



BLUE EDGE CAPITAL

Blue Edge Capital

Introduction to BEC's ESG Portfolios

July 2023



Rethinking Asset Management™

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BEC Global Portfolios



The Global Portfolios are our most diversified offerings, which are based on an "endowment model" approach that provides significant exposure to global markets across asset classes and modest exposure to liquid alternatives.

Global Equity	Domestic Equity	45%
	International Equity	45%
	Liquid Alternatives	10%
	ETF holdings	15-25

Global Growth	Domestic Equity	37%
	International Equity	37%
	Global Fixed Income	16%
	Liquid Alternatives	10%
	ETF holdings	20-35

Global Balanced	Domestic Equity	30%
	International Equity	30%
	Global Fixed Income	30%
	Liquid Alternatives	10%
	ETF holdings	20-35

Global Growth & Income	Domestic Equity	20%
	International Equity	20%
	Global Fixed Income	50%
	Liquid Alternatives	10%
	ETF holdings	20-35

BEC Traditional Portfolios



The Traditional Portfolios are more U.S-centric with an 80/20 domestic/international equity split, domestic-only fixed income allocation, and no exposure to liquid alternatives.

Traditional Equity	Domestic Equity	80%
	International Equity	20%
	ETF holdings	12-20

Traditional Growth	Domestic Equity	64%
	International Equity	16%
	Domestic Fixed Income	20%
	ETF holdings	15-25

Traditional Balanced	Domestic Equity	52%
	International Equity	13%
	Domestic Fixed Income	35%
	ETF holdings	15-25

Traditional Growth & Income	Domestic Equity	40%
	International Equity	10%
	Domestic Fixed Income	50%
	ETF holdings	15-25

BEC ESG Portfolios



The ESG Portfolios offer an investment solution for those seeking socially responsible investments. The underlying ETFs incorporate environmental, social, and governance ("ESG") factors into their construction.

ESG Equity	Domestic Equity	70%
	International Equity	30%
	ETF holdings	5-12

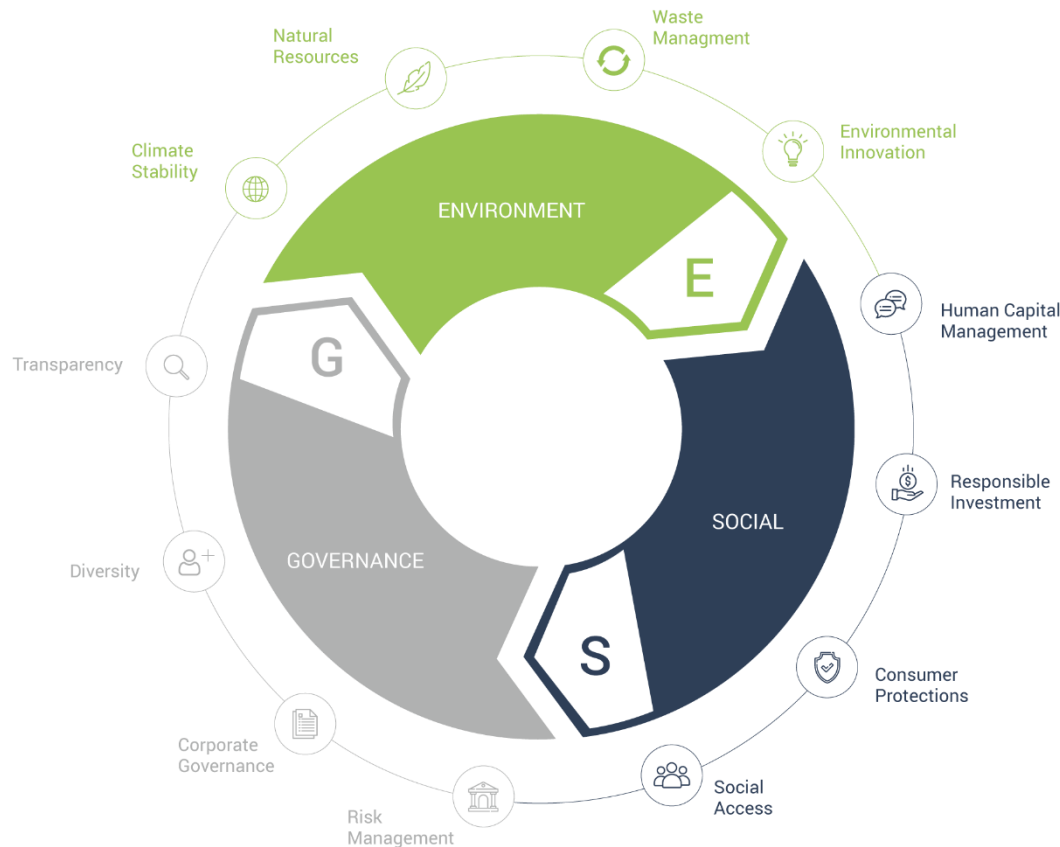
ESG Growth	Domestic Equity	56%
	International Equity	24%
	Fixed Income	20%
	ETF holdings	10-20

