

# CONFLICTS OF INTEREST POLICY



2025

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## INTRODUCTION

The Evergreen Group ('Evergreen') consists of both Evergreen Ratings Pty Ltd ('Evergreen Ratings') ABN 91 643 905 257 Authorised Representative 001283552 and Evergreen Fund Managers Pty Ltd, trading as Evergreen Consultants ('Evergreen Consultants'), ABN 75 602 703 202 AFSL 486275.

Evergreen Consultants provides investment consulting services to financial planning firms and investors such as superannuation funds and family offices. Services are primarily related to providing advice on managed accounts and investment portfolios built using liquid managed funds, exchange traded funds and listed investment companies. These investments are usually housed on an investment platform.

Evergreen Ratings analyses and rates specific types of managed funds and listed products. 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 in its investment consulting services.

Evergreen is aware that conflicts of interest may arise in the execution of its services and is cognisant of its regulatory responsibilities. In particular, we have considered:

- the obligations of Evergreen Consultants as holder of AFSL 486275, including those under section 912A(1) of the Corporations Act;
- the obligations of Evergreen Ratings as an authorised representative of Evergreen Consultants; and
- relevant guidance issued by the Australian Securities and Investments Commission (ASIC), including Regulatory Guide 181 Licensing: Managing conflicts of interest (RG 181) and Regulatory Guide 79 *Research report providers: Improving the quality of investment research*.

This policy was adopted by the Board of Evergreen Consultants on November 12, 2020 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 Conflict of Interest Policy at all times. Non-compliance with 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 for the Evergreen Group 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 of a financial service provider or individual 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 conflicts 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 Conflicts of Interest Register.

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 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 of Evergreen Consultants.

## 6. Resolving Conflicts of Interest

6.1 In resolving conflicts of interest, Evergreen must decide upon and implement an appropriate response to actual, perceived 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 to 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.

7.2 Evergreen has also taken the following steps regarding the employees and processes required to produce research reports that are aimed at avoiding conflicts of interest:

- (1) supervision / oversight of the report preparation process involves cross-checking of an analysts' work by at least one other analyst to validate results and ideally mitigate the influence of any potential conflict one analyst may have, with a third analyst to review when the results cannot be validated by the reviewing analyst;
- (2) in order to ensure that any biases are avoided, a rotation policy has been implemented to make sure analysts are not working on products issued or managed by the same entity for more than 6 months;
- (3) internal approval process for issuance of the report involves the report being approved by the Evergreen Research Committee and no ratings can be or will be "guaranteed" prior to the completion of the analysis and determination of the validity of the ratings by the rating committee;
- (4) in order to avoid benefiting any one group over another, the disclosure of all publicly available reports will be made in a

timely manner on the Evergreen Ratings website with the last review date for each rating disclosed on the rating and rating report;

(5) remuneration of research staff will be determined by the Board using a balanced scorecard approach taking into account all areas of performance, customer service, integrity, experience and skill and will not be linked to the ratings outcomes in any way. Analysts will not be directly involved in the negotiation of fees paid to Evergreen Ratings by the issuer or manager of a product; and

(6) analysts (or their spouse, partner or minor children) are not allowed to invest or trade in securities or derivatives of any product whose rating falls within the analyst's area of responsibility and for 6 months after they are no longer responsible for that area but still work for Evergreen

## 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 by Evergreen Consultants may give rise to a conflict of interest between those services and the research services provided by Evergreen Ratings.

9.2 If Evergreen Consultants 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 that are the subject of research reports prepared by Evergreen Ratings.

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 Conflict 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.

## 12. Disclosure of Interests

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

(1) interests (including beneficial interests) or changes in interests (including beneficial interests) in securities, of themselves and their associates, in entities or products issued or managed by entities to which Evergreen provides services;

(2) any transactions that are:

(a) entered into with Evergreen by them or their associates; and

(b) acquisitions of property from, or disposals of property to, Evergreen by them or their associates;

(3) their directorships of any companies; and

(4) any outside business interests they have.

12.2 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.

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

### 13. Retention of Documentation

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

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

#### Evergreen Support

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#### DISCLAIMER

Evergreen Ratings Pty Ltd ABN 91 643 905 257 Authorised Representative No 001283552 of Evergreen Fund Managers Pty Ltd, Trading as Evergreen Consultants, ABN 75 602 703 202 provides general financial product advice in accordance with the AFSL 486 275 it holds as required by the Corporations Act 2001.