

AUGUST 2021

EVERGREEN GROUP - CONFLICTS OF INTEREST POLICY

INTRODUCTION

The Evergreen Group ('Evergreen') consists of Evergreen Fund Managers Pty Ltd, trading as Evergreen Consultants ('Evergreen Consultants'), ABN 75 602 703 202 AFSL 486275, Evergreen Research Pty Ltd trading as ERIG Index ('ERIG Index') ABN 17 647 506 590 Authorised Representative 001289533, and Evergreen Ratings Pty Ltd ('Evergreen Ratings') ABN 91 643 905 257 Authorised Representative 001283552.

Evergreen Consultants provides investment consulting services to financial planning firms and small funds such as superannuation funds and family offices. Services are primarily related to providing advices on managed accounts and investment portfolios built using liquid managed funds, ETFs and LICs. These investments are usually housed on an investment platform.

The Evergreen Responsible Investment Grading Index, the ERIG Index, is a Responsible Investment analytics tool developed by Evergreen. Evergreen has graded over 500 funds against the widely accepted Responsible Investment Spectrum. This web-based tool allows financial adviser clients to see how 'green' their portfolios are when compared to sector averages, and permits fund managers to compare their funds with those of industry peers.

Evergreen Ratings analyses and rates specific types of managed funds and listed entities. These include illiquid, closed ended and complex funds that are usually not available on a platform or would not normally be used by Evergreen Consultants. That is, these vehicles are generally not considered by Evergreen Consultants.

Evergreen is aware that Conflicts of Interest may arise in the execution of its services and is cognizant of its regulatory responsibilities. In particular, Evergreen has considered its obligations:

- As the holder of AFSL 486275;
- Under Section 912(1) of the Corporations Act;
- Under Regulatory Guide 181 Licensing: Managing conflicts of interest (RG 181); and
- Under Regulatory Guide 79 Research report providers: Improving the quality of investment research (RG 79).

This policy was adopted by the Board of Evergreen on August 5, 2021 and will be reviewed annually.

This policy applies to the Evergreen Group, its employees and representatives.

All employees and representatives are expected to comply with all Evergreen policies, including this Conflicts of Interest Policy at all times. Non-compliance of this policy and/or intentionally failing to report instances of non-compliance with this policy may result in disciplinary action.

1. OBJECTIVE AND PURPOSE

The primary objective of this Policy is to provide a framework to identify and manage conflicts of interest.

2. DEFINITION OF CONFLICT OF INTEREST

- 2.1 A conflict of interest is a situation in which an organisation or an individual in a position of trust has a competing professional or personal interest and includes actual, potential and perceived conflicts of interest.
- 2.2 Competing interests can make it difficult for duties to be fulfilled impartially and can create an appearance of impropriety that can undermine confidence even if no unethical or improper action is taken.
- 2.3 Conflicts of interest fall into three broad categories:
- (1) Real conflicts of interest are where there is an actual conflict between current duties and responsibilities and an existing interest.
 - (2) Potential conflicts of interest are where the interest of the financial service provider or individual is capable of coming into conflict with their duties.
 - (3) Perceived conflicts of interest are where it appears or could reasonably be perceived by others that a financial service provider or an individual's interest is influencing the performance of their duties, regardless, or whether this is actually the case.
- 2.4 A conflict of interest may occur regularly during the course of everyday business activities.
- 2.5 Conflicts management obligations primarily relate to conflicts of interest that arise within Evergreen's business and in dealings with clients.
- 2.6 It also applies to conflicts of interests that arise between something within Evergreen's business dealings and something outside it. An example includes the situation where a conflict arises between an employee's or representative's personal interests and Evergreen's obligations to clients.

3. MANAGING CONFLICTS OF INTEREST

- 3.1 The management of conflicts of interest is of central importance. Not all conflicts are prohibited. However, identification and management are central.
- 3.2 In line with RG 181, Evergreen has adopted the three mechanisms for managing conflicts of interest and has put in place procedures and processes to:
- (1) control conflicts of interest;
 - (2) disclose conflicts of interest; and
 - (3) avoid conflict of interest.

4. IDENTIFYING AND CONTROLLING CONFLICTS OF INTEREST

- 4.1 Evergreen has identified a number of real, potential and perceived conflicts of interest relevant to the business. These are outlined in our Table of Conflicts of Interest.
- 4.2 In order to control conflicts of interest, Evergreen has implemented procedures to identify, assess and evaluate those conflicts; and provide an appropriate response to those conflicts.

5. ASSESSING AND EVALUATING CONFLICTS OF INTEREST

- 5.1 Evergreen has adopted the qualitative risk analysis methodology set out in ASIC RG 79.
- 5.2 Evergreen's Compliance Manager is responsible for assessing and evaluating conflicts of interest. This is done primarily through monthly reporting to the Compliance Committee, or in the event of a serious conflict of interest, the evaluation must be referred to the Board.

