

The High Growth Fund S5  
is 76% invested in

**Northern Trust World Custom  
ESG Equity Index Fund**

And 8% invested in

**The NT Emerging Markets  
Custom ESG Equity Index Fund**

details of which are provided in the following pages

## **NORTHERN TRUST WORLD CUSTOM ESG EQUITY INDEX FUND**

a Sub-Fund of

### **NORTHERN TRUST UCITS COMMON CONTRACTUAL FUND**

**Supplement dated 30 November 2022 to the Prospectus dated 23 June 2017 as amended by an addendum dated 24 May 2019, 10 July 2020, 5 March 2021, 9 July 2021, 13 December 2021 and 30 November 2022**

#### **For Northern Trust UCITS Common Contractual Fund**

This Supplement contains specific information in relation to the Northern Trust World Custom ESG Equity Index Fund (the **Fund**), a Sub-Fund of the Northern Trust UCITS Common Contractual Fund, an open-ended umbrella common contractual fund governed by the laws of Ireland, and authorised by the Central Bank.

Northern Trust UCITS Common Contractual Fund, initially called the Northern Trust Non-UCITS Common Contractual Fund, was initially constituted on 14 October 2009 by the Deed of Constitution entered into between the Manager and the Depositary and was previously authorised on 14 October 2009 by the Central Bank pursuant to the provisions of The Investment Funds, Companies and Miscellaneous Provisions Act 2005. Pursuant to an amended and restated Deed of Constitution dated 20 January 2012, Northern Trust UCITS Common Contractual Fund was reauthorised by the Central Bank as a UCITS pursuant to the Regulations on 20 January 2012.

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 23 June 2017 as amended by an addendum dated 24 May 2019 , 10 July 2020, 5 March 2021, 9 July 2021, 13 December 2021 and 30 November 2022.**

The Directors of the Manager, whose names appear under the section entitled "Directors of the Manager" in the Prospectus, accept responsibility for the information contained in the Prospectus, this Supplement and the below Annex. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires or as otherwise provided herein, have the same meaning when used in this Supplement.

The Fund meets the criteria pursuant to Article 8 of the Sustainable Finance Disclosure Regulation (Regulation EU/2019/2088) as amended ("SFDR") to qualify as a financial product which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics and provided that the companies that the Fund invests in follow good governance practices. Please refer to the Annex appended hereto which has been prepared for the purpose of meeting the specific financial product level disclosure requirements contained in SFDR applicable to an Article 8 Fund.

**A typical investor will be seeking to achieve exposure to the global equities market and a return on its investment in the medium to long term.**

**The Fund may invest in FDI for hedging and efficient portfolio management purposes. (See below under the heading "Borrowing and Leverage" for details of the leverage effect of investing in FDI).**

**The Manager may apply a Redemption Charge of up to one (1) per cent of the Net Asset Value. The difference at any one time between the sale and repurchase price of Units means that an investment in the Fund should be viewed as medium to long term.**

## **DIRECTORY**

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## 1 INVESTMENT OBJECTIVE, POLICIES AND STRATEGIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return of the MSCI World Custom ESG Index\* (the **Index**) with net dividends reinvested. Any change of Index shall only be made with the prior approval of the Unitholders.

### Investment Policies

The Fund seeks to achieve its investment objectives through investment primarily in a diversified portfolio of transferable Equity and (where considered by the Investment Manager to be necessary or appropriate) Equity Related Securities issued by companies or linked to companies within the Index.

“Equity and Equity Related Securities” includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of the Fund’s Net Asset Value) and convertible securities (such as convertible preference shares, share purchase rights and bonds convertible into common or preferred shares). Such Equity and Equity Related Securities shall be listed on stock exchanges or regulated markets in countries (within the list of Regulated Markets) comprised within the Index, details of which are set out below under the heading "Index Description". Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The Fund may from time to time hold securities which are not included in the Index constituents as a result of corporate actions and other such activities. In such event, the Fund will sell such securities as soon as practicable taking into account the best interests of the Unitholders.

The Investment Manager will use a proprietary optimisation methodology for the Fund to construct the portfolio as further set out in the section "Index Tracking Strategy" below. The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency in accordance with the powers and restrictions set out by the Central Bank in relation to techniques for efficient portfolio management purposes as further disclosed in section 3.5 entitled "Hedging" in the Prospectus. The Fund may invest in FDI as set out in the section titled “Efficient Portfolio Management (EPM) and Use of Derivatives” below.

The Fund may also invest (up to 10% of its Net Asset Value) indirectly in Equities and Equity Related Securities comprised within the Index through holdings in open-ended collective investment schemes (CIS) (including UCITS exchange traded funds (ETFs)). Any such CIS will have investment objectives which are materially similar to the Fund.

### Index Tracking Strategy

The Fund operates an index tracking strategy whereby it seeks to track the risk and return characteristics of the Index by investing directly in assets that are Index constituents (i.e. a physical replication model). However, the Fund does not seek to fully replicate the Index but instead seeks to match the Fund's investments with Index constituents on a sample based physical replication model (i.e. an optimisation approach) within the scope of the general UCITS investment restrictions and the specific investment restrictions set out below. Accordingly, investment in the Fund should not be considered to provide a direct exposure to the Index. In normal market conditions the Fund can be expected to closely match the performance of the Index. However, in normal market conditions an ex-post tracking error of 0.05% - 0.50% should be anticipated. This is due to transaction costs and the liquidity impact

of the Fund's optimisation approach and the fact that the respective Class returns reflect the relevant withholding tax rates applicable to such Classes under the CCF structure. Employing an optimisation approach (rather than full replication) necessarily results in individual security overweights and underweights, as the Fund will strive to achieve representative exposure in the more liquid and accessible sectors of the Index.

As the Fund does not pursue a synthetic index replication strategy, there is no corresponding counterparty risk related to the index replication strategy.

### **Index Description**

The Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed markets. \*It is a custom index calculated and screened by MSCI based on Environmental, Social and Governance (ESG) criteria selected by Northern Trust which excludes certain companies not considered to meet socially responsible principles, as discussed further below. As at the date of this supplement, the Index consists of the following twenty-three (23) developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Israel, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

It is not envisaged that any circumstances will arise whereby the exclusion list is not compatible with the customised Index criteria so as to construct the Index. However, the Index rules reflect that MSCI shall stop calculating the Index if the number of components falls below 20. In addition, the Fund will only continue to track the Index while it remains diversified to a level consistent with UCITS requirements. If the Index ceases to be so diversified the Fund may be terminated on the basis of the provisions outlined in the Prospectus.

In terms of index composition and methodology, the Index corresponds with the MSCI World Index with the exclusion of companies not considered to meet ESG criteria. As referenced above, certain companies shall be excluded from the Index pursuant to ESG criteria selected by the Investment Manager, as further detailed in the Annex.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – in February, May, August and November with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated with the Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: <https://www.msci.com/index-methodology> and <https://www.msci.com/constituents>.

For further details on the UN Global Compact Ten Principles, please refer to [www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html](http://www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html)

In accordance with Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the EU Benchmarks Regulation) the Investment Manager has, on behalf of the Manager, put in place written plans which would enable the Fund to reference an alternative index, should the Index cease to be provided.

The Index used by the Fund in accordance with Article 3(1)(7)(e) of the EU Benchmarks Regulation is to be provided by an administrator either included in the register referred to in

Article 36 of the EU Benchmarks Regulation or availing of the transitional arrangements pursuant to Article 51 of the EU Benchmarks Regulation.

### **Efficient Portfolio Management (EPM) and Use of Derivatives**

The purpose of EPM should be in line with the best interests of Unitholders and is to achieve one or more of the following: the reduction of risk, the reduction of costs and the generation of additional capital or income for the Fund with an acceptably low level of risk. The Fund may use the following instruments for EPM namely: currency forwards and exchange traded futures (details of which are outlined below).

#### **Exchange Traded Futures**

Exchange traded futures are used exclusively for efficient portfolio management purposes, mainly to "equitise" cash contributions into the Fund, hedge index exposure for limited periods when immediate purchase/sale of the underlying is not feasible or in the best interests of the Fund and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash position.

#### **Forwards**

Forward currency contracts may be used to hedge against currency risk that has resulted from Assets held by the Fund that are not in the Base Currency. The Fund, may, for example, use forward currency contracts by selling forward a foreign currency against the Base Currency to protect the Fund from foreign exchange rate risk that has risen from holding Assets in that currency.

Warrants, share purchase rights and convertible securities may also be held for the purposes of EPM and traded or exercised when considered appropriate.

The Fund may engage in transactions in FDI identified above for the purposes of EPM and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. Such transactions may include foreign exchange transactions and while seeking to protect against exchange risks may still alter the currency characteristics of transferable securities held by the Fund. Please see section 3.5 entitled "Hedging" in the Prospectus for more details.

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transaction. Further details of the Fund's collateral policy are set out in Schedule II section 8 of the Prospectus.

The use of FDI for the purposes outlined above may expose the Fund to the risks disclosed in the Prospectus under the heading "Risk Factors".

The Manager on behalf of the Fund has filed with the Central Bank its risk management process which enables it to accurately measure, monitor and manage the various risks associated with the use of FDI. Any FDI not included in the risk management process will not be utilised until such time as a revised submission has been provided to, and cleared by, the Central Bank. The Manager will, on request, provide supplementary information to Unitholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of Investments.

The Fund shall not engage in any securities lending or use repurchase agreements/reverse

repurchase agreements (i.e. Securities Financing Transactions) and this section will be updated in accordance with the Central Bank Rules and the disclosure requirements of Regulation 201/2365 in advance of any change in this regard.

## **2 INVESTMENT RESTRICTIONS**

**The general investment restrictions set out in the Prospectus under the heading "Investment Restrictions" apply to the Fund.**

## **3 BORROWING AND LEVERAGE**

The Fund may borrow up to ten (10) per cent of its Net Asset Value on a temporary basis.

The Fund may utilise FDI (as referred to above under the heading "Efficient Portfolio Management (EPM) and Use of Derivatives").

Global exposure and leverage as a result of its investment in FDI shall not exceed 100% of the Net Asset Value of the Fund. Global exposure will be measured using the commitment approach.

## **4 LISTINGS**

It is not currently intended to list the Units of the Fund on any stock exchange, though the Directors may in future apply for one or more Classes to be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange.

