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The Euro Liquidity Fund ("the Product")

LEI: 635400ZGOXUQCPWGRC25

Sustainability-related Investment Disclosures

SUMMARY

The Euro Liquidity Fund (the "Product") promotes environmental or social ("E/S") characteristics but does not have a sustainable investment objective. The Product does not make a commitment to sustainable investments.

The Product is an active strategy, that seeks to achieve a return in line with prevailing money market rates by investing in high quality fixed income or adjustable rate securities denominated in the base currency of the Product whilst aiming to preserve capital consistent with such rates and to maintain a high degree of liquidity. The Product promotes environmental, social and governance characteristics as part of its investment policies.

The Product has the following environmental and/or social (E/S) characteristics.

- (i) The Product excludes certain securities pursuant to the Northern Trust ESG Custom Screens which includes the screening of securities which have faced "very severe" controversies pertaining to ESG issues;
- (ii) The Product will aim to select corporate securities with higher or improving NT ESG Vector Scores™ and in normal market conditions will adjust positions to target a 10% uplift of the weighted average NT ESG Vector Score™ of the corporate component within the portfolio relative to the weighted average NT ESG Vector Score™ of the universe of corporate securities eligible for investment by the Product; and
- (iii) Periodic reviews by the Portfolio Management Team and the SI Team of the Investment Manager, to review and discuss holdings with lower NT ESG Vector Scores™ and other relevant ESG issues.

The Product intends to be at least 70% invested in issuers that have improved ESG metrics using the sustainability indicators described in the Product supplement and annex. The Product does not make a commitment to sustainable investments. The Product presently intends to invest 0% of its assets in investments that contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation.

The Product does not have a specific Index designated as a reference benchmark with E/S characteristics.

The 10% uplift of the weighted average NT ESG Vector Score™ of the corporate component within the portfolio relative to the weighted average NT ESG Vector Score™ of the universe of corporate securities eligible for investment by the Product is coded into our investment management system to enable post trade monitoring. Certain targets and thresholds that are relevant to the Product strategy are monitored by the investment team and independently monitored by the risk team and reported to the Product's board of directors.

The investment manager has agreements in place for the use of third party ESG data from a number of preferred providers. We may use one or more of these providers' ESG datasets to attain each of the E/S characteristics in the construction, reporting, research and analysis process of our products.

The primary limitation to the methodology or data source is the lack of corporate disclosure particularly in relation to companies outside of the EU. Additionally, sourcing adequate information on the PAI has been challenging. Such limitations have led to the use of proxies, in place of a particular principal adverse indicator(s), as part of our assessment of significant harm. We also see divergence in methodology between data providers which can lead to different outcomes.

The NT Custom ESG Screening Criteria is rules-based and generates a list of exclusions which align with international norms, standards, treaties and codes. These exclusions are coded into our investment systems pre and post trade (where applicable) to enable independent oversight.

The holdings of the Product are not subject to investment manager's engagement program.

NO SUSTAINABLE INVESTMENT OBJECTIVE

The Product does not have a sustainable investment objective. The Product promotes environmental or social characteristics, but will not make any sustainable investments.

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

What environmental and/or social characteristics are promoted by this financial product?

The Product has the following E/S characteristics: (i) applies ESG exclusions that impact the investment universe of the Product; (ii) aims to select corporate securities with higher or improving NT ESG Vector Scores™ and in normal market conditions will adjust positions to target a 10% uplift of the weighted average NT ESG Vector Score™ of the corporate component within the portfolio relative to the weighted average NT ESG Vector Score™ of the universe of corporate securities eligible for investment by the Product; and (iii) periodic reviews by the Portfolio Management Team and the SI Team of the Investment Manager, to review and discuss holdings with lower NT ESG Vector Scores™ and other relevant ESG issues.

As its investment strategy, the Product seeks to achieve a return in line with prevailing money market rates by investing in high quality fixed income or adjustable rate securities denominated in the base currency of the Product whilst aiming to preserve capital consistent with such rates and to maintain a high degree of liquidity. The investible universe uses the NT Custom ESG screening criteria to be in line with international norms and specific ESG criteria.