6. RESOLVING CONFLICTS OF INTEREST

- 6.1 In resolving conflicts of interest, Evergreen must decide upon and implement an appropriate response to such new and potential conflicts of interests.
- 6.2 Depending on the circumstances and nature of any conflict of interest, it may be appropriate to:
 - (1) disclose the conflict of interest to the relevant client;
 - (2) allocate another representative to provide the service to the particular client;
 - (3) decline to provide services the particular client; or
 - (4) initiate internal or external disciplinary action where warranted.
- 6.3 The above is not an exhaustive list. What constitutes an appropriate response to a particular conflict of interest will always depend on the facts and circumstances.
- 6.4 In considering the appropriate response Evergreen must always have regard to the various duties that apply at law.

7. AVOIDING CONFLICTS OF INTEREST

- 7.1 Some conflicts of interest are so serious in nature that the only way to manage them is to avoid them completely. Evergreen must assess and evaluate any actual, apparent or potential conflict of interest and make the decision as to whether a particular conflict of interest is manageable or whether it should be avoided.

8. DISCLOSING CONFLICTS OF INTERESTS

- 8.1 Evergreen must make appropriate disclosures to relevant parties as part of its arrangements to manage conflicts of interest. Evergreen recognises that while disclosure alone will often not be enough, disclosure is an integral part of managing conflicts of interest.
- 8.2 Evergreen will use its best endeavours to ensure that relevant parties are adequately informed about any conflicts of interests.
- 8.3 Consistent with ASIC RG 181, any disclosure made by Evergreen will focus on material conflicts and when providing disclosure about conflicts of interest, will ensure that disclosure:
- (1) is timely, prominent, specific and meaningful to the relevant party;
 - (2) occurs before or when the financial service is provided, but in any case, at a time that allows the client a reasonable time to assess its effect;
 - (3) specifies the service to which the conflict relates; and
 - (4) is in writing.

9. PROVISION OF NON-RESEARCH SERVICES

- 9.1 The provision of non-research services may give rise to a conflict of interest.
- 9.2 If Evergreen engages in the provision of non-research services, conflicts management procedures and processes need to account for, and ensure the integrity of the provision of research reports is not compromised.
- 9.3 When providing non-research services, amongst other measures, Evergreen must:
- (1) ensure that research on a product issuer is not published while non-research services are being provided to the product issuer, and for a short period afterwards;
 - (2) disclose the nature of any non-research services that are provided to product issuers (i.e. disclosure is provided regarding associations and relationships);
 - (3) enforce prohibition of analysts or representatives providing non-research services that may reasonably be perceived as a conflict of interest; and
 - (4) enforce prohibition of the provision of consulting services on investment products.
- 9.4 If the provision of research services cannot be separated from the provision of non-research services and kept at arm's length, this would give rise to a conflict of interest that should be avoided.
- 9.5 Any non-research services are recorded in the Non-Research Services Register and monitored and reviewed at the monthly Compliance Meeting.

10. REPORTING, MANAGING AND MONITORING

10.1 Reporting

- (1) It is the obligation of all Evergreen employees and representatives to notify the Compliance Manager if they become aware of an actual, perceived or potential conflict of interest.

10.2 Managing

- (1) Once the conflict of interest has been reported, it will be assessed and evaluated by the Compliance Committee.
- (2) If the conflict of interest is of a serious nature, the Compliance Manager must notify Directors immediately.
- (3) Depending on the nature of the conflict of interest, the appropriate course of action will be decided and put in place in accordance with of the terms of this Policy.
- (4) All conflicts of interest will be included in the Conflicts of Interest Register.

10.3 Monitoring

- (1) The Compliance Manager will monitor compliance with this Policy.

11. TRAINING

- 11.1 Upon approval, the Compliance Manager will circulate the updated Conflicts of Interest Policy and will be responsible for educating relevant officers, employees and representatives.

- 11.2 Employees and representatives must, on commencement and at least every 12 months disclose:

- (1) interests (including beneficial interests) in securities, of themselves and their associates, in entities providing services to Evergreen;
- (2) interests (including beneficial interests) in any relevant product traded by the representative or his or her associates;
- (3) any transactions that are:
 - (a) entered into with Evergreen by the representative's associates; and
 - (b) acquisitions of property from, or disposals of property to, Evergreen by such associates;
- (4) the representative's directorships of any company;
- (5) transactions in which interests in securities (as defined in Annexure B), or loans, are acquired by the representative or his or her associates; and
- (6) any outside business interests of the representative.

- 11.3 A pro forma Disclosure of Personal Interests is provided to employees and representatives. The Compliance Manager maintains a central registry of all relevant interest disclosure documents.

11.4 Evergreen employees and representatives are required to complete Evergreen's Conflict of Interest training and assessment, both as a part of their induction and in an on-going manner.

12. RETENTION OF DOCUMENTATION

Evergreen retains records of the following for at least 7 years:

- (1) conflicts identified and action taken;
- (2) any reports given to the Directors about conflicts of interest matters; and
- (3) copies of written conflicts of interest disclosures given to clients.