## **5 RISK FACTORS**

**The general risk factors set out in the Prospectus under the heading "Risk Factors" apply to the Fund.**

## **6 GROSS INCOME PAYMENT POLICY**

Gross Income Payments may be made in respect of Distributing Units at the discretion of the Manager (following consultation with the Investment Manager) in accordance with the provisions of the Prospectus.

## **7 INVESTMENT MANAGER**

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund (the "**Investment Manager**"). The Investment Manager is a company incorporated under the laws of England and Wales on 15 February 2000; is authorised and regulated by the Financial Conduct Authority in the United Kingdom and has its registered office at 50 Bank Street, London E14 5NT. The Investment Manager is a wholly owned subsidiary of Northern Trust Management Services Limited which is a wholly owned subsidiary of The Northern Trust International Banking Corporation which is a wholly owned subsidiary of The Northern Trust Company. The Northern Trust Company in turn is a wholly owned subsidiary of Northern Trust Corporation. The Investment Manager's main business activity is the provision of investment management services.



## **8 KEY INFORMATION FOR SUBSCRIBING AND REDEEMING ALL CLASSES OF UNITS**

### **Accumulating Units and Distributing Units**

The Fund may issue Accumulating Units and Distributing Units.

Classes of Units Available (as either Accumulating or Distributing Units)

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, BB, CC, DD, EE, FF, GG, HH, II, JJ, KK, LL, MM, NN, OO, PP, QQ, RR, SS, TT, UU, VV, WW, XX, YY and ZZ.

### **Currencies Available**

Each of the above referenced Unit Classes are available in U.S. Dollar, Euro, Sterling and Danish Krone (DKK).

### **Base Currency**

U.S. Dollar

### **Initial Issue Price**

U.S. Dollar 10 per Unit for the US Dollar Classes

€10 per Unit for the Euro classes

£10 per Unit for the Sterling Classes

DKK100 per Unit for the Danish Krone Classes

### **Initial Offer Period – Accumulating Units**

The Initial Offer Period in relation to the A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, BB, CC, DD, EE, FF, GG, HH, II, JJ, KK, LL, MM, NN, OO, PP, QQ, RR, SS, TT, UU, VV, WW, XX, YY and ZZ Classes of Accumulating Units denominated in U.S. Dollar, Euro, Sterling and Danish Krone shall be available from 9am (Irish time) on 1 December, 2022 and will close at 12pm (Irish time) on 30 May, 2023 (or such shorter or longer period as the Manager may determine and notify to the Central Bank).

After the close of the relevant Initial Offer Period, the relevant classes will be continuously open for subscriptions on each Dealing Day

### **Initial Offer Period – Distributing Units**

The Initial Offer Period in relation to the A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P and Q Classes of Distributing Units denominated in the Base Currency shall continue until 12pm (Irish time) on 30 May, 2023 (or such shorter or longer period as the Manager may determine and notify to the Central Bank).

The Initial Offer Period in relation to the E and K Classes of Distributing Units denominated in Sterling has closed.

The Initial Offer Period in relation to the A, B, C, D, F, G, H, I, J, L, M, N, O, P and Q Classes of Distributing Units denominated in Sterling respectively shall continue until 12pm (Irish time)

on 30 May 2023 (or such shorter or longer period as the Manager may determine and notify to the Central Bank).

The Initial Offer Period in relation to the A, C, D, E, F, G, H, I, J, K, M, O, P and Q Classes of Distributing Units denominated in Euro has closed.

The Initial Offer Period in relation to the B, L, and N Classes of Distributing Units denominated in Euro shall commence continue until 12pm (Irish time) on 30 May 2023 (or such shorter or longer period as the Manager may determine and notify to the Central Bank).

The Initial Offer Period in relation to the R, S, T, U, V, W, X, Y, Z, AA, BB, CC, DD, EE, FF, GG, HH, II, JJ, KK, LL, MM, NN, OO, PP, QQ, RR, SS, TT, UU, VV, WW, XX, YY and ZZ Classes of Distributing Units denominated in the Base Currency, Sterling and Euro shall continue until 12pm (Irish time) on 30 May 2023 (or such shorter or longer period as the Manager may determine and notify to the Central Bank).

The Initial Offer Period in relation to the D Class of Distributing Units denominated in DKK has closed.

The Initial Offer Period in relation to the A, B, C, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, BB, CC, DD, EE, FF, GG, HH, II, JJ, KK, LL, MM, NN, OO, PP, QQ, RR, SS, TT, UU, VV, WW, XX, YY and ZZ Classes of Distributing Units denominated in DKK shall continue until 12pm (Irish time) on 30 May 2023 (or such shorter or longer period as the Manager may determine and notify to the Central Bank).

After the close of the relevant Initial Offer Period, the relevant Classes will be continuously open for subscriptions on each Dealing Day.

### **Business Day**

Any day other than a Saturday or Sunday on which commercial banks are open for business in Ireland, or such other day or days as the Manager may, with the consent of the Depositary, determine.

### **Dealing Day**

The Dealing Day for the Fund will be every Business Day or such other day or days as the Manager may determine and notify in advance to Unitholders, provided that there shall be at least one Dealing Day per fortnight.

### **Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Irish time on the Business Day prior to the relevant Dealing Day. The Directors of the Manager may agree to accept applications received subsequent to this deadline in exceptional circumstances provided such applications are received before the Valuation Point.

### **Valuation Point**

Close of business in the relevant recognised market that closes last on each Dealing Day.

As an amendment to third paragraph of the "**Purchase of Units**" section of the Prospectus there will be no discretion for the Manager to accept applications in any circumstances after the close of business in the relevant recognised market that closes first on the relevant Dealing Day.

### **Minimum Initial Investment Amount**

In respect of Unit Class X, U.S.\$100,000 or its equivalent in the relevant currency or such greater or lesser amounts as the Directors of the Manager may, in their absolute discretion, decide.

In respect of all other Unit Classes, U.S. \$30 million or its equivalent in the relevant currency or such greater or lesser amounts as the Directors of the Manager may, in their absolute discretion, decide.

### **Minimum Additional Investment**

U.S.\$100,000 or its equivalent in the relevant currency or such greater or lesser amounts as the Directors of the Manager may, in their absolute discretion, decide.

### **Preliminary Charge**

The Manager will not apply a Preliminary Charge for this Fund.

### **Redemption Charge**

The Manager may apply a Redemption Charge of up to one (1) per cent of the Net Asset Value per Unit payable to the Manager or its relevant distributor.

It is noted, specifically, that the Class F Units will not charge a Redemption Charge to investors.

### **Anti-Dilution Levy**

An Anti-Dilution Levy can be applied to net subscriptions or net redemptions on any Dealing Day, as set out in the Prospectus. This Anti-Dilution Levy will be charged at the discretion of the Directors. The Anti-Dilution Levy is designed to cover the costs of dealing in the various markets and preserve the value of the underlying Assets of the Fund.

### **Settlement Date**

In respect of receipt of monies for subscription for Units, the Settlement Date shall be two (2) Business Days following the relevant Dealing Day or as otherwise determined by the Manager and in respect of dispatch of monies for the redemption of Units, the Settlement Date shall be two (2) Business Days following the relevant Dealing Day assuming timely receipt of the relevant duly signed repurchase documentation or as otherwise determined by the Manager and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

An exchange of Units will in effect be represented by a redemption of Units in the Original Class and a simultaneous subscription for Units in the New Class on the relevant Dealing Day. In such cases, the settlement of the transaction shall be effected on a timely basis, subject to receipt of the relevant duly signed exchange request documentation.

### **Minimum Net Asset Value**

U.S.\$30 million.

### **Restriction on the Exchange of Units**

Class F Units do not bear any investment management fees and are available only to certain categories of investors as determined by the Manager in its absolute discretion. The primary purpose of the Class F Units is to facilitate investors who are investing in the Fund indirectly through feeder funds or other vehicles managed by the Investment Manager or any associated party, thereby avoiding double-charging of fees. Holders of Units in other classes cannot exchange their Units for Class F Units.

## **9 HOW TO SUBSCRIBE FOR UNITS**

Application for Units should be made by completing and submitting a Subscription Agreement in accordance with the provisions set out in the Prospectus to be received by the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day.

No application will be capable of withdrawal after acceptance by the Administrator. Any subsequent application may be made by contacting the Administrator in writing, by telephone, by facsimile or by electronic means provided such means have been agreed with the Administrator and are in accordance with the requirements of the Central Bank.

The Minimum Holding must be maintained by each Unitholder in the Fund (subject to the discretion of the Manager) following any partial redemption or exchange of Units.

Unless the Administrator otherwise agrees, payment for Units must be received by the relevant Settlement Date by electronic transfer in cleared funds in the currency of the relevant Units.

**This section should be read in conjunction with the section in the Prospectus headed "Purchases of Units".**

## **10 HOW TO REDEEM UNITS**

Requests for the redemption of Units should be submitted to the Manager c/o the Administrator in accordance with the provisions set out in the, Prospectus. Requests received on or prior to a Dealing Deadline will be dealt with on the relevant Dealing Day. A redemption request once given will not be capable of withdrawal after acceptance by the Administrator.

The amount due on the redemption of Units of any Class in the Fund will be paid by the Settlement Date at the Unitholder's risk and expense by electronic transfer to an account in the name of the Unitholder. Payment of the proceeds of redemption will only be paid on receipt by the Administrator of the original Subscription Agreement in respect of the Unitholder's initial subscription and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed.

No Unitholder shall be entitled to realise part only of his holding of Units of any Class in the Fund if such realisation would result in his holding of Units of such Class after such realisation being below the Minimum Holding.

The Manager may at its discretion with the consent of the Unitholder or at the request of the Unitholder satisfy a redemption request by a redemption of investments of the Fund in specie provided that such a redemption would not prejudice the remaining Unitholders of that Fund. The, provisions are summarised in the Prospectus under the heading "Redemption of Units".

The Directors of the Manager are entitled to limit the number of Units of the Fund redeemed on any Dealing Day to Units representing ten (10) per cent of the total Net Asset Value of

Units of the Fund in issue on that Dealing Day, or such other amount as they may in their absolute discretion determine, subject to the terms of the Prospectus. The redemptions effected on that Dealing Day will be effected pro rata in the manner described in the Prospectus under the heading "Redemption of Units".

