



Corporate Engagement Update

Sustainable, Responsible and Impact Investing | Bailard Wealth Management

Bailard's approach to corporate engagement focuses on both the shareholder process and supporting other stakeholders working to improve disclosures on important environmental, social, and governance issues. Bailard's Sustainable, Responsible and Impact Investing (SRII) group typically focuses its corporate engagement efforts on the following areas:

ENVIRONMENTAL

- Climate change
- Greenhouse gas emissions
- Global water issues
- Biodiversity & habitat protection
- Sustainability reporting

SOCIAL

- Human rights
- Diversity & gender equality
- Social justice
- Supply chain management
- Workplace practices

GOVERNANCE

- Shareholder rights
- Board structure & independence
- Executive compensation
- Risk management
- Ethical standards
- Policies & procedures on corporate political giving

Recent Activity

Since the close of the 2017 Proxy Season, we have seen more corporate engagement opportunities in the form of sign-on letters. Sign-on letters are a way for shareholders to engage companies by writing a letter that outlines a specific environmental, social or governance issue and call to action. The organizations we partner with such as Ceres, ICCR and As You Sow are constantly vetting these opportunities and often leading the engagement efforts. Some of the recent letters we have signed are outlined below:

Company/Organization	Issue	Mission Alignment
McDonald's	The reintroduction of polystyrene foam cups	Environment
JPMorgan	The financing of private prisons and immigrant detention facilities	Social Equity
U.S. Environmental Protection Agency	The reconsideration of the GHG vehicle standards program	Environment

In other news, we are pleased to announce the newly created Social Impact Committee (SIC), which includes eight professionals across Bailard. The SIC oversees our direct corporate engagement with portfolio companies and our collaboration with external partners. The committee will complement our investment offering by working on behalf of our SRII clients to improve corporate behavior over the long term and to collaborate with like-minded organizations and stakeholders doing the same.

CPA-Zicklin Index

Bailard is a sponsor of the CPA-Zicklin Index, which benchmarks the political disclosure and accountability policies and practices of leading U.S. public companies. Issued annually, it is produced by the Center for Political Accountability in conjunction with the Zicklin Center for Business Ethics Research at The Wharton School at the University of Pennsylvania.

Learn more about the CPA-Zicklin Index here: www.politicalaccountability.net

CPA-Zicklin Spotlight: The 2017 CPA-Zicklin Index was released in late September. In the aftermath of the 2016 U.S. presidential election and Georgia's special election for a congressional seat, it has become even more pertinent to hold companies accountable for disclosing corporate political spending. In addition to updating the Index's scores, this release offers an analysis of the results and highlights overall trends since the Index was established in 2011. The full report can be viewed on the website (see link above).

Ceres Investor Network

Ceres works with investors specifically to better manage carbon, water and supply chain risks, and to ramp up global investments in clean energy and sustainable food and water systems. Bailard is a member of the Ceres Investor Network (formerly the Ceres Network on Climate Change), which focuses on carbon asset risk, disclosure, human rights, water, climate change and governance policy.

Learn more about the Ceres Investor Network here:
www.ceres.org/networks/ceres-investor-network

Moskowitz Prize

Bailard is a sponsor of the Moskowitz Prize, the only global award recognizing outstanding quantitative research in sustainable and responsible investing. Since its launch in 1996 by Berkeley-Haas and US SIF, its winners have explored shareholder activism, socially responsible mutual funds and socially responsible investing as a catalyst to financial performance, among other topics.

Learn more about the Moskowitz Prize here:
www.responsiblebusiness.haas.berkeley.edu/research/moskowitz-research-prize.html

Disclosures

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ICCR

Founded in 1971, the Interfaith Center for Corporate Responsibility (ICCR) is a membership organization of over 300 members of faith and values-based organizations including socially responsible asset management firms, pension funds, colleges and universities. ICCR staff and members engage hundreds of large multi-national corporations per year on social and environmental issues. In 2016, the ICCR filed 257 resolutions. Bailard is an affiliate member of the ICCR.

Learn more about the ICCR here:
www.iccr.org

As You Sow

Bailard is proud to support the corporate engagement work of As You Sow (AYS). AYS is celebrating its 25th anniversary this year working with corporations on important environmental and social issues. AYS's goal is to create large-scale systemic change by establishing sustainable and equitable corporate practices. Blaine Townsend, Bailard's SRII Director, has been collaborating with AYS since 1997.

Learn more about As You Sow here: www.asyousow.org



“Disclosure on environmental and social performance is increasingly the expectation rather than the exception”

– Ceres

Published November 2017

For more information, please call (650) 571 5800 or visit www.bailard.com.

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