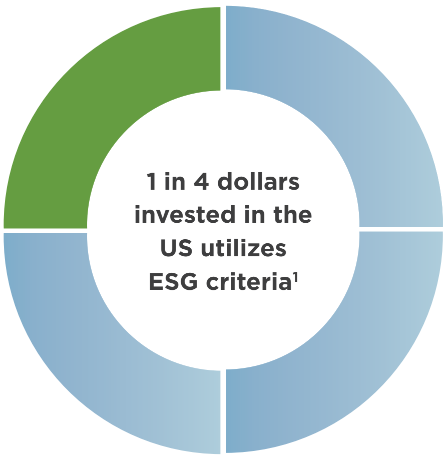
BUILDING YOUR BUSINESS

Responsible Investing FAQs



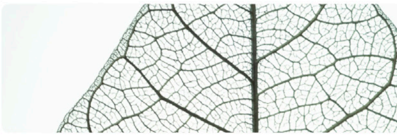
1 Performance

Do investors sacrifice performance in order to invest in a sustainable and responsible way?
Not necessarily. Just like any investment, a specific Responsible Investing strategy may under-perform a specific non-Responsible Investing approach. However, there's a growing body of research that dispels the myth that Responsible Investing automatically means sacrificing performance. And, in fact, some studies indicate that sustainable mutual funds were among the top performing in their category in 2019.[1]

Isn't Responsible Investing a niche area of investing?
As of 2018, 1 in 4 dollars invested in the United States utilizes ESG (Environment, Social and Governance) criteria, according to the US SIF.[2]

2 Research

How is ESG data used in evaluating potential investments?
Material ESG information is combined with traditional financial analysis to generate a more complete picture of the long-term risks and growth opportunities for companies. For example, understanding regional water scarcity issues can help better assess the potential capital costs of a mining project.



Should all companies be scored the same way for ESG issues?
No—while some areas are applicable across the markets (like board diversity, for example), different ESG issues have different risks based on their particular sub industry.

What's a practical example of how ESG Key Performance Indicators would differ based on what the company does?
A commercial bank would have a heightened need for customer data security, for example, which would impact its Governance score. That would be less applicable for an industrial machinery company. But that firm would be more impacted by Environmental factors, such as changes in its fossil fuel use—which is less of an issue for a commercial bank.

How does the Calvert Research System process work?
The Calvert research process focuses on identifying:
- The financially material ESG risks to which issuers are exposed
- Evaluating management teams' ability to navigate those risks
- Recognizing opportunities for companies to improve their ESG performance

3 Engagement & Impact

How important is engagement with companies? Does it actually work?
Engagement is one of the most powerful tools that investors have to help companies move forward. Combined with a research system that helps spot material areas where the company can improve, engagement can help companies make choices that lower their risk, improve their financial performance and help gain competitive advantages. We believe that helping companies improve their ESG commitments make them better long-term investments.

Isn't engagement something all asset managers do?
Yes and no. When applicable, most asset managers will fulfill their Proxy Voting responsibilities. But not all of them put in the time and effort to engage in direct communication with a company's leadership.

How do I know whether a company's proxy voting record matches its rhetoric?
This informations is public, and can be found via SEC filings. But you can also usually find documentation for a management firm's voting history on their website. Calvert's proxy voting guidelines are available on our site, and proxy votes are made public. Visit https://www.calvert.com/Proxy-Voting.php

How can I tell what impact my investments are having?
Different strategies have different impacts. For example, our Know Your Impact tool breaks down the impact a particular Calvert mutual fund has had on emissions, water usage, landfill waste and more.
Visit https://www.calvert.com/what-is-your-impact.php

4 Product Range

Is Responsible Investing just for Equities?
No, ESG analysis of companies, governments and other debt issuers can uncover material ESG risks that may affect the credit quality of a fixed-income security.

Can Responsible Investing be implemented across different asset classes, like sovereign debt, municipalities and private companies?
Yes—Responsible Investing strategies can be executed across a wide range of asset classes and investment vehicles. For example, Calvert features product across the range of asset allocation classes.

