

# NORTHERN TRUST ASSET MANAGEMENT

## GLOBAL 1-5 YEARS BOND

### ESG CLIMATE INDEX FUND

## Marketing Communication

### FIXED INCOME

SHARE CLASS B GBP

AS OF JUNE 2023

#### Investment Objective

The investment objective of the Fund is to track the risk and return characteristics of the Solactive Global Bond 1-5 Years ESG Climate Index (the "Index"). The Fund invests primarily in freely transferable Debt and Debt Related Securities including investment grade bonds that are constituents of the Index. The Fund may also invest in investment grade bonds that are not included in the Index that are deemed by the Investment Manager to exhibit similar characteristics to securities in the Index and that have a similar risk profile.

The Index excludes securities that do not meet certain Environmental, Social and Governance (ESG) criteria and companies that are in breach of UN's Global Compact Ten Principles.

Target Market: This Fund is appropriate for investors who plan to invest over the short to medium term; and are looking for a passively managed investment in the relevant market(s) ESG principles implemented according to a defined set of exclusions as well as certain defined ESG criteria.



NORTHERN  
TRUST

ASSET MANAGEMENT

**For regulatory reasons we are unable to provide performance information where the track record is less than 12 months; if you are an existing investor in, or distributor of, this fund please contact your normal representative.**

#### Northern Trust Asset Management

As a leading global asset management firm, our investment expertise, strength and innovation have earned the trust and confidence of the world's most sophisticated institutional and individual investors.

Our forward-looking, historically aware investment approach powers a broad range of capabilities and solutions. And our comprehensive asset class offering includes passive, factor-based, fundamental active and multi-manager solutions that are available in a variety of investment vehicles.

With \$1 trillion in total assets under management,\* and a long-standing history of solving complex investment challenges, we believe our strength and stability drive opportunities for our clients.

Learn more at [northerntrust.com/strength](https://northerntrust.com/strength).

\* Assets under management as of December 31, 2022. For the Northern Trust Asset Management entities included in the AUM total, please see disclosure at end of this document.

#### RISK WARNINGS

**Liquidity Risk** – Some recognised exchanges are less liquid or more volatile which may affect the price received and time taken when selling investments. Small capitalisation companies are also less liquid and this may result in fluctuations in the price of shares.

**Investment Risk** - The Fund may not achieve its investment objective. An investment in the Fund involves investment risks including possible loss of the amount invested.

**Counterparty Risk** - In case of bankruptcy of the broker, there is no guarantee collateral held by the broker will be returned to the Fund. In the event of bankruptcy of the counterparty, the premium and any unrealised gains may be lost.

**Valuation Risk** - A position in the Fund may be valued incorrectly, as some prices may be uncertain at a point in time.

**Currency Risk** - Where a class of shares are in a currency other than the base currency of the Fund, the non-base share classes of the Fund may be affected unfavourably by fluctuations in currency rates.

**Emerging Markets Risk** - Emerging markets are generally more sensitive to economic and political conditions than developed markets and so may be more volatile.



ASSET MANAGEMENT

## GLOBAL 1-5 YEARS BOND ESG CLIMATE INDEX FUND

CREDIT RATING  
ALLOCATION %

	Fund	Benchmark
AAA	16.4	13.5
AA+	23.8	25.3
AA	11.4	11.7
AA-	3.4	1.1
A+	19.7	18.2
A	5.6	5.8
A-	6.7	7.6
BBB+	3.9	4.2
BBB	6.0	7.2
BBB-	0.8	1.9
BB+	0.2	0.5
Unrated	2.1	3.0

SECTOR  
ALLOCATION %

	Fund	Benchmark
Treasuries	53.4	53.8
Corporates	21.4	22.3
Government Related	17.4	17.9
Securitized	5.9	6.0
Cash Securities	1.9	0.0

TOP REGIONS/  
COUNTRIES %

	Fund	Benchmark
United States	32.8	32.8
China	8.9	8.9
Germany	7.8	7.8
Japan	7.8	7.6
France	7.5	6.7
United Kingdom	5.3	5.6
Canada	4.1	3.6
Spain	3.7	3.5
Italy	3.0	2.8
Other	19.1	20.7

