

Periodic disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
Northern Trust World Custom ESG Equity Index
UCITS FGR Feeder Fund

Legal entity identifier:
635400WFFLJC5HLXRH59

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective ?	
<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: __% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: __%	<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 43% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

Unless otherwise stated, all data provided in the Annex IV, refers to the reference period ending 31 December 2023.

The investment objective of the Product is to invest at least 85% of its assets via the Master Fund. Hereafter, any reference to the 'Product' refers to the Master Fund Product.

The Product met the following environmental and social ("E/S") characteristics using the sustainability indicators to:

- Exclude issuers using revenue thresholds across a range of sectors and/or specific business activities that the investment manager deemed to have adverse impact on the environment and/or society based on the ESG screening methodology;
- Exclude issuers that did not adhere to international norms and conventions such as UN Global Compact ("UNGC") principles and Organisation for Economic Cooperation and Development ("OECD") Guidelines for Multinational Enterprises, and;
- Promote good governance through the exclusion of issuers directly involved in very severe, ongoing controversies.

The sustainability indicators are disclosed in detail in the Product's supplement as part of Annex II which can be found [here](#).

The Product may have from time to time held securities which were not included in the Index constituents including companies not considered to meet ESG criteria as a result of corporate actions and other such activities. In such event, the Product would sell such securities in a reasonable amount of time taking into account the best interests of the investors.

How did the sustainability indicators perform?

The sustainability indicators performed as expected during the reference period:

Compliance with sector and business activity based exclusions: 99.82%

Compliance with UNGC and international norms: 99.82%

Companies found not to meet the various exclusion focus criteria and thresholds disclosed were removed from the Parent Index.

The exclusion criteria was across the following high-level themes: global norms, controversies, tobacco, weapons, thermal coal, unconventional oil and gas, for profit prisons and human rights coupled, in some cases, with various revenue thresholds across focused activities such as production, distribution, supply or retail.

... and compared to previous periods?

Reference period ending 31 December 2022:

The sustainability indicators, otherwise referred to as the NT Custom screening methodology, performed as expected during the reference period:

Compliance with sector and business activity based exclusions: 98.43%

Compliance with UNGC and international norms: 98.43%

Companies found not to meet the various exclusion focus criteria and thresholds disclosed were removed from the Parent Index.

The exclusion criteria was across the following high-level themes: global norms, controversies, tobacco, weapons, thermal coal, unconventional oil and gas, for profit prisons and human rights coupled, in some cases, with various revenue thresholds across focused activities such as production, distribution, supply or retail.

Reference period ending 31 December 2023:

We expect the asset allocation number to remain broadly consistent over time.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The Product made a commitment to invest a minimum of 10% in sustainable investments in companies that positively contributed towards environmental and social objectives such as reducing exposure to fossil fuels and avoiding adverse business activities or human rights violations. 42.58% of the Product was held in sustainable investments at the end of the reference period.

How were the indicators for adverse impacts on sustainability factors taken into account?

The adverse indicators were taken into account by the investment manager as follows:

- To help form an assessment of significant harm using the mandatory Principal Adverse Impacts ("PAI") indicators in Annex 1, Table 1 of the SFDR Regulatory Technical Standards ("SFDR RTS"). Companies found to cause significant harm, per the investment manager's definition, were not deemed to be a sustainable investment.
- Depending on the indicator in question, companies found to indicate a presence of principal adverse impact were assessed and either excluded from investment or monitored through voting and stewardship activity.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Product applied the ESG controversy screening criteria methodology to identify and exclude companies that did not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises; and,
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation ("ILO") on Fundamental Principles and Rights at Work.

The implementation of these exclusions was based on any investee company being directly involved in very severe and ongoing controversies in relation to its operations, products, and services. In practice, this means that all investee companies that formed part of the Index were aligned with these minimum safeguards, not only the sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The Product considered principal adverse impacts (PAIs) on sustainability factors through the ESG screening criteria. Specifically, the Product considered the following principal adverse impact indicators as part of the investment strategy below from Table 1, Annex 1:

- Violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

The Product's ESG Screening criteria also excluded issuers that did not comply across a range of sectors and/or specific activities and across range of revenue thresholds as disclosed in detail in the Product's Annex II.