**This section should be read in conjunction with the section in the Prospectus headed "Redemption of Units".**

## **11 NET ASSET VALUE**

The Administrator calculates the Net Asset Value per Unit as at the Valuation Point of each Dealing Day in accordance with the procedure provided for in the Prospectus under the heading "Calculation of Net Asset Value/Valuation of Assets".

## **12 FEES AND EXPENSES**

### **Fees and Expenses of the Manager**

The Manager will be entitled to charge an annual fee out of the Assets of the Fund of up to one (1) per cent of the Net Asset Value of the Fund to cover its reasonable out of pocket costs and expenses incurred in the performance of its duties, including expenses relating to due diligence and monitoring of the Investment Manager. The latest figure will be set out in the most recently published report and accounts of the Fund or, pending publication of the initial report and accounts, will be available upon request from the Administrator. This fee will accrue and be calculated on each Dealing Day and shall be payable quarterly in arrears.

### **Fees and Expenses of the Investment Manager**

The Investment Manager will be entitled to receive out of the Assets of the Fund (with the exception of Class F Units) an annual fee of up to one (1) per cent of the Net Asset Value of the Fund. The latest figure will be set out in the most recently published reports and accounts of the Fund or, pending publication of the initial reports and accounts, will be available upon request from the Administrator. This fee will accrue and be calculated on each Dealing Day and shall be payable quarterly in arrears. The Investment Manager will also be entitled to be reimbursed out of the Assets of the Fund for its reasonable out of pocket costs and expenses incurred in the performance of its duties.

### **Fees and Expenses of the Administrator and Depositary**

The Depositary and Administrator will be entitled to receive out of the Assets of the Fund a combined aggregate annual fee of up to 0.2 per cent of the Net Asset Value of the Fund (plus VAT, if any). The latest figure will be set out in the most recently published reports and accounts of the Fund or, pending publication of the initial reports and accounts, will be available upon request from the Administrator. This fee will accrue and be calculated on each Dealing Day and shall be payable quarterly in arrears. The Depositary and Administrator will also be entitled to be reimbursed out of the Assets of the Fund for all reasonable pre-approved out-of-pocket expenses incurred in the performance of their duties.

### **Initial Expenses**

The Fund shall share a pro rata portion of the yet to be discharged initial establishment costs of the CCF as set out in the Prospectus under the heading "Fees and Expenses". The initial organisational and establishment costs relating to the creation of the Fund have been fully amortised by the Fund.

### **Ongoing Expenses**

Ongoing legal and constitution fees and expenses will also be paid out the Assets of the Fund.

### **Other Fees and Expenses**

In addition to the fees outlined above, the Fund will also be responsible for the fees of Hermes EOS (for its services in respect of the Fund, as described in the Prospectus), up to 0.02% of the Net Asset Value of the Fund per annum. Such fee shall accrue and be calculated on each Dealing Day and be payable quarterly in arrears. These fees will be discharged by the Investment Manager who will then be reimbursed by the Fund the corresponding amount, out of the Assets of the Fund.

**Any other fees and expenses payable out of the Assets of the Fund are set out in the Prospectus under the heading "Fees and Expenses".**

## **13 MATERIAL CONTRACTS**

In addition to those detailed in the Prospectus, the following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Fund and are or may be material:

The amended and restated Investment Management Agreement dated 20 January 2012, between the Manager and the Investment Manager. This agreement provides that the appointment of the Investment Manager will continue unless and until terminated by either party giving to the other not less than ninety (90) days' written notice although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other; the agreement contains certain indemnities in favour of the Investment Manager which are restricted to exclude matters arising by reasons of the fraud, bad faith, negligence or wilful default of the Investment Manager in the performance or non-performance by the Investment Manager of its duties.

## **14 MISCELLANEOUS**

Some Unitholders may receive additional information and/or reports in relation to the Fund on a frequent basis. Any such information will be available to all investors in the Fund on request. Any such information will only be provided on a historical basis and after the relevant Dealing Day to which the information relates. Please contact your relationship manager to discuss any reporting needs.

At the date of this Supplement, there are eighteen other Sub-Funds of the CCF in existence, namely the:

Northern Trust World Equity Index Fund

Northern Trust Europe Custom ESG Equity Index Fund

Northern Trust World EUR Hedged Equity Index Fund

Northern Trust High Dividend ESG World Equity Fund

Northern Trust World Custom ESG EUR Hedged Equity Index Fund

Northern Trust North America Value ESG Fund  
Northern Trust Europe Value ESG Fund  
Northern Trust Developed Real Estate Index Fund  
Northern Trust North America Custom ESG Equity Index Fund  
Northern Trust World ESG Leaders Equity Index Fund  
Northern Trust World Small Cap ESG Low Carbon Index Fund  
Northern Trust World Green Transition Index Fund  
NT Europe SDG Screened Low Carbon Index Fund  
NT World SDG Screened Low Carbon Index Fund  
Northern Trust Quality Low Vol Low Carbon World Fund  
Northern Trust Developed Real Estate ESG Climate Index Fund  
Northern Trust World Natural Capital Paris-Aligned Equity Index Fund  
Northern Trust World Natural Capital PAB Index Fund II

**Pre-contractual disclosure for the 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 Fund ("the Product")

**Legal entity identifier:**  
549300IRL7E0MYHKFS50

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

● ● <input type="checkbox"/> Yes	● ● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promotes E/S characteristics, <b>but will not make any sustainable investments</b>

**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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

The Product has the following environmental, social and governance ("ESG") exclusions that impact (i) the investment universe of the Product; and (ii) excludes companies which have faced controversies pertaining to ESG issues.

As its investment strategy, the Product seeks to track the risk and return characteristics of the custom Index - the MSCI World Custom ESG Index (the "Index") - by investing directly in assets that are Index constituents. The custom Index is constructed using the Northern Trust (NT) Custom ESG screening criteria on the MSCI World Index (the "Parent Index") to be in line with international norms and specific ESG criteria.

Please refer to the sustainability indicators stated below for further detail.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Below is a list of sustainability, expressed in number and/or weight of holdings, to measure the attainment of the environmental and/or social characteristics promoted by this Product which are applied by the Index using the NT custom ESG screening criteria to exclude:

- companies that are in breach of global norms such as UN's Global Compact Ten Principles due to being involved in controversies classified as "very severe";
- companies that derive any revenue from the production of tobacco, or 5% or more of their revenue from the distribution of tobacco, supply of key products for the production of tobacco, or the retail of tobacco;
- companies that manufacture controversial weapons, such as cluster bombs, landmines, nuclear weapons, depleted uranium weapons, biological/chemical weapons, (or their strategic components), blinding laser, non-detectable components, or incendiary weapons;
- companies that manufacture civilian firearms or retail civilian firearms and derive 5% or more revenue from this sector;
- companies that manufacture conventional weapons or derive 5% or more revenue from weapons sales or from military contracting;
- companies that derive 5% of revenue or more from thermal coal mining;
- companies that derive 30% or more revenue from coal-fired power generation or 5% or more revenue if their transition risk preparedness or carbon management is considered weak;
- companies that derive 5% or more revenue from unconventional oil and gas such as oil sands and shale gas or 1% or more revenue from arctic oil and gas and their management of carbon in their own operations is assessed as weak;
- companies that derive 5% or more revenue from For Profit Prisons.

referred to hereafter as the "NT Custom ESG screening criteria".

In addition the Investment Manager of the Product shall also ensure that any investments made by the Product pursuant to the foregoing strategy are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

Hermes Equity Ownership Services has been appointed to carry out corporate engagement with carefully selected companies held within the Product.

This methodology is reviewed annually. These sustainability indicators are non-exhaustive and subject to change.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The intended objectives of the sustainable investments are to positively contribute towards any of the environmental objectives listed below. Our definition of positive contribution includes minimum percentage revenues deriving from activities linked with these objectives alongside companies assessed to have credible carbon reduction targets such as The Science Based Targets Initiative ("SBTI").

- alternative energy (renewables),
- energy efficiency,
- green building,
- sustainable water,
- pollution prevention and
- sustainable agriculture.

Investments in these areas help contribute towards the Product's environmental objectives, specifically climate change mitigation and climate change adaptation objectives.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, it must not only satisfy the positive contribution test described above, but also a 'Do No Significant Harm'(DNSH) test designed to ensure that no significant harm is caused to any environmental or social investment objective.

Our assessment of harm involves the use of a set of diverse environmental and social indicators for example, Greenhouse Gas emissions ("GHG"), carbon footprint, GHG intensity of investee companies etc. coupled with our own proprietary thresholds. These thresholds represent a value or metric at which we believe there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment under our definition if it a) meets our minimum positive contribution test; b) the indicators for harm are under the proprietary thresholds set at specific points in time and lastly c) that investee companies follow good governance practices and are aligned with minimum safeguards such as OECD guidelines for Multinational Enterprises.

***- How have the indicators for adverse impacts on sustainability factors been taken into account?***

The Product considers adverse impacts through a range of criteria that form part of the investment strategy; the NT Custom ESG screening criteria. These screens provide a strong ethical foundation in line with international norms and are regularly updated following our own research, as well as feedback from our clients. Added to this, we have secured access to a range of ESG data providers and datasets to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, our assessment of (DNSH) involves the use of a set of diverse environmental and social indicators using proprietary thresholds.

Lastly, consideration of adverse impacts form part of our focused engagement and voting activities designed to help influence the business models of investee companies to transition to a more sustainable future.

**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.

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

The Product applies the NT Custom ESG screening methodology to identify and exclude companies that do not adhere to international norms –such as:

- OECD Guidelines for Multinational Enterprises;
- 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; and
- the International Bill of Human Rights.

The implementation of these exclusions happens through the use of third party controversy data used as a proxy to assess the negative environmental, social and governance impact of a company's operations, products and services.

In practice, this means that all investee companies are 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 EU 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.



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

No

Through the NT Custom ESG screening criteria methodology, the Product adheres to international norms by screening for violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

Additionally, the methodology excludes a range of companies whose business activities have been determined to cause significant harm on the environment or society such as exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) and identified cases of severe human rights issues and incidents.

Lastly, adverse impacts also form part of our focused engagement and voting activity enabling us to identify where best to utilise resources for maximum social and/or environmental impact.



## What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investments objectives and risk tolerance.

The Product is a passive Index tracking strategy whereby it seeks to track the risk and return characteristics of the custom Index - the MSCI World Custom ESG Index by investing directly in assets that are Index constituents.