Please refer to the Product supplement and annex for a complete list of sustainability indicators used to measure the attainment of the E/S characteristics promoted by this Product.

INVESTMENT STRATEGY

What investment strategy used to meet the environmental or social characteristics promoted by the product follow?

The Product is an active strategy, that seeks to achieve a return in line with prevailing money market rates by investing in high quality fixed income or adjustable rate securities denominated in the base currency of the Product whilst aiming to preserve capital consistent with such rates and to maintain a high degree of liquidity.

The investible universe is screened using the NT Custom ESG Screening based on ESG criteria selected by the investment manager which excludes certain companies not considered to meet certain sustainability principles. Amongst other things, the Product is looking to select corporate securities with higher or improving NT ESG Vector Scores™ and in normal market conditions will adjust positions to target a 10% uplift of the weighted average NT ESG Vector Score™ of the corporate component within the portfolio relative to the weighted average NT ESG Vector Score™ of the universe of corporate securities eligible for investment by the Product.

What is the policy to assess good governance practices of the investee companies?

An assessment of good governance of investee companies forms a foundational part of the Custom ESG index methodology. In practice, this is achieved through the use of our data provider's ESG Controversy screen, a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

In order to identify the controversy, our chosen data provider assesses the negative ESG impact of the investee companies operations, products and services. It also identifies breaches of international norms through the use of controversy proxies which are assessed based on the scale and severity of the controversy.

Severity may vary depending on the nature of the controversy but generally includes metrics such as:

- the percent of shareholder votes or number of shareholders voicing an opinion,
- number and position of executives or directors involved,
- number and type of external parties voicing an opinion, or
- the portion of the company that is affected or implicated.

For other governance issues, scale is generally measured by:

- the length of time an activity was ongoing,
- the size of the market or government affected, or
- the scale on which either company executives or external parties such as government officials were involved.



PROPORTION OF INVESTMENTS

What is the asset allocation planned for this financial product?

The Product intends to be at least 70% invested in issuers that have improved ESG metrics. The Product does not make a commitment to sustainable investments. This allocation is the result of the systematic integration of ESG by : (i) applies ESG exclusions that impact the investment universe of the Product; (ii) The Product will aim to select corporate securities with higher or improving NT ESG Vector Scores™ and in normal market conditions will adjust positions to target a 10% uplift of the weighted average NT ESG Vector Score™ of the corporate component within the portfolio relative to the weighted average NT ESG Vector Score™ of the universe of corporate securities eligible for investment by the Product; and (iii) periodic reviews by the Portfolio Management Team and the SI Team of the Investment Manager, to review and discuss holdings with lower NT ESG Vector Scores™ and other relevant ESG issues.

The Product presently intends to invest 0% of its assets in investments that contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

Where possible, the Product's E/S characteristics are coded into our investment management system to enable pre and post trade monitoring. Certain targets and thresholds, that are relevant to the Product strategy, are monitored by the investment team and independently monitored by the Risk team and reported to the Products board of directors. Other monitoring is undertaken in a variety of ways including but not limited to:

- Reviews of the Product to test that the Product is operating in line with disclosures made.

METHODOLOGIES

What are the methodologies to measure how the social or environmental characteristics promoted by the financial product are met?

The Product aims to exclude companies based on various ESG criteria and aims to select corporate securities with higher or improving NT ESG Vector Scores™. Please refer to the Product supplement and annex for the methodology used to measure the attainment of the E/S promoted by this Product found [here](#)

DATA SOURCES AND PROCESSING

What are the data sources used to attain each of the environmental or social characteristics? Describe the measures taken to ensure data quality, describe how data are processed and describe the proportion of data that are estimated.

The investment manager's dedicated ESG integration team which is part of our Sustainable Investment and Stewardship team assists in identifying the most relevant and suitable data sources needed to attain the sustainability characteristics of the strategies. The selection of the data provider goes through an extensive due diligence process evaluating them on various parameters including, but not limited to, robustness of data providers research process, methodological approach, quality assurance, coverage.

