



INVESTMENTS

Test your ESG investing knowledge



QUIZ

As values-driven investors embrace sustainability, environmental, social, and governance (ESG) investing is entering the mainstream. Do you know enough to take advantage of the opportunity? Test your ESG investing knowledge with this short quiz.

What does your score mean?

0-2 Correct

You're off to a great start. Keep expanding your knowledge with New York Life Investments' free and accredited ESG learning platform, [Candriam Academy](#), and its modules on ESG investing.

3-4 Correct

You're ready to move beyond the basics. Check out [Candriam Academy's ESG Talks video series](#) to take your knowledge to the next level.

5-6 Correct

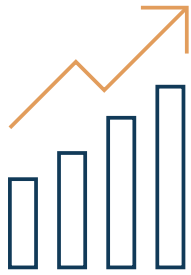
You have in-depth knowledge of ESG investing. Keep an eye out for new [Candriam Academy courses](#) and [ESG Talks](#) and continue exploring your favorite topics.



What's the top reason investors choose an ESG fund?

QUESTION 1

- A** They hear about values-driven investing from their friends
- B** Their financial professional suggests it
- C** They see it mentioned on social media
- D** They learn about ESG funds in college



In 2020, what portion of sustainable equity funds performed better than their conventional peers?

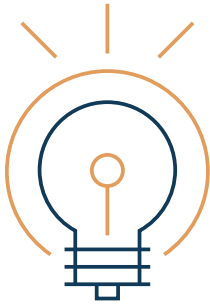
QUESTION 2

A 75%

B 52%

C 36%

D 20%



How can ESG factors become financially material to a company?

QUESTION 3

A The media calls out business practices that are harming society

B An industry begins to regulate itself and establish norms that harmful practices aren't acceptable

C Innovation transforms an industry, and as a result, ESG factors can no longer be ignored

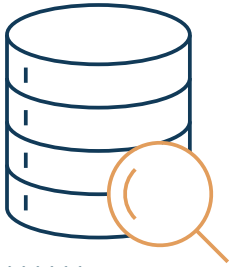
D All of the above



What ESG investing approach accounted for \$17.5 trillion in assets in 2018?

QUESTION 4

- A Norms-based screening
- B ESG integration
- C Negative screening
- D Best-in-class investing



In an average ESG dataset from a third-party data provider like Bloomberg or MSCI, how many companies are research covered?

QUESTION 5

- A More than 2,000
- B More than 5,000
- C More than 11,000
- D More than 17,000



Which investor might prefer an impact investing approach?

QUESTION 6

- A** Someone who doesn't care about the financial return on their investments
- B** Someone who wants to use their assets to create positive change
- C** Someone who wants to make sure their investments don't support companies that act against their values
- D** Someone who wants to evaluate ESG risks and opportunities when selecting investments



What's one reason why stronger ESG regulation should be considered?

QUESTION 7

- A** Investors recognize the importance of ESG data and disclosures, and they should have the information needed to make good decisions
- B** Shareholders are pressuring companies to disclose ESG risks, and it's important to ensure companies aren't revealing trade secrets
- C** While investors are paying more attention to ESG factors, it's also important for them not to lose sight of financial considerations

Answers

QUESTION 1

B

New York Life Investments' research found that 58% of people who invested in an ESG fund did so at their financial professional's recommendation.¹ However, some financial professionals incorrectly assume only younger investors are interested in ESG investing and don't bring up the topic with longstanding clients.

QUESTION 2

A

A Morningstar analysis found that 75% of sustainable equity funds ranked in the top half of their category. And sustainable funds were more likely to fall into the top quartile than the bottom quartile.²

QUESTION 3

D

According to Harvard Business School research, each of these developments can follow an event that brings an ESG issue to the public's attention. Regulators' decisions can also cause an ESG issue to become material.

QUESTION 4

B

Although the value of assets invested through negative screening is higher, research by the Global Sustainable Investment Alliance shows that ESG integration isn't far behind. Total assets in ESG integration strategies grew by 69% in just two years.

QUESTION 5

C

Bloomberg provides data on more than 11,500 companies, while Sustainalytics offers data on more than 12,000. Other data providers that cover large numbers of firms include MSCI and Refinitiv.

QUESTION 6

B

Impact investors select investments that achieve positive social or environmental change alongside a financial return. Investors who want to exclude companies that aren't aligned with their values may prefer a negative screening approach (option c), while investors who want to account for ESG risks and opportunities may do so through ESG integration (option d).

QUESTION 7

A

ESG factors often play an integral role in risk management and investors need more information than what's available from voluntary disclosures.

1. Sources: New York Life Investments and RTi Research, September 2019. Results are based on survey questions asked of 594 investors, both men and women, with investable assets over \$250k, ranging in age from 25-39; 40-54; and 55+.

2. Source: Morningstar, "Sustainable Equity Funds Outperform Traditional Peers in 2020," 1/8/21.

Candriam Academy, an innovative online platform of inspiring and actionable content, was developed to provide easy-to-use tools designed to help raise an investor's level of awareness, education, and knowledge on the topic of ESG investing. Additionally, the Academy is free of charge and available right now to all.

Impact investing and/or environmental, social and governance (ESG) managers may take into consideration factors beyond traditional financial information to select securities, which could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. Further, ESG strategies may rely on certain values-based criteria to eliminate exposures found in similar strategies or broad market benchmarks, which could also result in relative investment performance deviating.

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