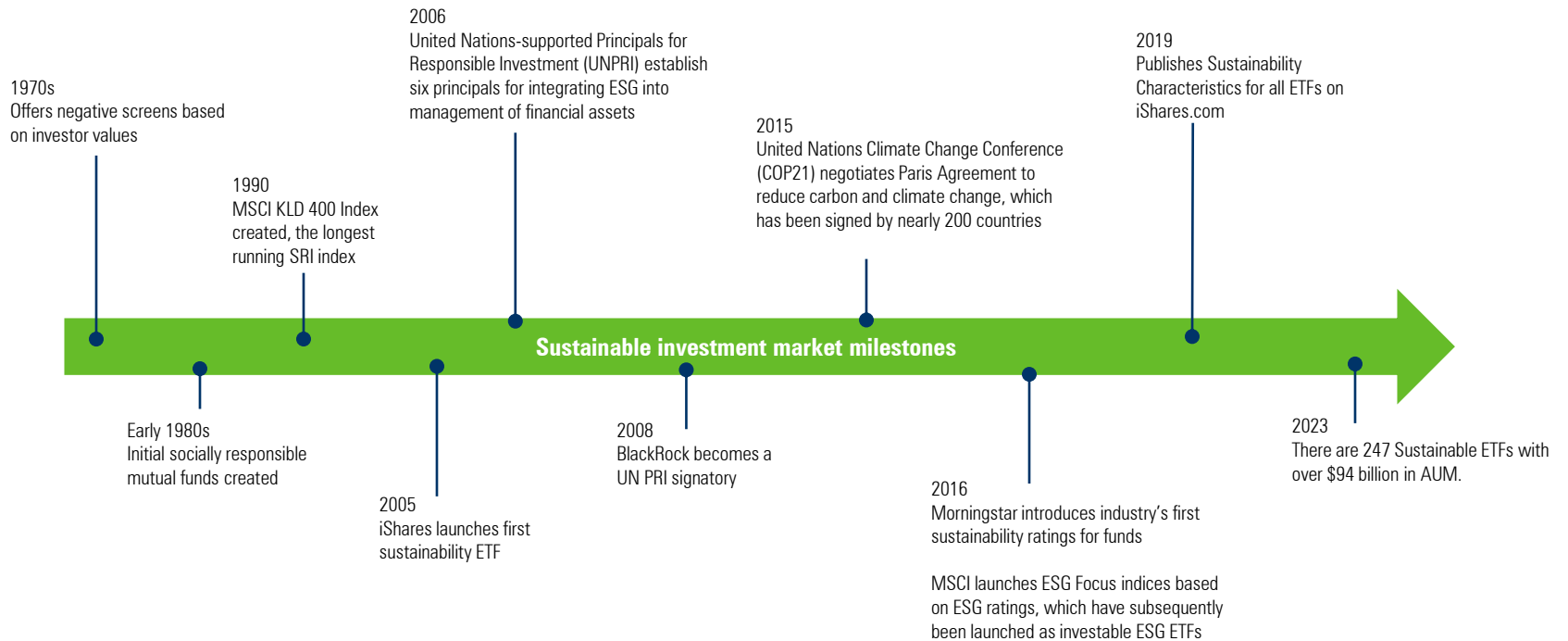
ESG Balanced	Domestic Equity	50%
	International Equity	20%
	Fixed Income	30%
	ETF holdings	10-20