Lastly, adverse impacts form part of the investment manager's focused engagement and voting activity, as well as engagement activities performed by the investment manager's outside engagement partner, Hermes EOS. The Product aims to encourage investee companies to improve their ESG practices and disclosures. For more information on this in relation to the Product please refer [here](#).



What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
NORTHERN TST. WOR F INC	FUNDS	99.76%	IE
CLASS A	UNIT	0.04%	US

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 2023-01-01/2023-12-31



What was the proportion of sustainability-related investments?

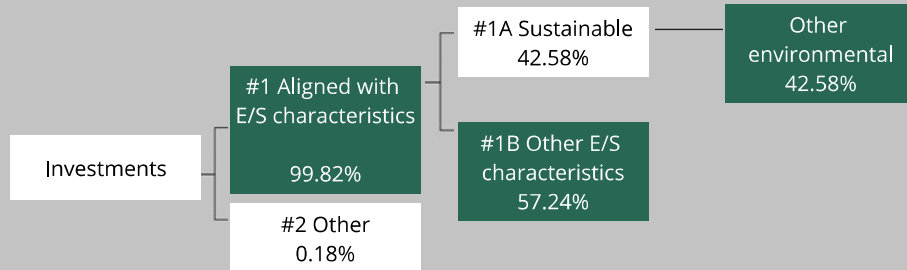
Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The Master Product was 99.82% invested in companies that promote environmental and/or social characteristics. Investments were held directly in companies (although the product may invest indirectly through eligible collective investment schemes) that aligned with these same characteristics.

42.58% of investments held in the period were determined to be in sustainable investments, none of which were taxonomy-aligned.

The remaining proportion of the Product held in cash and derivatives used for ancillary liquidity and hedging purposes. Cash and derivative investments do not form part of the Product's environmental and social characteristics and are also not subject to any minimum safeguards.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	Sub Sector	% of NAV as at 31/12/2023
FUNDS	FUNDS	99.76%
UNIT	UNIT	0.04%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Product made a 0% commitment to environmentally sustainable (taxonomy aligned) investments and reports 0% actual alignment as at year-end. The Product will seek to report actual taxonomy alignment when sufficient coverage and more mature and reliable data is widely available.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

¹Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

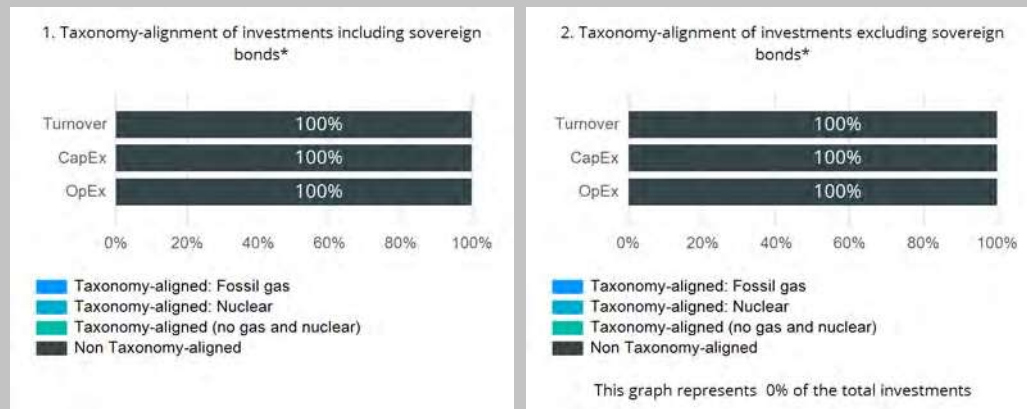
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

- Yes
- In fossil gas In nuclear energy
- No

The two graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



What was the share of investments made in transitional and enabling activities?

