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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 data providers and may use one or more of these providers' ESG datasets to attain each of the environmental and social characteristics in the construction, reporting, research and analysis process of our products.

The ESG data landscape is rapidly developing and data quality, availability and differing methodologies present industry-wide challenges. Further challenges include the lack of corporate disclosure (particularly for issuers outside of the EU) and evolving regulatory requirements. Such constraints make it difficult to compare datasets between providers, at the asset and fund level and can often result in very different ESG outcomes. The Investment Manager is heavily reliant on the data provided by its third-party providers as it does not undertake in-house company research of its own.

The 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 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 ESG Screening 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 ESG screening criteria applied to the Parent Index. The ESG Controversy screen is 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. A very severe, ongoing controversy that directly implicates a company through its operations, products and services will result in that company's exclusion from the Index.

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.

The "other" is expected to be for cash, cash equivalents and other money market instruments which are not subject to portfolio exclusions or any ESG integration due to the nature of such 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.

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 Fund's environmental or social characteristics and sustainability indicators are coded into the investment management system to enable pre and post trade monitoring. Certain targets and thresholds, which are relevant to the Fund strategy, are monitored by the investment team and independently monitored by the risk team and reported to the Fund's board of directors.

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 has agreements in place for the use of third party ESG data from a number of data providers and may use one or more of these providers' ESG datasets to attain each of the environmental and social characteristics in the construction, monitoring, reporting, research and analysis process of our products.

The selection of the data provider goes through a due diligence process evaluating them on various parameters including, but not limited to, robustness of their respective research process, methodological approach, quality assurance and coverage. Developments in data availability are monitored and reviews of datasets and tools available performed vis-à-vis new and emerging alternatives in terms of data coverage and quality.

LIMITATIONS TO METHODOLOGIES AND DATA

The ESG data landscape is rapidly developing and data quality, availability and differing methodologies present industry-wide challenges. Further challenges include the lack of corporate disclosure (particularly for issuers outside of the EU) and evolving regulatory requirements. Such constraints make it difficult to compare datasets between providers, at the asset and fund level and can often result in very different ESG outcomes. For passive products, the Investment Manager is heavily reliant on the data provided by its third-party providers as it does not undertake in-house company research of its own.

Additionally, like other industry participants, adequate information on the Principle Adverse Impact indicators has been challenging. To overcome this issue, multiple data providers have been utilized to help achieve a more holistic view from different perspectives. Further to this, gaps persist in disclosures of PAI indicators resulting in the use of proxies or estimations by the third-party providers. Any such limitations found, or proxies used have been clearly disclosed by the Investment Manager.

In terms of methodology, divergence exists between data vendors on 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 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 a due diligence process evaluating them on various parameters including, but not limited to, robustness of the research process, methodological approach, quality assurance and coverage.

During the life of the Fund, ESG criteria is monitored through the review of ESG data published by the selected data providers to determine whether the Fund and its investments remain in line with its ESG objective. Where possible, Fund level ESG exclusions and screens are coded into the investment management system to enable pre and post trade monitoring (where applicable) as well as on-going independent oversight and reporting to relevant committees and/or Boards.

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?

The Product does not have a designated reference benchmark.

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 August 2024 and is subject to change without notice.

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