ESG Growth & Income	Domestic Equity	35%
	International Equity	15%
	Fixed Income	50%
	ETF holdings	10-20

Overview of Environmental, Social and Governance (ESG) Investing

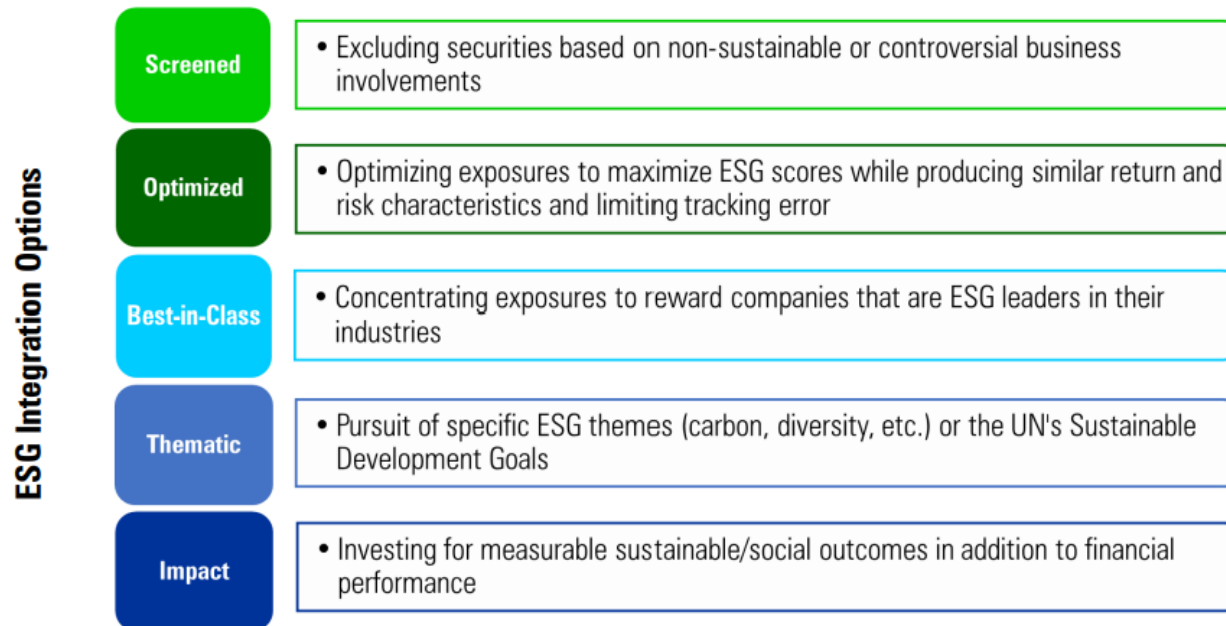
- ESG is part of the Socially Responsible Investing (SRI) and sustainability movement that focuses on integrating Environmental, Social, and Governance criteria into the fundamental investment process and considers their impact along with more traditional financial variables. BlackRock defines ESG as the data toolkit that helps identify and inform solutions under the larger umbrella of sustainable investing.
- Once a fringe investment strategy, ESG investing has become increasingly popular with individual and institutional investors, aided by the development of more quantitative, data-driven, and systematic approaches now available from index providers.
- At its core, ESG is about adding resilience to portfolios by identifying and measuring risks and potential opportunities that may not be captured in traditional financial analysis.
- A broad array of core themes and issues underly each of the Environmental, Social and Governance pillars.