The custom Index is calculated and screened by MSCI based on Environmental, Social and Governance (ESG) criteria selected by Northern Trust which excludes certain companies not considered to meet certain sustainability principles.

### ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the NT Custom ESG screening criteria excludes a range of companies, or sectors, typically based on a prescribed revenue threshold and extend to companies that:

- do not comply with UN Global Compact Principles;
- derive revenue from the production or distribution of tobacco;
- manufacture civilian firearms, controversial and conventional weapons;
- derive revenue from thermal coal power, thermal coal mining, unconventional oil and gas, for-profit prisons.

Please refer to previous response to the question on “sustainability indicators” for a complete list of the custom ESG exclusions that form part of the product’s binding criteria.

The Investment Manager shall also ensure that any investments made by the Product pursuant to its strategy are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

### ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

While the Product’s investible universe is reduced as a result of the binding exclusions, it does not commit to a minimum reduction rate. As such, the reduction of the universe may be subject to change.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### ***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 NT 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 produce the controversy, our chosen data provider assesses the negative environmental, social and governance 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.



### **What is the asset allocation planned for this financial product?**

**Asset allocation** describes the share of investments in specific assets.

The Product intends to be at least 95%-99% invested in companies that promote environmental or social characteristics.

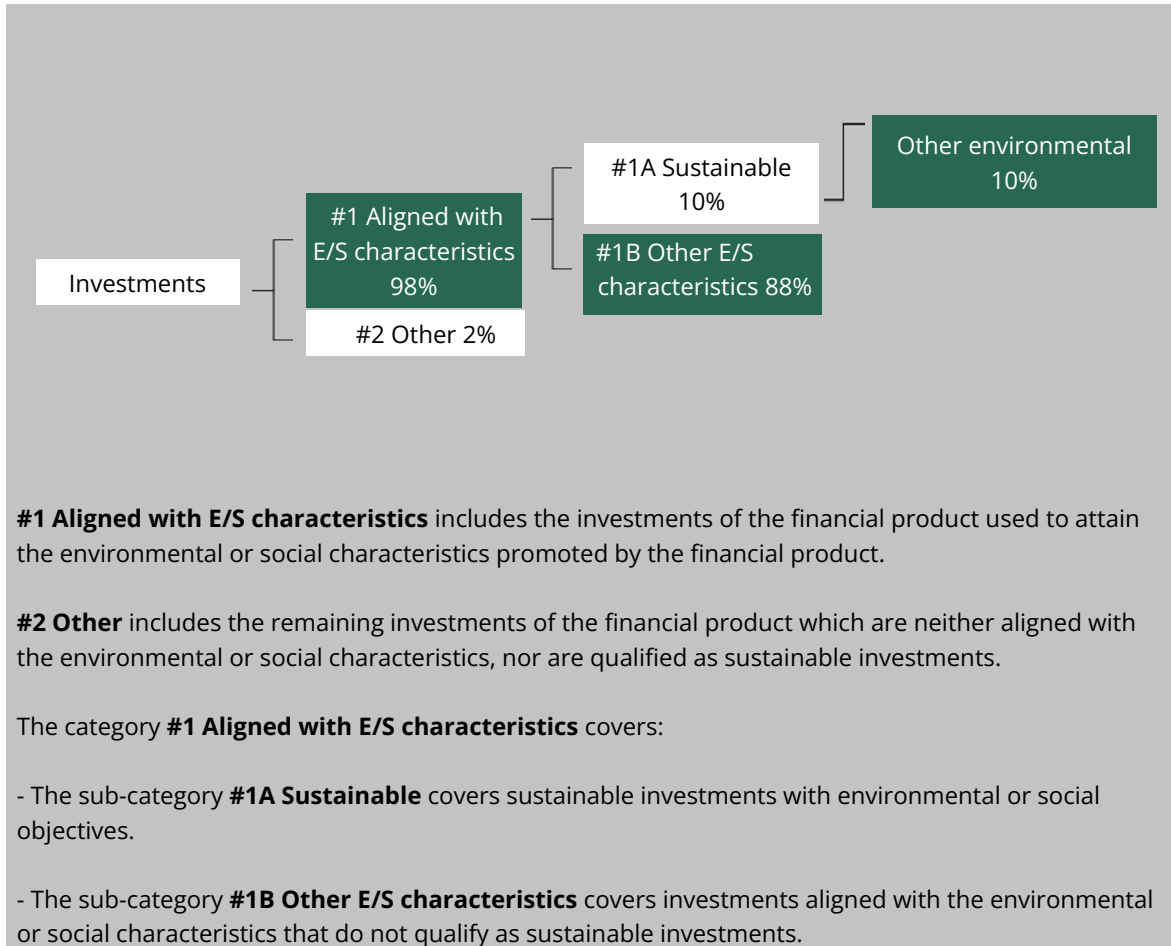
Of this a minimum of 10% will be invested in sustainable investments with an environmental objective.

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 "other" of the Product is expected to be for cash, and other ancillary purposes.

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.



***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The Product uses derivatives for managing broad market exposure. Derivatives are not used to attain the environmental or social characteristics of the Product and are not subject to any minimum safeguards.



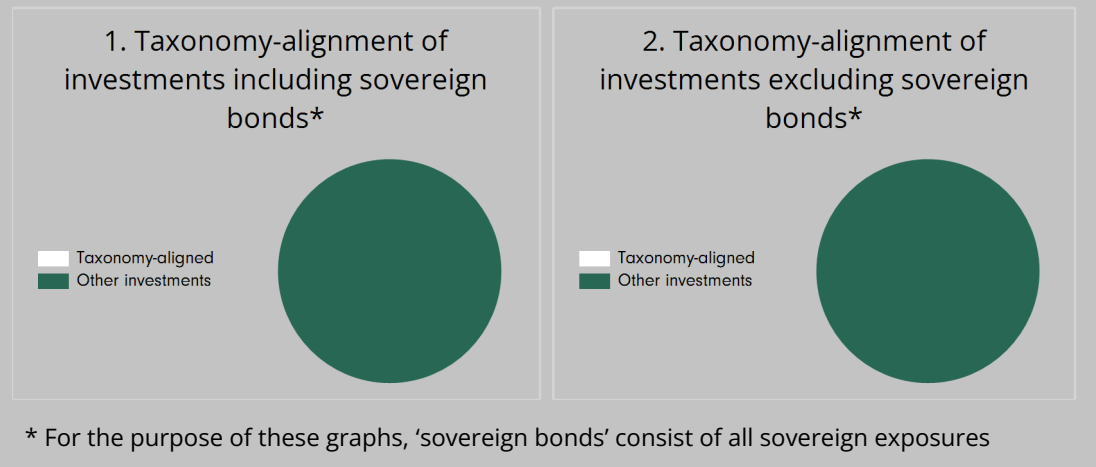
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

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.

**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.

The two graphs below show in green the minimum percentage of investments that are 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 is the minimum share of investments in transitional and enabling activities?**

This is not applicable as 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, which includes 0% of its assets in enabling activities and 0% of its assets in transitional activities towards climate change mitigation.

are sustainable investments with an environmental objective **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

0% of the Product sustainable investments commitment is expected to be aligned with the EU Taxonomy.



**What is the minimum share of socially sustainable investments?**

The Product is not targeting socially sustainable investments hence anticipates 0% investments in socially sustainable investments.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Derivatives and cash are the only two investment types categorised as ‘other’ and neither is aligned with environmental or social characteristics, nor qualify as sustainable investments. Additionally, no minimum environmental or social safeguards are applied.

Investments may be marked as ‘other’ for the following reasons:

- Cash and cash equivalents or money market instruments: The Product may invest in cash and cash equivalents or money market instruments. Typically the Product holds a minimum of approximately 1% in daily liquidity to take advantage of market opportunities as they arise.
- Derivatives: The Product may use derivatives only for managing broad market exposure.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Product has a designated reference benchmark, MSCI World Custom ESG Index, a custom Index calculated and screened by MSCI based on predetermined ESG criteria.

### ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The list of companies to be excluded from the custom Index is based on the selected ESG criteria based on MSCI ESG Research data as of the end of January, April, July and October, respectively.

For some securities, such data may not be published by MSCI ESG Research by the end of the month preceding the Index Review. For such securities, MSCI will use ESG data published after the end of month, when available. We evaluate the ESG criteria with regular reviews to ensure that it continues to be aligned with each of the environmental or social characteristics promoted by the financial Product.

### ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Alignment of the investment strategy is ensured through the tracking of the Custom Index which incorporates the various binding ESG criteria. This means that the Product is able to own any company in the resultant investible universe (companies 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.

### ***How does the designated index differ from a relevant broad market index?***

The custom Index differs from the Parent Index (the MSCI World Index) due to the NT Custom ESG screens that aim to exclude from the Parent Index companies that do not comply with our ESG criteria.

### ***Where can the methodology used for the calculation of the designated index be found?***

The methodology used for the designated Index can be found [here](#). Please search by benchmark name.



## Where can I find more product specific information online?

More specific information regarding the Product can be found [here](#).



# **THE NT EMERGING MARKETS CUSTOM ESG EQUITY INDEX FUND**

Supplement dated 29 November 2022 to the Prospectus dated 23 June 2017, as amended by addendum dated 18 April 2018, 24 May 2019, 10 July 2020, 5 March 2021, 9 July 2021, 13 December 2021 and 29 November 2022 for Northern Trust Investment Funds plc

## The NT Emerging Markets Custom ESG Equity Index Fund

*This Supplement contains specific information in relation to The NT Emerging Markets Custom ESG Equity Index Fund (the **Fund**), a Fund of Northern Trust Investment Funds plc (the **Company**) an open-ended investment company with variable capital established as an umbrella fund with segregated liability between Funds governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**).*

**This Supplement forms part of and should be read in conjunction with the prospectus dated 23 June 2017, as amended by addendum dated 18 April 2018, 24 May 2019, 10 July 2020, 5 March 2021, 9 July 2021, 13 December 2021 and 29 November 2022 (the "Prospectus").**

*The Directors of the Company, whose names appear in the **Management and Administration** section of the Prospectus, accept responsibility for the information contained in the Prospectus, this Supplement and the Annex. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.*

*Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.*

*The Fund meets the criteria pursuant to Article 8 of the Sustainable Finance Disclosure Regulation (Regulation EU/2019/2088) as amended (**SFDR**) to qualify as a financial product which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics and provided that the companies that the Fund invests in follow good governance practices. Please refer to the Annex appended hereto which has been prepared for the purpose of meeting the specific financial product level disclosure requirements contained in SFDR applicable to an Article 8 Fund.*

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**The Fund may invest in financial derivative instruments (FDI) for efficient portfolio management purposes (as detailed below). See section titled "Leverage" for details of the leverage effect of investing in FDI.**

**A Repurchase Charge of up to 2% of the repurchase price may be charged by the Directors in their discretion on the repurchase of Shares. The difference at any one time between the sale and repurchase price of Shares means that the investment should be viewed as medium to long term.**

*Dated: 29 November 2022*

## **DIRECTORY**

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5	PROFILE OF A TYPICAL INVESTOR
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## INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return characteristics of the MSCI Emerging Markets Custom ESG Index (the **Index**). Any change of Index shall only be made with the prior approval of the Shareholders.