FUND  
OVERVIEW

Domicile	Ireland
Legal Structure	ICVC
Regulatory Structure	UCITS
Currencies Offered	USD/GBP/EUR
Distributions	April
Total Fund Assets	£137.8 Million
Index	Solactive Global Bond 1-5 Years ESG Climate Index
Parent Index	Solactive Global Bond 1-5 Years Index
Fund Launch Date	15/11/22
Share Class Launch Date	15/11/22
Fund Base Currency	USD
Share Class Currency	GBP
Bloomberg Ticker	NTECIBH
ISIN	IE000S64NMG3
Minimum Initial Investment	£100 Million
Minimum Subsequent Investment	£100,000
Dealing Frequency	Daily
Dealing Deadline	3pm Irish time T-1
Settlement	T+2
Portfolio Manager	Team Managed
Swing Pricing	Yes
Hedged	Yes
Use of Income	Distributing

FUND  
CHARACTERISTICS

	Fund	Benchmark
Yield to Maturity (%)	4.0	4.0
Modified Duration (Years)	2.7	2.7

MATURITY  
ALLOCATION %

	Fund	Benchmark
0-1 Year	2.9	0.4
1-2 Years	29.0	30.0
2-3 Years	25.0	26.8
3-4 years	18.4	20.2
4-5 Years	22.7	20.6
+5 Years	2.0	2.0

# GLOBAL 1-5 YEARS BOND ESG CLIMATE INDEX FUND

## GOVERNMENT BONDS

### CARBON DATA METRICS – GOVERNMENT BONDS

Carbon footprint of the index constituents versus parent index

	Carbon Emission Score*	Carbon Intensity Score**	Carbon Trend Score***
Index	2,554	0.21	0.21
Parent Index	3,404	0.23	0.24
Relative % Difference	-24.96	-10.27	-10.00

\* Scope 1 & 2 Carbon Emissions per M USD of Revenue

\*\* Country's Total Emission Production in Million Co2 pa

\*\*\* Average of the Last Three Rolling Carbon Intensity Scores

Source: Solactive, 20June2023.

Carbon emissions are emissions of fossil fuel companies that can be potentially released should all the fossil fuel reserves they own be extracted. This field represents the potential carbon emissions of the fossil fuel reserves owned by a company using a formula from the Potsdam Institute for Climate Impact research. Carbon intensity represents the company's most recently reported or estimated Direct (fuel combustion, company vehicles) and Indirect (purchased electricity heat and steam) greenhouse gas emissions.

### FISCAL STRENGTH AND GOVERNANCE SCORES (FSW+G SCORE)

Governance score is based on World Bank Governance Indicators (WGI).

	Fiscal Strength & Governance Score
Index	0.47
Parent Index	0.45
Relative % Difference	5.30

Fiscal Strength + Governance Country Score = (40% x Debt/GDP score) + (20% x Deficit/GDP score) + (20% x CAB/GDP score) + (20% \* Gov).

Governance score is based on World Bank Governance Indicators (WGI). Countries are re-weighted based on combined scores.

## CORPORATE BONDS

### CARBON DATA METRICS – CORPORATE BONDS

Carbon footprint of the index constituents versus parent index

	Carbon Risk Score*	Carbon Intensity Score**
Index	63.67	69.71
Parent Index	57.43	139.42
Relative % Difference	10.86	-50.00

\*Carbon Risk Score provides a numeric score from 0 to 100 for the rated entity's overall carbon risk based on an assessment of over 100 industry-specific indicators and a carbon risk classification at the industry and sub-industry levels. The factor is designed to evaluate how well a company is prepared for the low-carbon economy. The goal is for the fund to have a higher Carbon Risk Score compared to the parent index.

\*\* Country's Total Emission Production in Million Co2 pa. The goal is for the fund to have a lower Country Total Emission Production compared to the parent index.