Source: BlackRock

- Sustainable investing is defined as the process of combining traditional investing with sustainability-related insights in an effort to reduce risk and enhance long-term returns. The different options for how to integrate sustainable investing into a portfolio have increased in recent years and have given investors more flexibility in terms of how their portfolios can utilize sustainable investing tactics to differing degrees.
- These passive approaches to ESG integration aim to achieve neutral to superior risk-adjusted returns than their market-cap base benchmark over the long run without significant tracking error.
- The range of ESG integration strategies is outlined below:

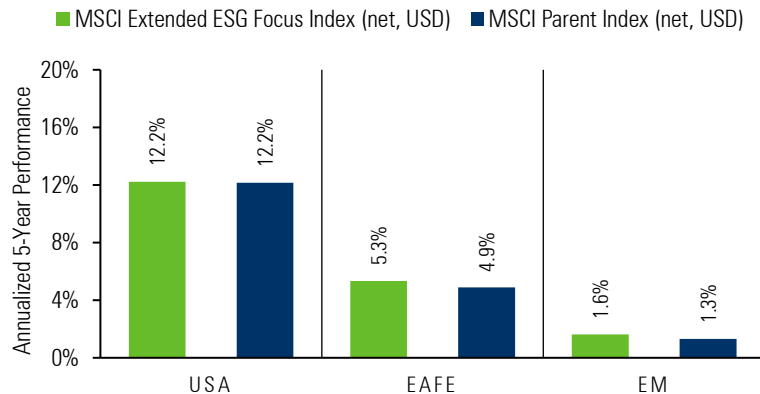


The Case for Incorporating ESG into Investment Portfolios

- Given the growth of ESG-conscious investing, companies increasingly are incentivized to improve their ESG scores, which supports the objective to promote change in corporate behavior and broaden the focus beyond narrow profit maximization.
- While the performance track record is limited, early ESG Index returns are quite promising compared to traditional benchmarks, helping to alleviate common investor concerns about sacrificing returns.
 - Studies have shown that incorporating ESG criteria into investment methodology can improve risk-adjusted returns without disrupting primary investment objectives.
 - Evidence shows that many companies that are socially responsible are more likely to lead in overall management capabilities.
- ESG-conscious investing can help individuals and fiduciaries minimize reputational and operational risk associated with their investment portfolios.

Performance Comparison

MSCI Extended ESG Focus Indices vs. Parent Indices¹

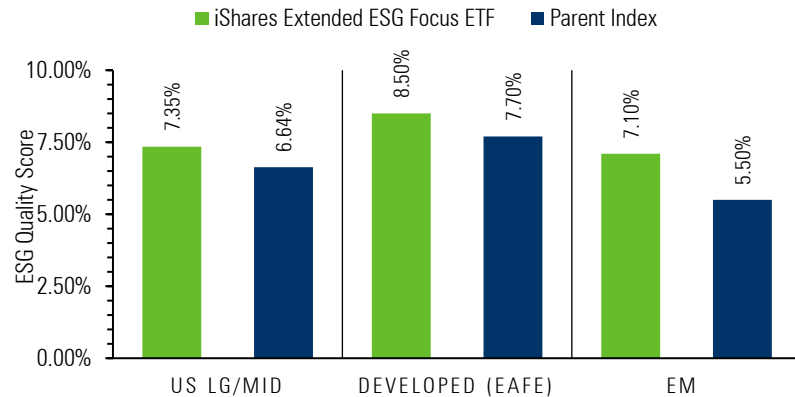


Source: MSCI. Data through 7/1/23.

¹Parent Indices refer to non-ESG filtered regional indices of MSCI.

Sustainability Ratings Comparison

iShares Extended ESG Focus Equity ETFs vs. Parent Indices¹

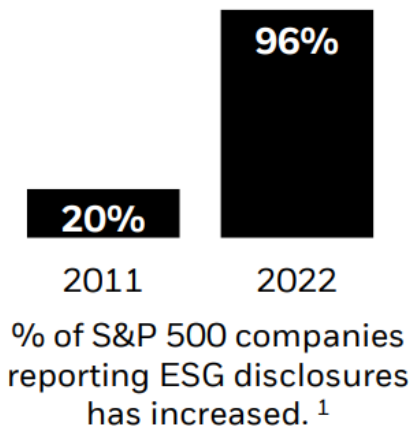


Source: BlackRock and MSCI. Ratings based on fund data as of 7/1/2023.

