

**Article 10 Information Statement**  
**Issued by Northern Trust Global Funds plc (“NTGF”)**

**In respect of**

**The Sterling Ultra Short ESG Fund (the “Fund”), a sub-fund of NTGF**

Date of initial publication of this Information Statement: 6 October 2021

This Information Statement is accurate as at: 6 October 2021

This Information Statement has been prepared for the purpose of meeting the specific website financial product level disclosure requirements contained in SFDR and, specifically, the disclosure requirements applicable to a Sustainable Investment Fund under Article 10 of SFDR.

In this Information Statement the following words and phrases have the meanings set forth below:

“European Commission Letter”	a letter from the European Commission to the European supervisory authorities on the application of SFDR dated 20 October 2020 available <a href="#">here</a> .
“ESG”	environmental, social and governance.
“SFDR”	the Sustainable Finance Disclosure Regulation (Regulation EU/2019/2088) as amended and as may be further amended from time to time.
“Sustainability Risk”	an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment.
“Sustainable Investment”	means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular, an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular, with respect to sound management structures, employee relations, remuneration of staff and tax compliance.
“Sustainable Investment Fund”	means a Fund of the Company that, in accordance with the criteria outlined in Article 9 of SFDR has Sustainable Investment as its objective.
“Taxonomy Regulation”	the Regulation on the Establishment of a Framework to Facilitate Sustainable Investment (Regulation EU/2020/852) as may be amended from time to time.

All other defined terms used in this Information Statement shall have the same meaning as in the supplement for the Fund or the prospectus of the NTIF, as appropriate, which are also available at [www.northerntrust.com/Pooledfunds](http://www.northerntrust.com/Pooledfunds).

## 1 Sustainable Finance Transparency

The European Union has introduced a series of legal measures (the primary one being SFDR) requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage.

This Information Statement has been prepared for the purpose of meeting the website disclosure requirements in Article 10 of SFDR.

It is noted that the application of the regulatory technical standards ("**RTS**") to specify the details of the content, methodologies and presentation of the information to be disclosed under Article 10 of SFDR have been delayed and were not effective when the relevant disclosure obligations in SFDR become effective.

It is noted that the European Commission Letter has recommended that from the effective date of SFDR, firms are recommended to comply with the specific disclosure obligations in SFDR that are reliant on RTS on the basis of a high-level, principles-based approach.

We therefore seek to comply on a best efforts basis with the relevant disclosure obligations and issue this Information Statement as a means of achieving this objective.

It is expected that this Information Statement will be reviewed and updated once the relevant RTS come into effect, noting in particular, that the RTS are expected to contain details on the content, methodologies and presentation of the information to be disclosed and this could therefore require a revised approach to how we seek to meet the SFDR disclosure obligations.

The Information Statement may also be updated to take account of the Taxonomy Regulation.

## 2 Article 10 Disclosures

Disclosure Requirement	Disclosure
Information on how the environmental and/or social characteristics promoted by the fund are met	<p>The objective of the Fund is to provide moderate liquidity and maximise income consistent with a high degree of capital preservation by investing in investment grade fixed income securities.</p> <p>The Fund will not hold securities issued by:</p> <ul style="list-style-type: none"> <li>• companies that are in breach of the UN’s Global Compact Ten Principles due to being involved in controversies classified as “very severe” in the areas of Environment, Human Rights &amp; Community, Labour Rights &amp; Supply Chain, or Governance;</li> <li>• companies that derive any revenue from the production of tobacco, or 5% or more of their revenue from the distribution of tobacco, supply of key products for the production of tobacco, or the retail of tobacco;</li> <li>• companies that manufacture controversial weapons, such as cluster bombs, landmines, nuclear weapons, depleted uranium weapons, biological/chemical weapons, (or their strategic components), blinding laser, non-detectable components, or incendiary weapons;</li> <li>• companies that manufacture civilian firearms or retail civilian firearms and derive 5% or more revenue from this sector;</li> <li>• companies that manufacture conventional weapons or provide support services to and derive 5% or more revenue from this sector;</li> <li>• companies that derive 5% of revenue or more from mining thermal coal;</li> <li>• companies that derive 30% of revenue or more from coal-fired energy generation; and</li> </ul>