Source: Solactive, 20June2023.

### NORTHERN TRUST ESG VECTOR SCORE

Northern Trust ESG Vector Score captures both the magnitude and direction of a company's potential ESG-related business risks. Magnitude measures ESG issues likely to impact financial performance. The goal is for the fund to maximise the allocation to higher quintile scored companies compared to the parent index.

	Index	Parent Index
1 <sup>st</sup> Quintile	77.00	26.72
2 <sup>nd</sup> Quintile	16.13	20.55
3 <sup>rd</sup> Quintile	3.62	18.43
4 <sup>th</sup> Quintile	3.26	16.97
5 <sup>th</sup> Quintile	0.00	17.32

For more information about the Northern Trust ESG Vector Score visit: [www.northerntrust.com/esgvectorscore](http://www.northerntrust.com/esgvectorscore)

### ESG EXCLUSIONS ON BASE INDEX

Number of securities excluded in the fund index when compared to the standard benchmark.

ESG Screen	# of Securities	% of Market Capitalization
Business Related Exclusions	347	5.14%

Source: Solactive, 20June2023.

### ADVOCACY DATA

Engagement by Theme



Advocacy data is updated on a quarterly basis capturing the previous 3 months engagement activity. For more information on our engagement, please read our quarterly engagement reporting at [northerntrust.com/engagement](http://northerntrust.com/engagement). Engagement undertaken by Hermes EOS on behalf of Northern Trust.

NORTHERN TRUST ASSET MANAGEMENT  
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**Glossary**

Business Related Exclusions : Business related exclusions cover tobacco manufacturing, retail and trade and for-profit prisons.

Duration: is a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates.

Forward EPS Growth: is an estimated growth of the next period's earnings of a company, usually till the completion of the current fiscal year and sometimes to the following fiscal year.

ISIN: International Securities Identification Number. It is a 12-digit alphanumeric code that uniquely identifies a specific security.

LT / ST: Long Term / Short Term.

Modified Duration: measures the change in the value of the bond in response to a change in 100-basis-point (1%) change in interest rates.

Ongoing Charge: is a figure representing all annual charges and other payments taken from the fund.

Spread Duration: is an estimate of how much the price of a specific bond will move when the spread of that specific bond changes.

SRRI (Synthetic Risk Reward Indicator) is a numerical scale between 1 and 7: 1 meaning low risk/reward and 7 a higher level of risk but with the potential for a higher level of return.

Swing Pricing: protects existing shareholders against fund dilution by passing transaction costs to purchasing or redeeming shareholders. It allows funds to adjust the net asset value up or down once purchase or redemption limits are exceeded.

WAL (Nominal Weighted Average Life): A bond's maturity is the length of time until the principal amount of the bond is to be repaid. WAL of the fund is calculated as the average of the underlying bonds' maturities, adjusted to take account of their relative weight (size) within the fund.

WAM (Weighted Average Maturity): A bond's maturity is the length of time until the principal amount of the bond is to be repaid. WAM of the ETF is calculated as the average of the underlying bonds' maturities, adjusted to take account of their relative weight (size) within the fund.

Weighted Average Market Cap: refers to a type of stock market index construction that is based on the market capitalization of the index's constituent stocks.

Yield to Maturity (%): is the total return anticipated on a bond if the bond is held until it matures.

**For More Information**

Please visit [www.northerntrust.com/pooledfunds](http://www.northerntrust.com/pooledfunds) or please contact your local Northern Trust representative

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This is a marketing communication. Please refer to the prospectus and to the KIID before making any final investment decisions. The prospectus is available in English and the key investor information document is available in [English, Danish, Dutch, Italian, German, Spanish and Swedish] at [www.northerntrust.com/pooledfunds](http://www.northerntrust.com/pooledfunds).

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Our UCITS Funds have been categorized in accordance with the SFDR categorization. For more information please visit: [northerntrust.com/europe/what-we-do/investment-management/sustainable-finance-regulation](http://northerntrust.com/europe/what-we-do/investment-management/sustainable-finance-regulation).

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