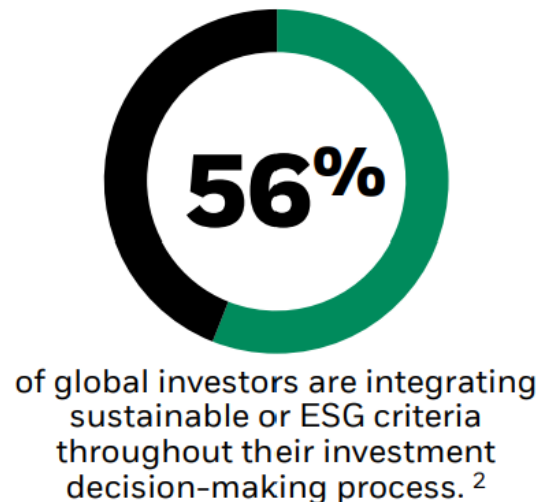
¹Parent Indices refer to non-ESG filtered regional indices of MSCI.

- Institutional awareness of socially responsible investment strategies and adoption of ESG standards has increased as the concept has evolved.
- Over half of global investors are proactively integrating sustainable or ESG criteria into their investment process.
- More recent development of ESG focused indices and ETF product expansion enable smaller institutions to align their portfolios with ESG principles in a cost-effective manner.
- Sustainable investing has become a prevalent issue for clients with 72% of Americans stating an interest in understanding what their money is supporting when they choose to invest.
- ESG regulation and standardization is developing with a rapidly growing number of companies disclosing ESG information.
 - 96% of companies in the S&P 500 reported ESG disclosures in 2022.

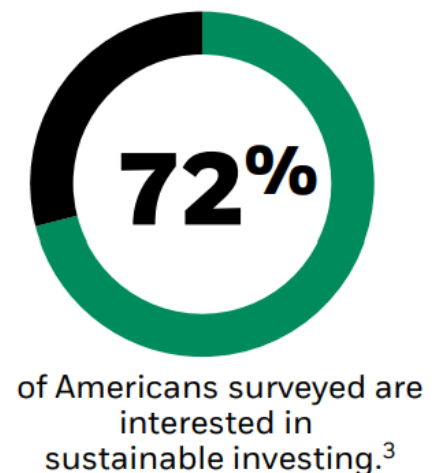
Companies are disclosing more ESG information