	<ul style="list-style-type: none"> <li>• companies classified as having “very severe” controversies relating to customer issues.</li> </ul> <p>For further details on the UN Global Compact Ten Principles, please refer to <a href="http://www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html">www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html</a></p> <p>This exclusion list is non-exhaustive and subject to change.</p> <p>The Investment Manager systematically integrates ESG into the security selection process where market conditions allow and will select securities with higher or improving ESG metrics and will adjust positions to maximise the ESG ratings of the portfolio. Additionally, as part of the portfolio optimisation, ESG ratings and trends are monitored with action taken as appropriate to maintain the level ESG ratings whilst aiming for a significant reduction of the operational carbon intensity of the portfolio relative to the Bloomberg Barclays 1-3 year Sterling Corporate Index (the “Index”).</p>
<p>Information on the methodologies used to assess, measure and monitor the environmental or social characteristics or the impact of the sustainable investments selected for the fund, including its data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the environmental or social characteristics or the overall sustainable impact of the fund</p>	<p>The Investment Manager excludes certain companies which contravene the Northern Trust ESG Custom Screens.</p> <p>The ESG exclusions and relevant data will be produced according to third party providers such as MSCI.</p> <p>The below sustainability indicators are produced by the Investment Manager to measure the Environmental, Social and overall Sustainable impact of the product:</p> <ul style="list-style-type: none"> <li>- ESG Screens: Number of securities excluded</li> <li>- MSCI ESG Rating Allocation</li> </ul>
<p>Information on the manner in which sustainability risks are integrated into the investment decision-making process</p>	<p>As part of the process to undertake appropriate due diligence on investments, the Investment Manager will generally conduct a level of research on each company or issuer. This may include a consideration of fundamental and quantitative elements such as financial position, revenue, capital structure etc. It may also involve qualitative and non-financial elements such as the company's approach and/or industry relative standing to ESG factors and consideration of Sustainability Risks. The Investment Manager considers that material ESG issues are business issues; when managed well, these factors</p>

	<p>can position a company for success. When managed poorly, they can lead to negative externalities that can result in reputational and financial risk.</p> <p>The Investment Manager integrates these ESG factors and this Sustainability Risk assessment into its investment research process, portfolio construction, and/or its risk management process – both initially and on an ongoing basis for the duration of the period the Master Fund holds an investment or pursues a particular investment strategy.</p> <p>In respect of the Funds, the Investment Manager's investment approach and decision-making processes are based on clearly defined investment objectives, investment policies, investment strategy, investment restrictions and risk management parameters, as contained in the relevant Supplement.</p> <p>Using both quantitative and qualitative processes, further details on which may be set out in the relevant Supplement, Sustainability Risk is identified, monitored and managed by the Investment Manager in the following manner:</p> <ul style="list-style-type: none"> <li>- Prior to acquiring investments on behalf of a Fund, the Investment Manager uses ESG metrics of third party data providers (“Data Providers”) in order to screen the relevant investment against Sustainability Risk and to identify whether it is vulnerable to such risk. This process incorporates applying both an exclusion policy (whereby potential investments are removed from the investment universe on the basis that they pose too great a Sustainability Risk to the Fund) and integration of additional ESG approaches, where relevant.</li> <li>- During the life of the investment, Sustainability Risk is monitored through the review of ESG data published by the issuer (where relevant) or selected Data Providers to determine whether the level of Sustainability Risk has changed since the initial assessment has been conducted. Where the Sustainability Risk associated with a particular investment has increased beyond the ESG risk appetite for the relevant Fund, where applicable, the Investment Manager will consider selling or reducing the Fund's exposure to the relevant investment, taking into account the best interests of the Unitholders of the Fund.</li> </ul>
<p>Information on the results of the assessment of the likely impacts on sustainability risks on the returns of the Fund</p>	<p>Factoring an assessment of the likely impact of Sustainability Risk into the investment design and decision making process has the potential to impact the returns of the Fund. Accordingly, a Sustainable Investment Fund may perform differently relative to other comparable funds that do not promote environmental and/or social characteristics.</p> <p>For more details on how ESG factors are integrated into the investment process please refer to <a href="https://www.northerntrust.com/europe/what-we-do/investment-management/pooled-funds">https://www.northerntrust.com/europe/what-we-do/investment-management/pooled-funds</a>.</p>

### 3 Important Information

This Information Statement is issued for information purposes only.

This Information Statement is not intended as investment advice and is not an offer or a recommendation about managing or investing assets and should not be used as the basis for any investment decision.

The information contained herein is current as of the date of issuance and is subject to change without notice.

We do not make any express or implied warranties or representations as to the completeness or accuracy or accept responsibility for errors.

No risk management technique can guarantee the mitigation or elimination of risk in any market environment.

**Past performance is not a guarantee or a reliable indicator of future results and an investment could lose value. All investments involve risk, including the possible loss of capital.**

Northern Trust Global Funds plc has its registered office at 54-62 Townsend Street, Dublin 2, Ireland.

Northern Trust Global Funds plc is authorised in Ireland and regulated by the Central Bank of Ireland.