### Investment Policies

The Fund seeks to achieve its investment objective through investment primarily in a diversified portfolio of freely transferable Equity and (where considered by the Investment Manager to be necessary or appropriate) Equity Related Securities issued by companies or linked to companies within the Index.

Such Equity and Equity Related Securities shall be listed on stock exchanges or regulated markets in countries (within the list of Markets set out in Appendix 1 of the Prospectus) comprised within the Index, details of which are set out under the heading **Index Description** below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. In order to access Equity and Equity Related Securities issued by companies or linked to companies located in China or listed/traded on stock exchanges in China, the Fund may trade through the Shanghai and Shenzhen Stock Connect programmes. The Fund may from time to time hold Equity and Equity Related Securities which are not included in the Index constituents as a result of corporate actions and other such activities. In such event, the Fund will sell such securities as soon as reasonably practicable taking into account the best interests of the Shareholders. In addition, certain Equity and Equity Related Securities which the Fund may hold may experience more market price volatility than other securities and could, in certain circumstances, result in high volatility levels. The Net Asset Value of the Fund may reflect this volatility.

The Investment Manager will use a proprietary optimisation methodology for the Fund to construct the portfolio as further set out in the section "Index Tracking Strategy" below. The Fund will measure its performance against the Index. The Fund may invest in FDI as set out in the section titled "Efficient Portfolio Management (EPM) and Use of Derivatives" below.

The Fund may also invest (up to 10% of its Net Asset Value) indirectly in Equities and Equity Related Securities comprised within the Index through holdings in open-ended collective investment schemes (CIS) (including UCITS exchange traded funds (ETFs)). Any such CIS shall be listed / traded on Regulated Markets and will have investment objectives which are materially similar to the Fund.

It is not anticipated that investments that are listed or traded in Russia will normally constitute a substantial element of the Fund and shall not in any event exceed 30% of the Net Asset Value of the Fund.

### Index Tracking Strategy

The Fund operates an index tracking strategy whereby it seeks to track the risk and return characteristics of the Index through the investment directly in assets that are Index constituents (i.e. a physical replication model). However, the Fund does not seek to fully replicate the Index but instead seeks to match the Fund's investments with Index constituents on a sample based physical replication model (i.e. an optimisation approach). Accordingly, investment in the Fund should not be considered to provide a direct exposure to the Index. In normal market conditions the Fund can be expected to closely match the performance of the Index. However, in normal market conditions an ex-post tracking error of 0.00% - 0.50% should be anticipated due to transaction costs and the liquidity impact of the Fund's optimisation approach. Employing an optimisation approach (rather than full replication) necessarily results in individual security overweights and underweights, as the Fund will strive to achieve representative exposure in the more liquid and accessible sectors of the Index.

As the Fund does not pursue a synthetic index replication strategy, there is no corresponding counterparty risk related to the index replication strategy.

### Index Description

The Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of emerging markets. It is a custom index calculated and screened by MSCI ESG research and Institutional Shareholder Services Inc. (ISS) based on Environmental, Social and Governance (**ESG**) criteria selected by Northern Trust which excludes certain companies not considered to meet set ESG rules as discussed further below. As at the date of this Supplement, the Index consists of the following twenty three (23) emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

It is not envisaged that any circumstances will arise whereby the exclusion list is not compatible with the customised Index criteria so as to construct the Index. However, the Index rules reflect that MSCI shall stop calculating the Index if the number of components falls below 20. In addition, the Fund will only continue to track the Index while it remains diversified to a level consistent with UCITS requirements. If the Index ceases to be so diversified the Fund may be terminated on the basis of the provisions outlined in the Prospectus.

In terms of index composition and methodology, the Index corresponds with the MSCI Emerging Markets Index with the exclusion of companies not considered to meet ESG criteria. Pursuant to the ESG criteria selected by the Investment Manager, as detailed in the Annex, certain companies shall be excluded from the Index.

In addition companies shall be excluded which do not conform with all certain governance four of the following criteria as further detailed in the Annex.

This exclusion list is non-exhaustive and subject to change. Further details of the Index constituents, weightings and methodology can be navigated to from the following links: <https://www.msci.com/constituents> and <https://www.msci.com/custom-indexes>.

For further details on the governance, please refer to [www.iss.com](http://www.iss.com). For further details on the United Nations Global Compact principles, please refer to [www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html](http://www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html).

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – in February, May, August and November, with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated with the Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case.

In accordance with Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the **EU Benchmarks Regulation**) the Investment Manager has, on behalf of the Manager, put in place written plans which would enable the Fund to reference an alternative index, should the Index cease to be provided.

The Index used by the Fund in accordance with Article 3(1)(7)(e) of the EU Benchmarks Regulation is to be provided by an administrator either included in the register referred to in Article 36 of the EU Benchmarks Regulation or availing of the transitional arrangements pursuant to Article 51 of the EU Benchmarks Regulation.

## **PROFILE OF A TYPICAL INVESTOR**

The Fund is designed for institutional investors including but not limited to: national and multi-national corporations, pension funds, insurance companies, sovereign wealth funds, charities and subadvisory. A typical investor is a sophisticated investor prepared to accept a degree of medium to high volatility particularly over short term periods. A typical investor will be seeking to achieve exposure to large and mid cap representation across developed and emerging market equities and will be seeking to achieve a return on investment in the medium to long term.

## **INVESTMENT RESTRICTIONS**

The general investment restrictions set out under the heading **Investment Objective and Policies of the Funds – Investment Restrictions** in the Prospectus shall apply.

It is noted in particular that the Fund may not invest more than 10% of Net Asset Value in CIS in aggregate.

## **USE OF EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES, FINANCIAL DERIVATIVE INSTRUMENTS AND SECURITIES FINANCING TRANSACTIONS**

The purpose of efficient portfolio management (EPM) should be in line with the best interests of Shareholders and is to achieve one or more of the following: the reduction of risk, the reduction of costs, and the generation of additional capital or income for the Fund with no, or with an acceptably low level of, risk.

The Fund may use the following instruments for the purpose of EPM: spot and forward currency contracts, options on securities, indices and currencies, swaps, futures and options on futures, when-issued and forward commitment securities (subject to the investment and borrowing limits (10% of the Fund's Net Asset Value) set out herein). The Fund will use an optimised basket of index futures to equitise accrued dividends and other unsettled transactions. The Fund may use spot and forward FX for the purpose of gaining exposure to local currencies. Further details of the techniques and instruments that the Fund may employ for EPM purposes are set out in the **Efficient Portfolio Management, Financial Derivative Instruments and Securities Financing Transactions** section of the Prospectus.

The Fund may use securities lending transactions (i.e. Securities Financing Transactions) in accordance with the requirements of SFTR and the Central Bank Rules. Any type of assets that may be held by the Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions. There is no restriction on the proportion of assets that may be subject to Securities Financing Transactions and therefore the maximum and expected proportion of the Fund's assets that can be subject to Securities Financing Transactions can be as much as 100%, i.e. all of the assets of the Fund. Use of repurchase/reverse repurchase agreements and Total Return Swaps by the Fund is not envisaged. In any case the most recent semi-annual and annual report of the Company will express as an absolute amount and as a percentage of the Fund's assets the amount of Fund assets subject to Securities Financing Transactions.

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of Efficient Portfolio Management Techniques or Securities Financing Transactions. Please refer to the section of the Prospectus entitled "Collateral Policy" for further details.

The use of FDI and Securities Financing Transactions for the purposes outlined above may expose the Fund to the risks disclosed under the section of the Prospectus titled **Risk Factors**.

## **LEVERAGE**

Global exposure and leverage as a result of its investment in FDI as described above shall not exceed 100% of the Net Asset Value of the Fund. Global exposure will be measured using the commitment approach.

## **BORROWINGS**

In accordance with the general provisions set out in the Prospectus under the heading **Investment Objective and Polices of the Funds – Borrowing and Lending Powers** the Fund may borrow up to 10% of its Net Asset Value on a temporary basis.

## **RISK FACTORS**

In addition to the general risk factors set out in the **Risk Factors** section of the Prospectus, the following additional risk factors apply specifically to the Fund:

### **Russian Markets**

There are significant risks inherent in investing in Russia. There is no history of stability in the Russian market and no guarantee of future stability. The economic infrastructure of Russia is relatively underdeveloped and the country maintains a high level of external and internal debt. Tax regulations are ambiguous and unclear and there is a risk of imposition of arbitrary and onerous taxes. Banks and other financial systems are not well developed or regulated and as a result tend to be untested and have low credit ratings. Bankruptcy and insolvency are a commonplace feature of the business environment. Foreign investment is affected by restrictions in terms of repatriation and convertibility of currency. The concept of fiduciary duty on the part of a company's management is generally non-existent. Local laws and regulations may not prohibit or restrict a company's management from materially changing the company's structure without shareholder consent. Foreign investors cannot be guaranteed redress in a court of law for breach of local laws, regulations or contracts. Regulations governing securities investment may not exist or may be applied in an arbitrary and inconsistent manner. Equity securities in Russia are issued only in book entry form and the Russian sub-custodian will maintain copies of the extracts. The extract is considered to be proof of an entry appearing on the share register but cannot be considered ultimate proof of a holding at a later date since shares are held in a nominee name and the balance will change, so the reconciliation of the holding will take place on the books of the sub-custodian. Therefore, the extract will not prove that an investor is the owner since they will not be known to the Registrar.