Institutions are investing sustainably



Clients are asking about sustainable investing

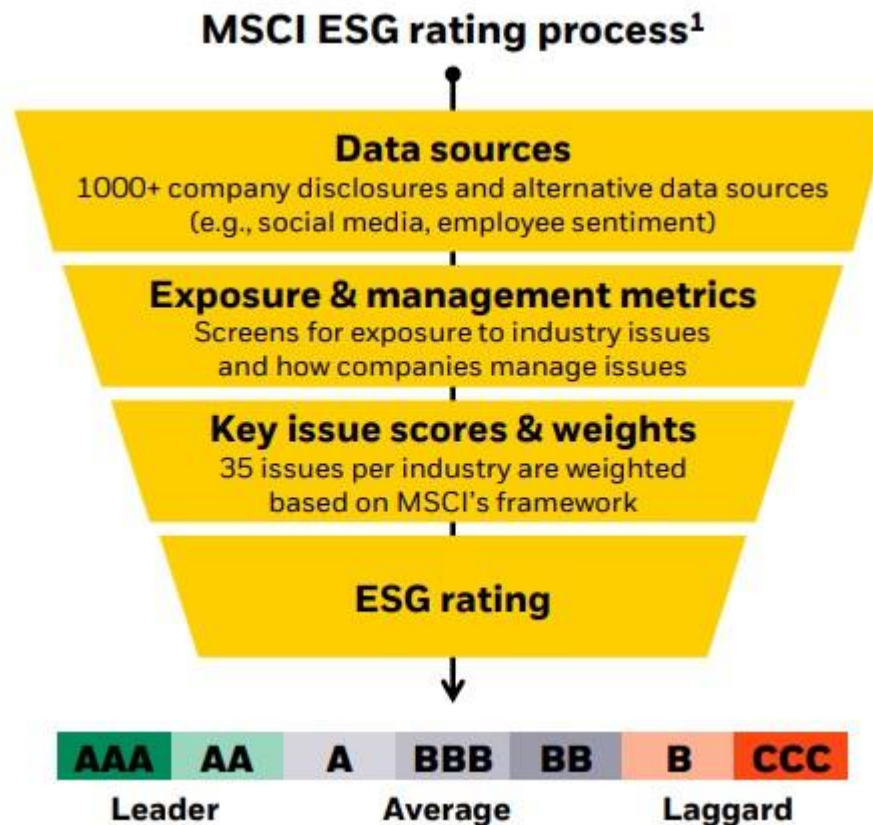


¹ Source: GA Institute Annual S&P 500 + Russell 1000 Sustainability Reporting in Focus as of 11/16/2022

² Source: Institutional Investor, Rising to the challenge of a dynamic market: Institutional investors respond to uncertainty in 2022, June 2022. Based on 758 respondents. Usage figures come from a global survey of institutional investment decision makers at insurers, endowments, family offices, foundations, pensions, and asset management firms surveyed in Q1, 2022. This study was sponsored by BlackRock. BlackRock is not affiliated with Institutional Investor or any of their affiliates.

³ Source: BlackRock and Cerulli Research Report as of September 2021. 200 Financial advisors were surveyed, diversified by geography with AUM over \$25 million. 1,000 Americans investors interviewed were diversified by geography with avg investable assets of \$930K with avg income of \$140K

- MSCI ESG Indexes are designed to support common approaches to environmental, social and governance (ESG) investing, and designed to help institutional investors benchmark to ESG investment performance as well as manage, measure and report on ESG mandates. MSCI ESG Indexes are also designed to provide institutional investors with transparency into ESG sustainability and values alignment, together with the ability to compare holdings.
- Generally, the MSCI ESG Indexes are designed to over-weight companies with high ESG ratings and under-weight companies with low ESG ratings in a manner that is designed to limit tracking error and closely represent the risk and return characteristics of the underlying market. MSCI ESG Research rates companies on a 'AAA' to 'CCC' scale according to their exposure to industry specific ESG risks and their ability to manage those risks relative to peers.



Source: MSCI ESG Research. Data sources: 1000+ data points on ESG policies, programs and performance, Data on 65,000 individual directors, 13 years of shareholder meeting results, 1600+ social media sources monitored daily. MSCI issues scores and weights to combine overall ESG rating relative to industry peers

ESG ratings has driven competitive performance

Companies in the MSCI USA Index with higher ESG ratings have generally outperformed and with more resiliency than companies with lower ESG ratings.



Annualized performance of ESGU since inception¹

12/1/2016 – 3/31/2023



Source: BlackRock with data from FactSet and MSCI ESG Research from 4/1/2018-3/31/2023. Data sources: 1000+ data points on ESG policies, programs and performance, Data on 65,000 individual directors, 13 years of shareholder meeting results, 1600+ social media sources monitored daily. MSCI issues scores and weights to combine overall ESG rating relative to industry peers. Cumulative Total Return of MSCI USA Index and company MSCI ESG Ratings within the MSCI USA Index (99.73% latest MSCI ESG coverage). Underlying stock ESG Rating data from MSCI ESG research and performance data from MSCI both as of 3/31/23. As of 03/31/2023, there were 42 securities in the MSCI USA Index rated AAA, 167 rated AA, 198 rated A, 137 rated BBB, 62 rated BB, 15 rated B, 3 rated CCC, and 2 securities with no ESG ratings out of 626 total in the MSCI USA Index. The MSCI ESG Rating is calculated using the weighted average of the company's individual Key Issue Scores, which are normalized relative to industry peers. Each company's Weighted Average Key Issue Score is adjusted relative to industry peers to arrive at a Final Industry-Adjusted Score (0-10), which corresponds to a MSCI ESG Letter Rating between best (AAA) and worst (CCC). These assessments are not absolute but are explicitly intended to be interpreted relative to a company's industry peers. Key Issues and their corresponding weights are selected by MSCI for each GICS Sub-Industry to determine each Key Issue's contribution to the overall rating. Each Key Issue typically comprises 5-30% of the total ESG Rating. The weightings take into account both the contribution of the industry, relative to all other industries, to the negative or positive impact on the environment or society; and the timeline within which MSCI expects that risk or opportunity for companies in the industry to materialize. The ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC). For further details regarding MSCI's methodology, see the end of this document. Index performance is for illustrative purposes only

