



Chant West

Frequently Asked Questions

Q: Are the RI classifications a reflection of Chant West's assessment of an investment option's RI implementation approach?

A: The RI classifications are reflective of our views on how superannuation funds address and incorporate RI issues into an investment option, rather than an assessment of the effectiveness of their RI implementation. While we may consider superannuation funds' views on their RI approach, the determination of all RI classifications is ultimately at our discretion.

Q: Does the RI classification correspond to the superannuation fund or a specific investment option?

A: RI classifications apply to individual investment options, not superannuation funds. As such, there may be dispersion in classifications across investment options for the same superannuation fund.

Q: Is an investment option penalised if its objective is void of RI elements?

A: No. Our classifications are used as an identification tool rather than an assessment. We recognise that many investors seek outcomes with varying consideration of RI issues and practices.

Q: Are all funds subject to a RI classification?

A: All investment options rated by Chant West in its Multi-Manager Rating Reports will be assigned an RI classification with the classifications to be rolled out progressively from December 2021. These classifications will be assigned as each Multi-Manager Ratings Report is released. Any ratings issued on an out-of-cycle basis will also have classifications assigned at the time a rating is released. RI classifications will be revisited annually.

Q: Are classifications comparable across asset classes?

A: Yes. Classifications are designed to reflect an investment options approach to RI issues. While recognising that some asset classes are more conducive to implementation of RI than others, we believe individual investment options should not be used in isolation. Therefore, when constructing portfolios, advisers seeking to incorporate RI awareness into portfolios need a consistent framework to identify each investment option's approach.

Q: Are RI classifications peer-relative or absolute?

A: Classifications represent a view on each investment option's approach, not as a measure of RI effectiveness on a peer-relative basis.

Q: How should advisers utilise the RI classifications?

A: All investment options rated by Chant West in its Multi-Manager Rating Reports will carry the RI classification with the classifications to be rolled out progressively from December 2021. The classifications allow users to identify which investment options utilise RI as a core component of its investment process.

Q: Who is responsible for these classifications and how are they generated?

A: Zenith Group has a formal Responsible Investment Committee (RIC) which governs the research, development and application of RI tools for our clients. Under the oversight of the RIC, our research team is responsible for assigning and monitoring RI classifications. We use information gathered during direct interactions with superannuation funds, their supporting documentation and external sources such as Principals for Responsible Investment (PRI).