The investment manager has agreements in place with multiple third party ESG data providers to ensure we have access to diverse views and utilising the best available options. We may use one or more of these providers' as deemed fit to attain each of the environmental or social characteristics in the portfolio construction, reporting, research and analysis process of our products.

Company reported data may not be available for all securities in the investible universe or may not be in a format that allows comparability or aggregation at the portfolio level. As such the investment manager and/or our ESG data provider(s) may use estimated or modelled data as a proxy. It is currently complex to report sufficiently accurate yet broad metrics on the proportion of data that is estimated. The share of modelled data will vary over time and across funds based on the investible universe. We continue to monitor developments in data availability and regularly review the datasets and tools available vis-à-vis new and emerging alternatives in terms of data coverage and quality.

LIMITATIONS TO METHODOLOGIES AND DATA

The primary limitation to the methodology or data source is the lack of corporate disclosure particularly in relation to companies outside of the EU. We do not expect the corporate reporting landscape to change significantly until the anticipated introduction of Corporate Sustainability Reporting Directive ("CSRD") in 2025 and even then, we envisage continued challenges in markets outside of the EU.

Additionally, like other industry participants, adequate information on the PAI indicators has been challenging. To overcome this issue, we leverage multiple data providers to enable us to have a more holistic view from different perspectives. At present, we observed gaps in disclosures of PAI indicators by the corporates resulting in the use of certain proxies or estimations by the third-party providers and where we have found limitations, and resorted to a relevant proxy, we have clearly designated it as such.

In terms of methodology, we frequently see divergence in the way that data vendors deal with certain topics. For instance, for GHG emissions, some vendors blend corporate reporting with modelled data. It has been a common experience to note that 'reported' data can vary between providers due to conflicting policies, quality assurance and other case-by-case factors. This has been evidenced by the numerous reports from industry associations and trade bodies such as Irish Funds and the Investment Association on the quality and transparency of ESG data products.

DUE DILIGENCE

What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

Due diligence is carried out on the underlying assets throughout the life cycle of the product. Starting from product development, ESG objectives and criteria are determined from the outset with due diligence carried out on the investment universe. As part of its due diligence the investment manager assesses to ensure compliance with these requirements. ESG metrics of third-party data providers will typically be used to conduct this due diligence, based on the product offering documentation. The selection of the data provider goes through an extensive due diligence process evaluating them on various parameters including, but not limited to, robustness of data providers research process, methodological approach, quality assurance etc.

During the life of the product, ESG criteria is monitored through the review of ESG data published by the selected data providers to determine whether the product and its investments remain in line with its ESG objective. Product level ESG exclusions and screens are coded into our investment management system to enable pre and post trade monitoring (where applicable) as well as on-going independent oversight. You can find out more about our sustainability risk policy [here](#).

ENGAGEMENT POLICIES

Describe the engagement policies implemented where engagement is part of the environmental or social investment strategy, including any management procedures applicable to sustainability-related controversies in investee companies

The holdings of the Product are not subject to investment manager's engagement program.

DESIGNATED REFERENCE BENCHMARK

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes? If yes, how that index is aligned with the environmental or social characteristics promoted by the financial product, and where can one find information with regards to input data, methodologies used to select those data, the rebalancing methodologies and index calculations?

A universe of corporate securities eligible for investment by the Product is used to measure the weighted average NT ESG Vector Score™ of the corporate component within the portfolio relative to the weighted average NT ESG Vector Score™ of the universe of corporate securities eligible for investment by the Product.

Alignment of the investment strategy is ensured through the codification of the ESG screens and the aim of selecting corporate securities with higher or improving NT ESG Vector Scores™ and in normal market conditions. This means that the Product is able to own any security in the resultant investible universe (those that do not meet the specific criteria will not appear in the universe).

In addition, investment guidelines and restrictions are coded in our order management system to enable pre and post-trade monitoring.

IMPORTANT INFORMATION

This Information Statement is issued for information purposes only and is not intended as legal or investment advice, 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 September 2023 and is subject to change without notice.

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