The NT World Green Transition Index Fund seeks to closely match the risk and return profile of a Northern Trust designed climate ESG index: MSCI World Custom ESG Climate Series A Index. The Index combines Northern Trust’s long-standing Environmental, Social and Governance (ESG) approach which seeks to exclude companies with significant exposure to tobacco, conventional weapons & controversial weapons, and incorporates climate-centered-metrics to construct a climate-aware, passive solution.

The fund offers a combination of negative exclusions allowing the strategy to be fully free of exposure to companies with fossil fuel reserves and significantly decarbonised from a carbon emissions intensity perspective and tilts towards companies benefiting from the energy transition and helps to mitigate against climate change risks.

1 Parent Index refers to the MSCI World Index

Note: The United Nations does not assume any responsibility for the activities of Northern Trust. The use of United Nations Sustainable Development Goals (SDG) logos and icons does not imply any endorsement of Northern Trust by the United Nations.
SUSTAINABILITY AND LOWER CARBON FOOTPRINT

With a focus on sustainability, the custom index is calculated and screened by MSCI based on ESG criteria selected by Northern Trust, and is expected to have a tracking error range of less than 125 bps compared to the MSCI World Index.

**EXCLUSIONS COMPARED TO PARENT INDEX**

<table>
<thead>
<tr>
<th>ESG Screen</th>
<th>No of Securities</th>
<th>% of Market Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weapons</td>
<td>26</td>
<td>2.0</td>
</tr>
<tr>
<td>Tobacco</td>
<td>12</td>
<td>0.9</td>
</tr>
<tr>
<td>Carbon Intensity</td>
<td>157</td>
<td>8.4</td>
</tr>
<tr>
<td>Fossil Fuels</td>
<td>81</td>
<td>4.9</td>
</tr>
<tr>
<td>Nuclear Power</td>
<td>20</td>
<td>1.5</td>
</tr>
<tr>
<td>UNC &amp; Other Severe Controversies</td>
<td>23</td>
<td>2.0</td>
</tr>
<tr>
<td>Combined Basket</td>
<td>319</td>
<td>19.7</td>
</tr>
</tbody>
</table>

**CARBON DATA METRICS**

Hypothetical carbon footprint of the fund portfolio versus the parent index

<table>
<thead>
<tr>
<th></th>
<th>NT World Green Transition Fund</th>
<th>MSCI World Index</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Potential carbon emissions</td>
<td>0</td>
<td>1146</td>
<td>-100.0</td>
</tr>
<tr>
<td>2. Weighted average Carbon intensity</td>
<td>45</td>
<td>137</td>
<td>-67.0</td>
</tr>
</tbody>
</table>

**INDEX METHODOLOGY**

For illustrative purposes

**INVESTMENT UNIVERSE**

Define Investment Universe

- MSCI World ~ 1,635 stocks

**CUSTOM ESG SCREENING**

Custom ESG Screens Applied

- Weapons & firearms
- Tobacco
- Thermal coal miners & coal fired generators
- UN Global Compact violations

**ENERGY SCREENING**

Carbon Reduction Applied

- Fossil Fuel reserves used for energy application
- Top 10% of securities on Scope1+2 intensity basis
- Nuclear Power (30% exposure)

**APPLY GREEN TILT FACTORS**

Green Tilts Applied

- Green revenue (GR) – increase weight proportionately to companies’ GR exposure
- Transition Risk Management (TRM): Weight increase linked to the level of TRM score

**PORTFOLIO REVIEW**

- 1,350 companies
- Evaluate, confirm risk & portfolio guidelines

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**LEARN MORE**

For more information, please visit northerntrust.com or contact us: Australia and New Zealand +61 (3) 9947 9355  |  NT Asset Management Australasia@ntrs.com

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**RISK AND PERFORMANCE INFORMATION**

Investing involves risk – no investment fund or risk management technique can guarantee returns or eliminate risk in any market environment.

The Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, governance or ethical considerations. The symbol also signifies that the NT World Green Transition Index Fund adheres to the strict operational and disclosure practices required under the Responsible Investment Certification Program for the category of Product Provider. The Certification Symbol is a Registered Trade Mark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and the NT World Green Transition Index Fund methodology, performance and stock holdings can be found at www.responsiblereturns.com.au, together with details about other responsible investment products certified by RIAA.**

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1. Potential carbon emissions is a company’s total future CO2 output from fossil fuels and thermal coal reserves owned by a company.
2. Carbon intensity is the sum of a company’s Scope 1 and Scope 2 CO2 emissions, normalised by total sales.

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All data as of 31 May, 2021 unless otherwise noted.

**Northern Trust Asset Management** is composed of Northern Trust Investments, Inc., Northern Trust Global Investments Limited, Northern Trust Asset Management (Canada) Limited, Northern Trust Global Investments Japan, K.K., Northern Global Advisors Inc., 50 South Capital Advisors, LLC, the investment personnel of The Northern Trust Company of Hong Kong Limited, Belvedere Advisors LLC and The Northern Trust Company.

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