

THE RESPONSIBLE INVESTMENT SPECTRUM

The Evergreen Responsible Investment Grading (ERIG) Index rates a fund based on the seven Responsible Investment (RI) capabilities that are from the RIAA Responsible Investment Spectrum (the Spectrum).

This approach provides us with the ability to evaluate single asset class funds, including equities and fixed interest, as well as multi-asset strategies and investment managers as a whole.

To determine the rating, managers are asked to complete a questionnaire consisting of several hundred questions that assesses all seven areas of the Spectrum.

The questionnaire has two main components per RI capability:

- The high-level RI beliefs of the manager (Intent).

- The investment processes behind each RI capability (Action).

The questions are designed to be closed-ended, that is, in the form of Yes/No answers, to ensure the evaluation across managers is consistent and systematic.

If required, we ask managers to substantiate their answers by providing supplementary documents that support their answers for the relevant sections of the questionnaire.

We then audit the questionnaire responses and documents provided. We may make small subjective assessments or follow up with managers to gain further information if required.

The combination of the scores for the Intent and Action of each RI capability is then converted to a score out of 10:

0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	4.00	4.00	4.00
5.00	5.00	5.00	5.00	5.00	5.00	5.00
6.00	6.00	6.00	6.00	6.00	6.00	6.00
7.00	7.00	7.00	7.00	7.00	7.00	7.00
8.00	8.00	8.00	8.00	8.00	8.00	8.00
9.00	9.00	9.00	9.00	9.00	9.00	9.00
10.00	10.00	10.00	10.00	10.00	10.00	10.00
ESG Integration	Negative Screening	Norms-based Screening	Active Ownership	Positive Screening	Sustainability-themed Investing	Impact Investing

THE ERIG INDEX QUARTILE MEASUREMENT

We have also developed a secondary measurement tool, known as the ERIG Index Quartile measurement. This tool allows us to allocate a quartile ranking to each fund with an ERIG Index score, based on its relative rating compared to other funds in the same sector or asset class.

To determine a fund's quartile ranking, we use a weighted average of all seven scores provided by the ERIG Index and

rank each fund within its asset class. The first 25% of funds are awarded a '1st Quartile' ranking, the second 25% of funds are awarded a '2nd Quartile' ranking and so on based on this score.

This provides ERIG Index users with a simple tool for initial filtering or consideration.

Each fund's Quartile Ranking is reviewed at least annually.



The first 25 percent of funds in each asset class are awarded a '1st Quartile' ranking. These funds scored highly and consistently for the majority of capabilities across the Responsible Investment Spectrum. This reflects their commitment to sustainability as well as their actions aligning to their intent.



The second 25 percent of funds in each asset class are awarded a '2nd Quartile' ranking. These funds scored well across some of the Responsible Investment Spectrum capabilities, and typically above their peers. Second quartile funds' actions align to their intent however they don't exhibit as many capabilities across the Responsible Investment Spectrum as first quartile funds.



The 3rd and 4th Quartiles represent the remaining 50 percent of funds in each asset class. These funds scored below average in a number of capabilities across the Responsible Investment Spectrum compared with the sector averages. These funds may be seen as less sustainable with more work required to integrate Responsible Investment into the fund's investment approach and processes.

*The decision was made to combine the 3rd and 4th quartiles as by definition these are below average only for RI capabilities. For some funds this is a valid approach to their investment philosophy and they can still be factored into a sustainable portfolio, depending on the client's Responsible Investment beliefs.

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