- Blue Edge Capital has developed ESG portfolios for individual and institutional investors who wish to access the associated social and financial benefits of sustainable investing through transparent, liquid, and cost-efficient ETFs.
- BEC’s ESG portfolios employ a similar approach to asset allocation and ETF selection as our other portfolios; however, there are distinct differences in portfolio construction given fewer investment options (with less granularity) currently available under the ESG umbrella.
- Despite fewer ETF holdings, we believe that the BEC ESG Equity and BEC ESG Balanced portfolios offer appropriate diversification for investors’ total or partial portfolio application.
- As additional ESG-focused ETFs have come to market, we continue to evaluate alternatives to optimize portfolio construction in a tax-efficient manner.

ESG Equity		
Asset Class	Strategic Target	Policy Range
Domestic Equity	70%	55% - 85%
International Equity	30%	15% - 45%
Cash & Equivalents	0%	0% - 10%

ESG Balanced		
Asset Class	Strategic Target	Policy Range
Domestic Equity	50%	30% - 70%
International Equity	20%	10% - 40%
Domestic Fixed Income	30%	20% - 50%
Cash & Equivalents	0%	0% - 10%

ESG Growth		
Asset Class	Strategic Target	Policy Range
Domestic Equity	56%	40% - 70%
International Equity	24%	15% - 35%
Domestic Fixed Income	20%	10% - 30%
Cash & Equivalents	0%	0% - 10%

ESG Growth & Income		
Asset Class	Strategic Target	Policy Range
Domestic Equity	35%	20% - 50%
International Equity	15%	5% - 25%
Domestic Fixed Income	50%	40% - 60%
Cash & Equivalents	0%	0% - 10%

Important Disclosures

(1) Blue Edge Capital, LLC (BEC) is an independent investment management firm, registered under the Investment Advisers Act of 1940, serving private investors, family offices, foundations, and institutional investors. BEC employees own 100% of the firm.

(2) Investing in BEC Portfolios involves risks, including the potential for loss of capital. BEC's investment strategies are focused on investment in exchange traded funds (ETFs) that hold domestic and international equities, fixed income, real estate, commodities, precious metals, currencies, cash, and other instruments. BEC's investment strategy includes making tactical asset allocation decisions among asset classes with the goals of improving investment performance and managing risk through the economic cycle. Asset classes and proportional weighting in the BEC Portfolios may change at any time without notification based on the discretion of the BEC Investment Committee, which is responsible for all tactical asset allocation decisions for BEC's investment Portfolios.

(3) The returns generated by the BEC Portfolios are subject to numerous risks, including economic, social, and political uncertainty, market volatility, foreign currency exchange rate volatility, and tracking error versus an underlying index. ETFs that hold fixed income securities are also subject to default risk and interest rate risk of their underlying holdings. Investments in ETFs that own foreign assets may incur greater risks than domestic investments. The actual return performance of any ETF may deviate from the returns of the underlying index it is intended to replicate. There can be no assurance that the investment objectives of any Portfolio managed by BEC will be achieved. A complete list of returns for all BEC ETF holdings is available upon request.

(4) BEC began formally tracking the performance of its Global Portfolios as of January 1, 2011, its Traditional Portfolios as of January 1, 2017, and its ESG Portfolios as of July 1, 2018 (Equity and Balanced) and July 1, 2021 (Growth and Growth & Income). Portfolio composite returns for each portfolio are presented on a time-weighted, size-weighted total return basis using monthly portfolio valuations. The composite returns for each Portfolio presented herein include all eligible BEC accounts. To be eligible for inclusion in the BEC composite, an account must be fee paying, fully discretionary, and not part of a broker wrap program. All returns are expressed in U.S. Dollars and are presented net of all fees and expenses, including the fees of the underlying ETF sponsors. The returns reflect the reinvestment of all dividends and interest. As a result of technological enhancements to our performance reporting system, BEC began accruing dividends as of September 1, 2018, and accrued dividends are included in our portfolio composite performance as of that date. The return information presented herein is preliminary and has not been audited or otherwise verified by an independent accounting firm, and past performance of any BEC portfolio does not guarantee future results. For the initial launch date of the ESG portfolios (June 30, 2018), we used NAV pricing for the following ESG Portfolio holdings (tickers ESGU, JUST, ESML, ESGD, ESGE, and SUSB) to provide more accurate performance measurement.

