

# NORTHERN TRUST ASSET MANAGEMENT

## THE NT GLOBAL BOND ESG

### CLIMATE INDEX FUND

Marketing Communication  
**PASSIVE FIXED INCOME**

SHARE CLASS A GBP

AS OF OCTOBER 2023

#### Investment Objective

The investment objective of the Fund is to track the risk and return characteristics of the Solactive Global Bond 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. Disclosure and regulatory standards may be less stringent, the legal infrastructure may not provide the same degree of shareholder protection and the Fund may encounter restrictions on investment or transfer of assets and failed/delayed delivery of securities or payments.

NORTHERN TRUST ASSET MANAGEMENT

# THE NT GLOBAL BOND ESG CLIMATE INDEX FUND

CREDIT RATING ALLOCATION %		
	Fund	Benchmark
AAA	14.8	13.1
AA	44.2	45.2
A	29.0	28.7
BBB	10.3	12.6
BB	0.1	0.1
B	0.0	0.0
Committed Cash	0.0	0.0
Unrated	0.1	0.3
Cash Equivalents	1.5	0.0

TOP REGIONS/ COUNTRIES %		
	Fund	Benchmark
United States	39.5	38.2
Japan	8.0	8.0
China, People's Republic of	7.4	7.7
France	7.3	7.4
Germany	6.9	6.2
Others	30.9	32.5

MATURITY ALLOCATION %		
	Fund	Benchmark
0-1yr	1.5	0.0
1yr-2yrs	10.6	11.1
2yrs-3yrs	11.3	11.5
3yrs-5yrs	17.4	17.3
5yrs-7yrs	13.5	14.8
7yrs-10yrs	23.6	19.6
10yrs-15yrs	9.5	12.7
15yrs-20yrs	3.5	3.8
20yrs-25yrs	2.0	2.7
25yrs-30yrs	4.6	3.7

SECTOR ALLOCATION %		
	Fund	Benchmark
Foreign Government	35.0	35.4
Treasury	14.9	14.6
Mortgage-Backed	12.1	12.9
Industrial	8.8	8.8
Financial	8.7	8.9
Foreign Agencies	7.8	6.9
Supranational	3.4	2.2
Covered	2.2	2.2
Foreign Local Govt	1.8	2.0
Committed Cash	1.5	0.0
Sovereign	1.5	4.0
Utilities	1.1	1.0

## FUND OVERVIEW

Domicile	
Legal Structure	ICVC
Regulatory Structure	UCITS
Currencies Offered	
Total Fund Assets	\$263.5 Million
Index	Solactive Global Bond ESG Clim
Parent Index	Solactive Global Index
Fund Launch Date	15/11/22
Share Class Launch Date	31/08/22
Fund Base Currency	USD
Share Class Currency	GBP
Bloomberg Ticker	NTBECAP
ISIN	IE000IYSRS99
Minimum Initial Investment	\$100,000
Minimum Subsequent Investment	No Minimum
Dealing Frequency	Daily
Dealing Deadline	3:00pm Irish Time on the business day prior to the Dealing Day
Settlement	T+2
Portfolio Manager	Team Managed
Use of Income	Accumulating

## FUND CHARACTERISTICS

	Fund	Benchmark
Average Maturity	8.7	8.7
Duration	6.5	6.5
Yield to Maturity	4.4	4.4
Convexity	0.8	0.8
Current Yield	2.8	2.9
Total Number of Issues	2,267.0	22,195.0

NORTHERN TRUST ASSET MANAGEMENT  
**THE NT GLOBAL 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	2,221.17	0.20	0.21
Parent Index	3,066.22	0.22	0.23
Relative % Difference	-27.56	-10.36	-10.02

\* 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.

\*\* Country's Total Emission Production per 1,000 USD of GDP pa.

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

Source: Solactive. 19October2023.

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

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

	Fiscal Strength & Governance Score
Index	0.44
Parent Index	9.31
Relative % Difference	0.00

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	51.47	183.91
Parent Index	21.93	-50.00
Relative % Difference	0.00	0.00

\* 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.

\*\* Scope 1 and 2 CO2 Emissions per M USD of Revenue.

Source: Solactive. 19October2023.

**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

	Index	Parent Index
1st Quintile	78.92	26.96
2nd Quintile	14.33	19.63
3rd Quintile	3.51	18.81
4th Quintile	3.24	17.15
5th Quintile	0.00	17.45

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	991	6.63%

Source: Solactive. 19October2023.

**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.

## 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 a 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.

**Price-to-Book Ratio:** is used to compare a firm's market capitalization to its book value. It's calculated by dividing the company's stock price per share by its book value per share. Book value is calculated as follows: (total asset - total liabilities) / number of shares outstanding.

**Quant Active:** securities are chosen based on numerical data compiled through quantitative analysis. It is aiming for high alpha from exposure to multiple factors: proven stock ranking model focused on selecting stocks that exhibit good value, quality, momentum and analyst revisions characteristics etc.

**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:** is a value based on the volatility of the fund, which gives an indication of the overall risk and reward profile of the fund.

**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.

**Trailing 12-month price-to-earnings ratio:** is a relative valuation multiple based on the last 12 months of actual earnings, calculated by dividing the current stock price by the trailing EPS for the previous year.

**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 using the information below.

UK	NTAM_UK_Sales@ntrs.com	EMEA	NTAM_EMEA_Sales@ntrs.com
APAC	NTAM_APAC_Sales@ntrs.com	EUROPE/ NORDICS	NTAM_Amsterdam_Sales@ntrs.com
DACH	NTAM_DACH_Sales@ntrs.com		

## DISCLOSURE

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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).

For Asia-Pacific markets, this material is directed to expert, institutional, professional and wholesale investors only and should not be relied upon by retail clients or investors. For legal and regulatory information about our offices and legal entities visit [northerntrust.com/disclosures](http://northerntrust.com/disclosures).

The Fund is managed by Northern Trust Fund Managers (Ireland) Limited. The Fund is a sub-fund of Northern Trust Investment Funds plc which is a regulated collective investment scheme in Ireland under Central Bank of Ireland UCITS regulations. The Fund makes use of the Temporary Permissions Regime in the United Kingdom allowing EEA-domiciled funds to be distributed in the UK for a limited period until full authorisation is obtained.

Past performance does not guarantee future results. Information contained herein has been obtained from sources believed to be reliable, but its accuracy and completeness are not guaranteed. Information is only current as of the date stated and is subject to change without notice. Fund performance data provided herein should not be relied upon as a basis for investment decisions; performance data may be revised. This information does not constitute a recommendation for any investment strategy or product described herein. This information is not intended as investment advice and does not take into account an investor's individual circumstances. The information contained in this document is neither an offer for sale nor a solicitation of an offer to buy securities or related financial instruments.

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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