### **Stock Connect Risks**

The Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programs developed by Hong Kong Securities Clearing Company Limited ("HKSCC"), The Stock Exchange of Hong Kong Limited ("SEHK"), Shanghai Stock Exchange ("SSE"), Shenzhen Stock Exchange ("SZSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear") with an aim to achieve mutual stock market access between mainland China and Hong Kong. The SSE, SZSE and SEHK will enable investors to trade eligible shares listed on the other's market through local securities firms or brokers ("Stock Connect Securities", with those programs hereafter referred to as "Stock Connect"). Stock Connect comprises a "Northbound Trading Link" (for investment in People's Republic of China ("PRC") shares) and a "Southbound Trading Link" (for investment in Hong Kong shares). Under the Northbound Trading Link, investors, through their Hong Kong brokers and the securities trading service company established by SEHK, may be able to place orders to trade eligible shares listed on SSE and SZSE by routing orders to SSE and SZSE.

Stock Connect is subject to quota limitations. In particular, once the remaining balance of the northbound daily quota drops to zero or the northbound daily quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Fund's ability to invest in China A-Shares through Stock Connect on a timely basis, and the Fund may not be able to effectively pursue its investment strategies. It is contemplated that SEHK, SSE and SZSE would reserve the right to suspend northbound and/or southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the northbound trading through Stock Connect is effected, the Fund's ability to access the PRC market will be adversely affected. The "connectivity" in the Stock Connect program requires routing of orders across the border. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Fund's ability to access the China A-Share market (and hence to pursue its investment strategy) could be adversely affected.

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling. If the Fund wishes to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its brokers before the market opens on the day of selling. If it fails to meet this deadline, it will not be able to sell those shares. Because of this requirement, the Fund may not be able to dispose of holdings of China A-Shares in a timely manner.



HKSCC is the “nominee holder” of the Stock Connect Securities acquired by Hong Kong and overseas investors through the Stock Connect. Foreign investors like the Fund investing through the Stock Connect holding the Stock Connect Securities through HKSCC are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee. Stock Connect Securities are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of Stock Connect Securities are not available currently for the Fund. Hong Kong and overseas investors such as the Fund can only hold Stock Connect Securities through their brokers/custodians. Their ownership of such is reflected in their brokers/custodians’ own records such as client statements.

A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect Securities and/or monies in connection with them and the Fund and its investors may suffer losses as a result. Neither the Fund nor the Manager shall be responsible or liable for any such losses.

Because HKSCC is only a nominee holder and not the beneficial owner of Stock Connect Securities, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that Stock Connect Securities will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under mainland China law.

Stock Connect is relatively new, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect. It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that Stock Connect will not be abolished. The Fund, which may invest in the PRC markets through Stock Connect, may be adversely affected as a result of such changes.

### **Economic Factors**

Despite improvement in the long-term prospects of certain emerging market economies, these economies in general differ from the economies of western countries in many respects, including, for example, the general level of economic development, unemployment, wealth distribution, rate of inflation, volatility of the rate of growth and inflation, level of capital reinvestment, resource self-sufficiency, dependency on foreign trade and balance of payments position. In particular, many of these countries have high levels of external debt, and their economies have historically experienced sustained periods of extremely high inflation, and some economies continue to do so. Many emerging market countries are currently experiencing severe economic dislocation, including high real interest rates and unemployment, declining equity values, illiquid capital markets, declining GDP, and capital flight. Although such dislocations may be short-term, there can be no assurance that emerging market economies will improve, or that historical rates of inflation will not return. Moreover, while emerging market countries have made substantial progress in implementing economic reforms, including privatisation, trade liberalisation and lifting restrictions on capital flows, the reform process is not complete. In the past, emerging market governments have imposed wage and price controls, exchange controls, and have nationalized or strictly regulated key industries, and such governments may take similar actions in the future, which could adversely affect the Fund. Emerging market companies are experiencing a more competitive environment, and a process of consolidation, downsizing and modernisation is underway, all of which are contributing to significant increases in unemployment and levels of bankruptcies.

As the Fund may use certain derivatives for EPM purposes it should be noted that the use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset or index.

## **RISK MANAGEMENT PROCESS**

The Manager on behalf of the Fund has filed with the Central Bank its risk management process which enables it to accurately measure, monitor and manage the various risks associated with the use of FDI. Any FDI not included in the risk management process will not be utilised until such time as a revised submission has been cleared by the Central Bank. The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

## **DIVIDEND POLICY**

### **Accumulating Shares**

In respect of the Accumulating Shares, the Directors intend to declare all net income of the Fund attributable to each class annually as a dividend to the Shareholders of each class of Shares on the register of members as at the close of business on the relevant Dealing Day. The Shareholders shall reinvest all dividends in the following manner: any dividends on each class of Shares shall be paid by the Company into an account in the name of the Depositary for the account of the relevant Shareholders. The amount standing to the credit of this account shall not be an asset of the Fund and will be immediately transferred, pursuant to a standing instruction, from the aforementioned account to the Subscriptions/Redemptions Account. The Net Asset Value per Share will not change as a result of the above reinvestment process and no additional Shares will be issued.

### **Distributing Shares**

In respect of the Distributing Shares, the Directors intend to declare and pay all net income of the Fund attributable to each class annually as a dividend to the Shareholders of each relevant class of Shares on the register of members as at the close of business on the relevant Dealing Day. Any such dividend shall be paid to Shareholders in the form of cash on the last Business Day of the month. The Shareholders shall reinvest all dividends unless the Shareholder elects in writing to receive the dividends in the form of cash payable annually. In the case of a reinvestment of dividends, any dividends on each relevant class of Distributing Shares shall be paid by the Company into an account in the name of the Depositary for the account of the relevant Shareholders. The amount standing to the credit of this account shall not be an asset of the Fund and will be immediately transferred, pursuant to a standing instruction, from the aforementioned account to the Subscriptions/Redemptions Account.

Further details on the distribution policy are set out in Prospectus under the heading **Dividend Policy**.

## **KEY INFORMATION FOR BUYING AND SELLING**

### **Share Classes**

Shares may be issued as Accumulating Shares or (where specifically identified as such) Distributing Shares.

**Accumulating Shares** means Shares in the Fund in respect of which the net income and net capital gains arising will be rolled up.

**Distributing Shares** means Shares in the Fund in respect of which the net income shall be distributed.

### **Base Currency**

USD

### **Business Day**

Any day (except Saturday or Sunday) on which the banks in both Dublin, Ireland and London, England are open generally for business, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders.

### **Dealing Day**

Every Business Day is a Dealing Day.

### **Dealing Deadline**

In respect of a Dealing Day, the Dealing Deadline is 2.00 p.m. (Irish time) on the Business Day immediately preceding each Dealing Day.

### **Initial Offer Period**

The Initial Offer Period in relation to Euro C, Euro B, Euro D, Euro E, Euro G, US Dollar D, US Dollar E, Sterling A, Sterling C and Sterling D has now closed.

The Initial Offer Period in respect of all other share classes shall continue until 5.00 p.m. (Irish time) on 26 May 2023 or such earlier or later date as the Directors may determine.

After the Initial Offer Period, the Fund will be continuously open for subscriptions on each Dealing Day.

### **Settlement Date**

In the case of applications, proceeds must be received no later than two Business Days after the relevant Dealing Day or as otherwise determined by the Manager.

In the case of repurchases proceeds must be remitted to investors no later than three Business Days after the relevant Dealing Day (assuming the receipt of the relevant duly signed repurchase documentation) or as otherwise determined by the Manager provided that in all cases proceeds are paid within ten Business Days.

An exchange of Shares will in effect be represented by a redemption of Shares in the Original Class and a simultaneous subscription for Shares in the New Class on the relevant Dealing Day. In such cases, the settlement of the transaction shall be effected on a timely basis (not to exceed five Business Days), subject to receipt of the relevant duly signed exchange request documentation.

### **Preliminary Charge**

There will be no Preliminary Charge for this Fund.

### **Repurchase Charge**

Up to 2% of the repurchase price.

### **Anti-Dilution Levy**

An Anti-Dilution Levy will typically be applied to net subscriptions or net redemptions on any Dealing Day where net subscriptions or net redemptions exceed 1% of the Net Asset Value of the Fund. This Anti-Dilution Levy will be charged at the discretion of the



Directors. The Anti-Dilution Levy is designed to cover the costs of dealing in the various markets and preserve the value of the underlying assets of the Fund.

#### **Valuation Point**

Close of business in the relevant recognised market on each Dealing Day.

#### **Initial Issue Price**

For Euro denominated share classes €100 per Share, for USD denominated share classes \$100 per Share, for Sterling denominated share classes, £100 per Share.

#### **Classes of Shares Available**

A, B, C<sup>1</sup>, D, E, F, G, H, P1

Each of the above referenced Share Classes are available as Accumulating Shares and Distributing Shares.

#### **Currencies Available**

Each of the Share Classes, with the exception of Class P1 Shares, are available in Euro, Sterling and U.S. Dollar.

Class P1 Shares are only available in Euro.

#### **Minimum Shareholding**

In respect of Class P1 Shares, €10,000 subject to the discretion of the Directors to allow lesser amounts.

For all other Shares Classes USD100,000 (or its equivalent in the relevant Share Class currency) subject to the discretion of the Directors to allow lesser amounts.

#### **Minimum Initial Investment Amount**

In respect of Class P1 Shares, €10,000 subject to the discretion of the Directors to allow lesser amounts.

For all other Shares Classes USD100,000 (or its equivalent in the relevant Share Class currency) subject to the discretion of the Directors to allow lesser amounts.

### **FEES AND EXPENSES**

The Manager will be entitled to receive an annual fee of up to 0.50% in respect of the class A, B, C, E, F, G, H and P1 Shares and of up to 1% in respect of all Class D Shares (plus VAT thereon, if any).

Such fee shall accrue and be calculated on each Dealing Day and be payable monthly in arrears. The Manager shall also be entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket expenses incurred by the Manager in the performance of its duties.

The Manager will pay out of the above fee (and not out of the assets of the Fund), the fees of the Investment Manager. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket expenses incurred by the Investment Manager in the performance of its duties.