A broad array of responsibly-managed Calvert funds enables you to diversify across the global capital markets.

Equity		Fixed Income	
Active Funds	7	Active Funds	10
Passive Funds	5	Asset Allocation	4
Thematic Funds	2		

5 Opportunity

Is Responsible Investing just a Millennial thing?
According to a 2019 survey from *Investment News* in conjunction with Calvert, 56% of respondents whose age range puts them in Gen X are at least somewhat interested in Responsible Investing, with 49% of baby boomers falling into that category.[3]

Do those interested in Responsible Investing already know what they want, and are they just going to do it themselves?
According to a 2019 survey from *Investment News* in conjunction with Calvert, a greater portion of individuals say they want to go about ESG investing through an advisor (42%) than through an online platform (25%) or do-it-yourself approach (39%).[3]

What areas do investors want help in that advisors can address?
According to the 2019 *Investment News* survey, four of the five biggest impediments investors cite toward ESG implementation include lack of knowledge, difficulty evaluating performance, limited investment opportunities and difficulty researching ESG investments—areas where advisors may be able to fill the void.[3]

How do I convince my client that Responsible Investing isn't something to be scared of?
Responsible Investing really is just like any other investment—using a comprehensive set of data indicators to assess the risk and opportunities of an investment. It's overlaying ESG criteria onto the traditional financial analysis—augmenting, rather than replacing, what is traditionally used. Meanwhile, it can also help investors feel comfortable that long-term risks associated with issues like climate change, fossil fuels and water risk are being considered and addressed by companies they are investing in.

How do individuals want to approach ESG investing?[3]

42%
through an advisor

39%
through a DIY method

25%
through an online platform

Source: 2019 survey of 400 investors. "Opportunity Knocks: How advisers can capitalize on growing ESG interest," Investment News, June 2019. Calvert sponsored this report.

Visit the Calvert Advisor Resource Center at Calvert.com/advisor-resource-center

To continue learning more about Responsible Investing and how deeper knowledge of the space may help build your business.

1. Jon Hale, "U.S. ESG Funds Outperformed Conventional Funds in 2019," Morningstar, April 2020. *(Please note: past performance is no guarantee of future results).*

2. US SIF: The Forum for Sustainable and Responsible Investment, 2018 Report on US Sustainable, Responsible and Impact Investing Trends.

3. 2019 survey of more than 300 financial advisory professionals and 400 investors. "Opportunity Knocks: How advisers can capitalize on growing ESG interest," *Investment News*, June 2019. Calvert sponsored this report.

About Calvert

Calvert Research and Management (Calvert) is a global leader in Responsible Investing. Calvert sponsors one of the largest and most diversified families of responsibly invested mutual funds, encompassing active and passively managed equity, income, alternative and multi-asset strategies. With roots in Responsible Investing back to 1982, the firm seeks to generate favorable investment returns for clients by allocating capital consistent with environmental, social and governance best practices and through structured engagement with portfolio companies. Headquartered in Washington, D.C., Calvert manages assets on behalf of funds, individual and institutional separate account clients, and their advisors. For more information, visit calvert.com.

About Eaton Vance

Eaton Vance provides financial advisors with the investment strategies and resources to solve for their clients' most complex investment challenges. We offer a broad range of strategies, deep experience in sustainable investing and industry-leading customization and tax management solutions. With an unwavering commitment to investment excellence and diversity of perspective, we are dedicated to bringing financial advisors and their clients the best our organization has to offer. Eaton Vance is part of Morgan Stanley Investment Management.

About Risk

Investing involves risk, including the risk of loss. The value of equity securities is sensitive to stock market volatility. The value of investments may increase or decrease in response to economic and financial events (whether real, expected or perceived) in the US and global markets. Investments in income securities may be affected by changes in the creditworthiness of the issuer and are subject to the risk of non-payment of principal and interest. As interest rates rise, the value of certain income investments is likely to decline.

Before investing, investors should consider carefully the investment objectives, risks, charges and expenses of a mutual fund. This and other important information is contained in the prospectus and summary prospectus, which can be obtained from a financial advisor. Prospective investors should read the prospectus carefully before investing.

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