

## Article 10 Information Statement

Issued by Northern Trust Fund Managers (Ireland) Limited (the “Manager”)

Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, as amended (“**SFDR**”) requires certain EU-regulated entities (including Northern Trust Fund Managers (Ireland) Limited, the “**Company**”) to disclose information on a public website regarding financial products which promote environmental or social characteristics or which have sustainable investment as their objective. These disclosures constitute the transparency disclosures with respect to certain individual portfolio mandates (the “**Mandates**”) managed by the Company on behalf of clients for the purposes of Article 10 of SFDR.

### 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 SFDR have been delayed and will not be effective when the relevant disclosure obligations in SFDR become effective.

It is noted that the European Commission 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 Regulation on the Establishment of a Framework to Facilitate Sustainable Investment (Regulation EU/2020/852, the “**Taxonomy Regulation**”) once it comes into effect (1 January 2022).

### Article 8 or 9 Mandates

The Company may offer to manage Mandates that promote environmental or social characteristics as set out below, but do not have sustainable investment as their objective (“**Article 8 Mandates**”) or have sustainable investment as their objective (“**Article 9 Mandates**”).

In making investments on behalf of the relevant clients, the Company may offer to incorporate the NT Custom Environmental, Social and Governance (“**ESG**”) Screening Methodology (described below) into the investment process of the relevant Mandate at the request of the client and/ or customise the Mandate in accordance with client exclusions, screens and ESG integration requirements. Mandates under these client individual portfolio management agreements will be categorised on a case by case basis according to the SFDR regulation.

### NT Custom ESG Screening Methodology

The NT Custom ESG Screening Methodology is rules-based and generates a list of exclusions, the Northern Trust Custom ESG Exclusion List, which ensures the worst offenders from an ESG perspective are removed. This key framework allows portfolios to be in line with global norms and ethics and provides portfolios with an initial first ethical foundation.

To create the eligible custom ESG universe, the MSCI parent Index is used as the starting point. We then apply the customised criteria that address broad Environmental, Social and Governance issues. These are specifically the exclusion of companies that are involved with tobacco, thermal coal power, extraction and mining, controversial and conventional weapons and violate the U.N. Global Compact principles. An additional Corporate Governance-based exclusion list may also be applied. The Mandate strategy's investment process is then based on the resulting Custom ESG Index.

### **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 Fund Managers (Ireland) Limited has its registered office at 54-62 Townsend Street, Dublin 2, Ireland.

Northern Trust Fund Managers (Ireland) Limited is authorised in Ireland and regulated by the Central Bank of Ireland.