The Administrator shall be entitled to receive out of the Net Asset Value of the Fund an annual fee, accrued and calculated on each Dealing Day and payable monthly in arrears at an annual rate which will not exceed 0.08% of the Net Asset Value of the Fund (plus VAT, if any). The Administrator is entitled to be repaid out of the assets of the Fund all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses (plus VAT thereon, if any).

The Depositary shall be entitled to receive out of the Net Asset Value of the Fund an annual fee, accrued and calculated on each Dealing Day and payable monthly in arrears, at an annual rate which will not exceed 0.2% of the Net Asset Value of the Fund (plus VAT thereon, if any).

The Depositary is also entitled to be repaid out of the assets of the Fund sub-custodian's fees (which will be charged at normal commercial rates) as well as agreed upon transaction charges (which will be at normal commercial rates) and other out-of-pocket expenses (plus VAT thereon, if any).

A distribution fee of up to 1% may be applied to class A, B, C, D, E, F, G, H and P1 Shares (plus VAT thereon, if any).

In addition to the fees outlined above, the Fund will also be responsible for the fees of Hermes EOS (for its services in respect of the Fund, as described in the Prospectus), up to 0.02% of the Net Asset Value of the Fund per annum. Such fee shall accrue and be calculated on each Dealing Day and be payable quarterly in arrears. These fees will be discharged by the Investment Manager who will then be reimbursed by the Fund the corresponding amount, out of the assets of the Fund.

This section should be read in conjunction with the section entitled Expenses of the Funds in the Prospectus.

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<sup>1</sup> It is noted, specifically, that the Sterling Class C Shares will not charge a subscription or redemption charge to investors.

### **Establishment costs**

The organisational and establishment expenses relating to the creation of the Fund have been fully amortised by the Fund. The Manager may create additional Funds from time to time subject to obtaining prior approval from the Central Bank.

### **MISCELLANEOUS**

#### **Reporting**

Some Shareholders may receive additional information and/or reports in relation to the Fund on a frequent basis. Any such information will be available to all investors in the Fund on request. Any such information will only be provided on a historical basis and after the relevant Dealing Day to which the information relates. Please contact your relationship manager to discuss any reporting needs.

**There are 34 other Funds of the Company currently in existence, namely:**

- **The NT Euro Government Bond Index Fund**
- **The NT Europe (ex-UK) Equity Index Fund**
- **The NT Index Linked Bond Index Fund**
- **The NT Japan Equity Index Fund**
- **The NT Pacific (ex-Japan) Equity Index Fund**
- **The NT North America Equity Index Fund**
- **The NT UK Equity Index Fund**
- **The NT Emerging Markets Index Fund**
- **The NT Euro Government Inflation Linked Index Fund**
- **The NT Frontier Markets Index Fund**
- **The NT All Country Asia Ex Japan Custom ESG Equity Index Fund**
- **The NT High Quality Euro Government Bond Index Fund**
- **The NT Emerging Markets Quality Low Carbon Fund**
- **The NT Emerging Markets Multifactor ESG Fund**
- **The NT US High Yield Fixed Income Fund**
- **The NT Emerging Markets Custom ESG Feeder Fund**
- **The NT Emerging Markets ESG Leaders Equity Index Fund**
- **The NT EM Local Currency Government ESG Bond Index Fund**
- **The NT World Equity Index Feeder Fund**
- **The NT World Custom ESG Equity Index Feeder Fund**
- **The NT World Custom ESG EUR Hedged Equity Index Feeder Fund**
- **The NT Euro Investment Grade Corporate ESG Bond Index Fund**
- **The NT Global High Yield ESG Bond Index Fund**
- **The NT Emerging Markets Green Transition Index Fund**
- **The NT Quality Low Vol Low Carbon World Feeder Fund**
- **The NT World Green Transition Index Feeder Fund**
- **The NT World Small Cap ESG Low Carbon Index Feeder Fund**

- **The NT Emerging Markets Green Transition Index Feeder Fund**
- **The NT AC Asia ex Japan Green Transition Index Fund**
- **The NT World Quality ESG Fund**
- **The NT Global Bond 1-5 Years ESG Climate Index Fund**
- **The NT Global Bond ESG Climate Index Fund**
- **The NT Developed Real Estate ESG Climate Index Feeder Fund**
- **The NT Global Green Bond Index Fund**

**Pre-contractual disclosure for the 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:**

The NT Emerging Markets Custom ESG Equity Index Fund ("the Product")

**Legal entity identifier:**

549300XEE7GQT7JQEM32

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

● ● <input type="checkbox"/> Yes	● ● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promotes E/S characteristics, <b>but will not make any sustainable investments</b>

**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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

The Product has the following environmental and/or social ("E/S") characteristics: (i) applies environmental, social and governance; and (ii) excludes companies which have faced controversies pertaining to ESG issues.

As its investment strategy, the product seeks to track the risk and return characteristics of the custom Index - the MSCI Emerging Markets Custom ESG Index (the "Index") - by investing directly in assets that are Index constituents. The custom Index is constructed using the Northern Trust (NT) Custom ESG screening criteria on the MSCI Emerging Markets Index (the "Parent Index") to be in line with international norms and specific ESG criteria.

Please refer to the sustainability indicators stated below for further detail.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Below is a list of sustainability indicators used to measure the attainment of the environmental and/or social characteristics promoted by this Product which are applied by the Index using the NT Custom ESG screening criteria excludes:

- companies that are in breach of global norms such as UN's Global Compact Ten Principles due to being involved in controversies classified as "very severe";
- companies that derive any revenue from the production of tobacco, or 5% or more of their revenue from the distribution of tobacco, supply of key products for the production of tobacco, or the retail of tobacco;
- companies that manufacture controversial weapons, such as cluster bombs, landmines, nuclear weapons, depleted uranium weapons, biological/chemical weapons, (or their strategic components), blinding laser, non-detectable components, or incendiary weapons;
- companies that manufacture civilian firearms or retail civilian firearms and derive 5% or more revenue from this sector;
- companies that manufacture conventional weapons or derive 5% or more revenue from weapons sales or from military contracting;
- companies that derive 5% of revenue or more from thermal coal mining;
- companies that derive 30% or more revenue from coal-fired power generation or 5% or more revenue if their transition risk preparedness or carbon management is considered weak;
- companies that derive 5% or more revenue from unconventional oil and gas such as oil sands and shale gas or 1% or more revenue from Arctic oil and gas and their management of carbon in their own operations is assessed as weak;
- companies that derive 5% or more revenue from For Profit Prisons.

referred to hereafter as the "NT Custom ESG screening criteria".

In addition, companies in emerging markets shall be excluded which do not conform with all four of the following criteria:

- the individual shareholders of the relevant company must not hold 30% or more of the voting rights, and
- at least half of the relevant company's board of directors must be independent, and
- at least half of members of the company's audit committee must be independent; and
- at least half of members of the company's remuneration committee must be independent. Furthermore, the company must have a clean (non-qualified) auditor opinion. Finally companies that are domiciled within countries below a certain threshold on the Freedom House list shall be excluded if they also meet criteria for super majority state ownership or face a recent, severe human rights controversy.

This methodology is reviewed annually. These sustainability indicators are non-exhaustive and subject to change.

The Investment Manager shall also ensure that any investments made by the Fund pursuant to its strategy are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

Hermes Equity Ownership Services has been appointed to carry out corporate engagement with carefully selected companies held within the Fund. Please refer to the Prospectus for further detail on this appointment.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The intended objectives of the sustainable investments are to positively contribute towards any of the environmental objectives listed below. Our definition of positive contribution includes minimum percentage revenues deriving from activities linked with these objectives alongside companies assessed to have credible carbon reduction targets such as The Science Based Targets Initiative ("SBTI").

- alternative energy (renewables),
- energy efficiency,
- green building,
- sustainable water,
- pollution prevention, and
- sustainable agriculture.

Investments in these areas help contribute towards the Product's environmental objectives, specifically climate change mitigation and climate change adaptation objectives.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, it must not only satisfy the positive contribution test described above, but also a 'do no significant harm' (DNSH) test designed to ensure that no significant harm is caused to any environmental or social investment objective.

Our assessment of harm involves the use of a set of diverse environmental and social indicators for example, Greenhouse Gas emissions ("GHG"), carbon footprint, GHG intensity of investee companies etc. coupled with our own proprietary thresholds. These thresholds represent a value or metric at which we believe there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment under our definition if it a) meets our minimum positive contribution test; b) the indicators for harm are under the proprietary thresholds set at specific points in time and lastly c) that investee companies follow good governance practices and are aligned with minimum safeguards such as OECD guidelines for Multinational Enterprises.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The Product considers adverse impacts through a range of criteria that form part of the investment strategy; the NT Custom ESG screening criteria. These screens provide a strong ethical foundation in line with international norms and are regularly updated following our own research, as well as feedback from our clients. Added to this, we have secured access to a range of ESG data providers and datasets to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, our assessment of 'do no significant harm' (DNSH) involves the use of a set of diverse environmental and social indicators using proprietary thresholds.

Lastly, consideration of adverse impacts form part of our focused engagement and voting activities designed to help influence the business models of investee companies to transition to a more sustainable future.

**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.

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

The Product applies the NT Custom ESG screening methodology to identify and exclude companies that do not adhere to international norms – such as:

- OECD Guidelines for Multinational Enterprises;
- 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; and
- the International Bill of Human Rights.

The implementation of these exclusions happens through the use of third party controversy data used as a proxy to assess the negative environmental, social and governance impact of a company's operations, products and services.

In practice, this means that all investee companies are 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 EU 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.



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

No

Through the NT Custom ESG screening criteria methodology, the Product adheres to international norms by screening for violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

Additionally, the methodology excludes a range of companies whose business activities have been determined to cause significant harm on the environment or society such as exposure to controversial weapons (anti- personnel mines, cluster munitions, chemical weapons and biological weapons) and identified cases of severe human rights issues and incidents.

Lastly, adverse impacts also form part of our focused engagement and voting activity enabling us to identify where best to utilise resources for maximum social and/or environmental impact.



## What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investments objectives and risk tolerance.

The Product is a passive Index tracking strategy whereby it seeks to track the risk and return characteristics of the custom Index - the MSCI Emerging Markets Custom ESG Index by investing directly in assets that are Index constituents.

The custom Index is calculated and screened by MSCI based on Environmental, Social and Governance (ESG) criteria selected by Northern Trust which excludes certain companies not considered to meet certain sustainability principles.

### ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the NT Custom ESG screening criteria excludes a range of companies, or sectors, typically based on a prescribed revenue threshold and extend to companies that:

- do not comply with UN Global Compact Principles;
- derive revenue from the production or distribution of tobacco;
- manufacture civilian firearms, controversial and conventional weapons;
- derive revenue from thermal coal power, thermal coal mining, unconventional oil and gas, for-profit prisons.

In addition, for companies in emerging market, shall be excluded which do not confirm with all four of the following criteria:

- the individual shareholders of the relevant company must not hold 30% or more of the voting rights, and
- at least half of the relevant company's board of directors must be independent, and
- at least half of members of the company's audit committee must be independent; and
- at least half of members of the company's remuneration committee must be independent.

Please refer to previous response to the question on "sustainability indicators" for a complete list of the custom ESG exclusions that form part of the Product's binding criteria.

Furthermore, the company must have a clean (non-qualified) auditor opinion. Finally, companies that are domiciled within countries below a certain threshold on the Freedom House list shall be excluded if they also meet criteria for super majority state ownership or face a recent, severe human rights controversy.

The Investment Manager shall also ensure that any investments made by the Fund pursuant to its strategy are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

### ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

While the Product's investible universe is reduced as a result of the binding exclusions, it does not commit to a minimum reduction rate. As such, the reduction of the universe may be subject to change.



**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### ***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 NT 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 produce the controversy, our chosen data provider assesses the negative environmental, social and governance 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.

Additionally, companies that are part of the Emerging Markets region of the MSCI AC Asia ex Japan Index and the Parent Index are also screened to exclude majority held companies in countries with a poor human rights track record, unsound board composition and a qualified auditor's opinion.



### **What is the asset allocation planned for this financial product?**

**Asset allocation** describes the share of investments in specific assets.

The Product intends to be at least 95%-99% invested in companies that promote environmental or social characteristics. This allocation is the result of a range of binding positive tilts and exclusions applied to the Parent Index in order to achieve a custom ESG universe. This includes companies aligned 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.

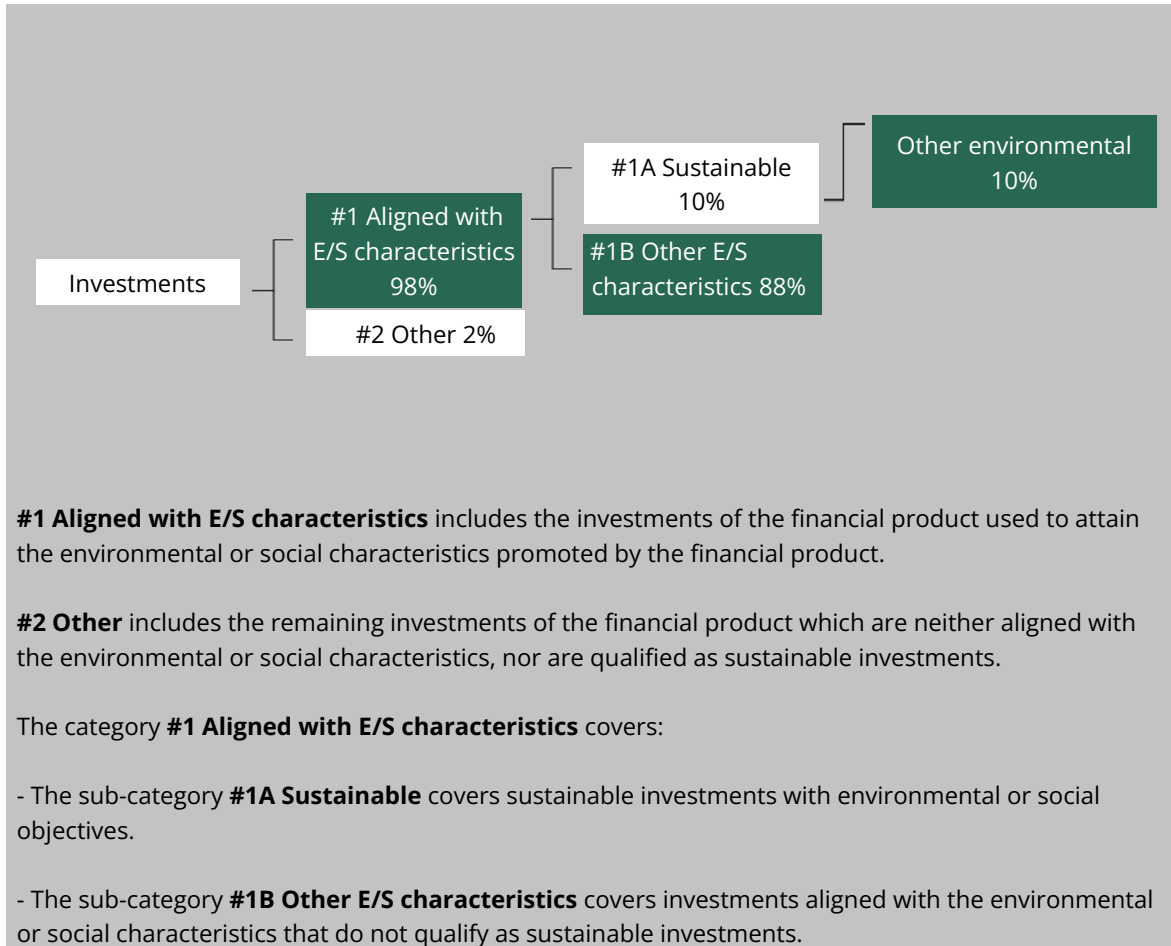
Of this, a minimum of 10% will be invested in sustainable investments with an environmental objective.

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 "other" 1%-5% of the product is expected to be for cash, hedging and other ancillary purposes.

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.



***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The Product uses derivatives for managing broad market exposure. Derivatives are not used to attain the environmental or social characteristics of the Product and are not subject to any minimum safeguards.



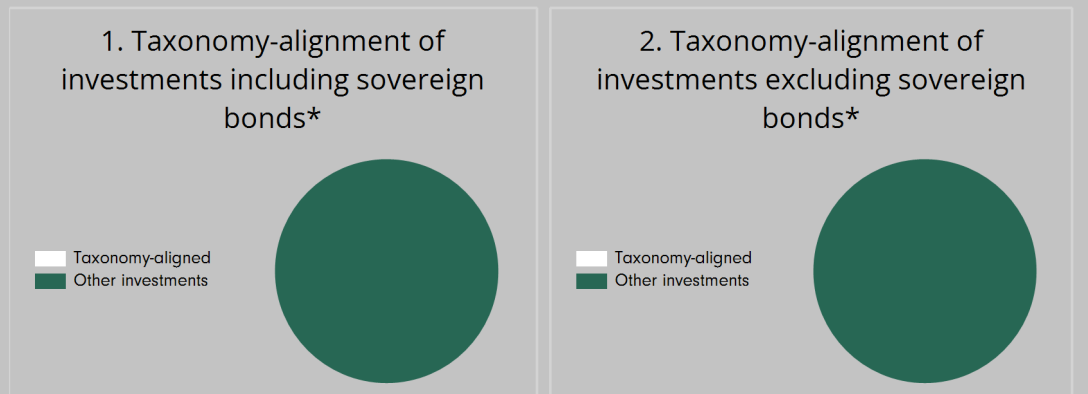
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

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.

**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.

The two graphs below show in green the minimum percentage of investments that are 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.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

### ***What is the minimum share of investments in transitional and enabling activities?***

This is not applicable as 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, which includes 0% of its assets in enabling activities and 0% of its assets in transitional activities towards climate change mitigation.

are sustainable investments with an environmental objective **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



### **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

0% of the Product sustainable investments commitment is expected to be aligned with the EU Taxonomy. On this basis, the 10% commitment is not expected to be aligned with the EU taxonomy.



### **What is the minimum share of socially sustainable investments?**

The Product is not targeting socially sustainable investments hence anticipates 0% investments in socially sustainable investments.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Derivatives and cash are the only two investment types categorised as ‘other’ and neither is aligned with environmental or social characteristics, nor qualify as sustainable investments. Additionally, no minimum environmental or social safeguards are applied.

Investments may be marked as ‘other’ for the following reasons:

- Cash and cash equivalents or money market instruments: The product may invest in Cash and cash equivalents or money market instruments. Typically the product holds a minimum of approximately 1% in daily liquidity to take advantage of market opportunities as they arise.
- Derivatives: The product may use derivatives only for managing broad market exposure.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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

The Product has a designated reference benchmark, MSCI Emerging Markets Custom ESG Index, a custom Index calculated and screened by MSCI based on predetermined ESG criteria.

### ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The list of companies to be excluded from the custom Index is based on the selected ESG criteria based on MSCI ESG Research data as of the end of January, April, July and October, respectively.

For some securities, such data may not be published by MSCI ESG Research by the end of the month preceding the Index Review. For such securities, MSCI will use ESG data published after the end of month, when available. We evaluate the ESG criteria with regular reviews to ensure that it continues to be aligned with each of the environmental or social characteristics promoted by the financial Product.

### ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Alignment of the investment strategy is ensured through the tracking of the Custom Index which incorporates the various binding ESG criteria. This means that the Product is able to own any company in the resultant investible universe (companies 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.

### ***How does the designated index differ from a relevant broad market index?***

The custom Index differs from the Parent Index (the MSCI Emerging Markets Index) due to the NT Custom ESG screens that aim to exclude from the Parent Index companies that do not comply with our ESG criteria.

In addition, companies shall be excluded which do not confirm with all four of the following criteria: i) the individual shareholders of the relevant company must not hold 30% or more of the voting rights, and ii) at least half of the relevant company's board of directors must be independent, and iii) at least half of members of the company's audit committee must be independent; and iv) at least half of members of the company's remuneration committee must be independent. Furthermore, the company must have a clean (non-qualified) auditor opinion. Finally companies that are domiciled within countries below a certain threshold on the Freedom House list shall be excluded if they also meet criteria for super majority state ownership or face a recent, severe human rights controversy. This exclusion list based sub criteria is non-exhaustive and subject to change.

### ***Where can the methodology used for the calculation of the designated index be found?***

The methodology used for the designated Index can be found [here](#) . Please search by benchmark name.



## Where can I find more product specific information online?

More specific information regarding the Product can be found [here](#).