The Product invested 0% of its assets in investments determined to substantially contribute to environmentally sustainable economic activities in accordance with the EU Taxonomy Regulation. Therefore 0% of its assets were invested in enabling or transitional activities.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

The Product committed 0% of investments aligned with the EU Taxonomy.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The Product was 42.58% invested in sustainable investments, none of which (0%) were aligned with the EU Taxonomy. Economic activities that are not aligned with the EU Taxonomy are not necessarily environmentally harmful or unsustainable. In addition, not all economic activities are covered by the EU Taxonomy as it is not possible to develop criteria for all sectors where activities could conceivably make a substantial contribution to the environment.



What was the share of socially sustainable investments?

The Product does not commit to sustainable investments with a social objective hence there were 0% such investments.



What investments were included under "#2 Other", what was their purpose and were there any minimum environmental or social safeguards?

Derivatives and cash were the only two investment types categorized as 'other' and no other minimum environmental or social safeguards were applied. Investments categorized as 'other' were used for the following reasons:

- Cash and cash equivalents or money market instruments: The Product may have invested in cash and cash equivalents or money market instruments.
- Derivatives: The Product may have used derivatives only for managing broad market exposure.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Product is a passive investment strategy, using an indexation approach that aims to fully replicate the risk and return characteristics of the designated Index, including the E/S characteristics, during the reference period.

The Product uses our preferred provider for ESG data and research and as part of the due diligence process, throughout the reference period, the investment manager will engage with the provider in relation to any data issues or updates. The exclusion methodology is coded into our investment systems pre and post trade (where applicable) to enable independent oversight so as to monitor compliance with environmental or social characteristics promoted by the Product on an ongoing basis. The holdings of the Product were also subject to the investment manager's hybrid engagement approach, which efficiently combines our own NT Engagement Policy, with Federated Hermes Equity Ownership Services ("EOS") and the efforts coming from industry initiatives.

For details on full voting and engagement activity during the reference period, please refer to the reports found [here](#).



How did this financial product perform compared to the reference benchmark?

Reference benchmarks are indexes to measure whether financial product attains the environmental or social characteristics that they promote.

How does the reference benchmark differ from a broad market index?

The Index differs from the broad market index, due to the application of the ESG screening criteria designed to exclude from the Parent Index companies that do not comply with the Product's selected ESG exclusion criteria.

The exclusion criteria is across the following high-level themes: global norms (UNGC and OECD violations), very severe, ongoing controversies, tobacco, weapons, thermal coal, unconventional oil and gas, and human rights. Some exclusions are based on any tie, whilst others are based on defined revenue thresholds across activities such as production, distribution, supply or retail. The Product's ESG criteria was disclosed in its Supplement as part of Annex II.

Further information on the impact of the exclusion criteria on the Parent Index, including the number of securities excluded from the Index, when compared to the standard benchmark, can be found in the factsheet [here](#). For more information on the methodology used for the reference Index can be found [here](#).

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental and social characteristics promoted?

The Product is a passive investment strategy, using an indexation approach that aims to track the risk and return characteristics of the designated reference benchmark.

The Product's ex-post tracking error, an indication of the index Product's performance, was 0.26%. In practice, this means the Product was very closely aligned with the Index it was tracking over the reference period and therefore closely aligned with the E/S characteristics promoted.

How did this financial product perform compared with the reference benchmark?

The Product's performance compared to the reference benchmark is detailed in the chart below:

	31/12/2023	31/12/2022
Northern Trust World Custom ESG Equity Index UCITS FGR Feeder Fund	20.7 %	-13.6 %
MSCI World Custom ESG Index	20.26 %	-14.01 %

How did this financial product perform compared with the broad market index?

The Product's performance compared to the broad market index is detailed in the chart below:

	31/12/2023	31/12/2022
Northern Trust World Custom ESG Equity Index UCITS FGR Feeder Fund	20.7 %	-13.6 %
MSCI World Index	19.6 %	-12.78 %