercer believes that managers that effectively integrate ESG undertake "Stewardship". In this context, Stewardship refers to an approach whereby investors seek to use their position as owners (or creditors) to influence the activity or behavior of investees. The aim is to encourage corporations they invest in to adopt best practices in particular areas, to better understand the fundamental drivers related to ESG issues, and to improve the standards of corporate governance. The underlying belief is that Stewardship is expected to better align the time horizon and interests of the corporation with that of its long-term investors.

MORNINGSTAR

Morningstar has developed a sustainability rating approach to evaluating mutual fund portfolios in an effort to provide a reliable and objective way to evaluate environmental, social, and corporate challenges. Public mutual funds they rate are evaluated from theunderlying company characteristics based on calculations and criteria developed by Sustainalytics, a Morningstar company. In scoring fund portfolios, Sustainalytics develops an ESG Risk Rating for every publicly traded stock, which rolls up to a measurement of financially material environmental, social and governance risks in a total fund portfolio relative to its peer group. Sustainalytics believes that a company's economic value is at risk and may be impacted by these ESG factors. Their underlying premise is that the world is transitioning to a more sustainable economy and that the effective management of ESG risks should, therefore, be associated with superior long-term enterprise value.

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