(5) The data for portfolio turnover, current portfolio positioning, and return performance of individual asset classes within each BEC portfolio are based on a representative composite account that remained invested since inception. Asset class returns are presented net of the underlying ETF fees and all trading costs but before any BEC management fee, which is deducted from accumulated cash in the portfolio. The asset class benchmark for BEC global fixed income is a blended benchmark comprised of 80% Bloomberg U.S. Aggregate Bond Index and 20% Bloomberg Global Aggregate Bond Index (ex-U.S.), rebalanced monthly.

(6) The performance of each BEC Portfolio is tracked against one or more performance benchmarks, which have been selected as reasonable proxies for the investment strategy of that portfolio and which are provided for informational purposes only. These benchmarks are rebalanced on a monthly basis, and the actual tactical asset allocation of any BEC portfolio may differ significantly from the composition of its respective benchmark indices at any given time. These benchmarks, which are summarized in the following data table, are not directly investable and do not reflect the deduction of any investment management fee or transaction costs.

	Benchmark Component Weighting					
	MSCI ACWI	Russell 3000	MSCI ACWI (xUS)	Bloomberg U.S. Aggr. Bond	Bloomberg Global (xU.S.) Aggr. Bond	Bloomberg Commodity
Global Passive Benchmarks						
Global Equity	100.0%	--	--	0.0%	--	--
Global Growth	80.0%	--	--	20.0%	--	--
Global Balanced	65.0%	--	--	35.0%	--	--
Global Growth & Income	45.0%	--	--	55.0%	--	--
Global Style Benchmarks						
Global Equity	--	45.0%	45.0%	--	--	10.0%
Global Growth	--	37.0%	37.0%	13.0%	3.0%	10.0%
Global Balanced	--	30.0%	30.0%	24.0%	6.0%	10.0%
Global Growth & Income	--	20.0%	20.0%	40.0%	10.0%	10.0%
Traditional Benchmarks						
Traditional Equity	--	80.0%	20.0%	--	--	--
Traditional Growth	--	64.0%	16.0%	20.0%	--	--
Traditional Balanced	--	52.0%	13.0%	35.0%	--	--
Traditional Growth & Income	--	40.0%	10.0%	50.0%	--	--
ESG Benchmarks						
ESG Equity	--	70.0%	30.0%	--	--	--
ESG Growth	--	56.0%	24.0%	20.0%	--	--
ESG Balanced	--	50.0%	20.0%	30.0%	--	--
ESG Growth & Income	--	35.0%	15.0%	50.0%	--	--

(7) BEC charges an annual investment management fee on all managed accounts, and the firm's standard fee schedule is as follows: 0.75% on the first \$5,000,000 of assets, 0.65% on the next \$5,000,000, and 0.50% on assets over \$10,000,000. Fees and minimums are negotiable, and some clients may pay less than the standard fee.

(8) The material provided herein is presented for informational purposes only and is based on information from a variety of sources that we consider reliable, including Standard & Poors, MSCI Barra, Morningstar Direct, Alerion, Russell Investments, Goldman Sachs, J.P. Morgan, Deutsche Bank, Merrill Lynch, Charles Schwab, X-Rates.com, Index Mundi, CNBC, Dow Jones, Tamarac, and Portfolio Center. BEC does not represent that the information is reliable or complete.

(9) The opinions expressed herein are current opinions as of the date appearing on this material only. Unless otherwise note, all portfolio holdings are as of May 31, 2023.

(10) This report is neither an offer to sell nor a solicitation of an offer to buy any securities. Blue Edge Capital, LLC's most recent Form ADV I, II, and III are available upon request to BEC or directly at the SEC website www.sec.gov.

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