

**THE NT EMERGING MARKETS CUSTOM LOW CARBON  
OPTIMISED EQUITY INDEX FUND**

# Supplement dated 18 April 2018 to the Prospectus dated 23 June 2017 for Northern Trust Investment Funds plc

## The NT Emerging Markets Custom Low Carbon Optimised Equity Index Fund

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*This Supplement contains specific information in relation to The NT Emerging Markets Custom Low Carbon Optimised 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.**

*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 and this Supplement. 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.*

**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: 18 April 2018

## INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to track the risk and return characteristics of the Custom Index on MSCI EM (Emerging Markets) Low Carbon Leaders 10/50 (the **Index**). The Index is designed to measure the equity market performance of companies in Emerging Markets, with reduced exposure to carbon emissions and carbon reserves in comparison to MSCI Emerging Markets Index (the **Parent Index**). Any change of the Index shall only be made with the prior approval of the Shareholders.

### Investment Policies

The Fund seeks to achieve its investment objectives 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 Fund will use a proprietary optimisation methodology to construct the portfolio. Optimisation aims to match the risk and return characteristics of the Fund to the Index through holding Index constituents, although not necessarily holding all of the constituents, and not necessarily with the same weightings. 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.

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 exchange traded funds (**ETFs**) that satisfy Regulation 4(3) of the Regulations). Any such CIS shall be listed/traded on the stock exchanges listed below and in Appendix I of the Prospectus and will have investment objectives which are materially similar to the Fund. The Fund may invest in FDI as set out in the section titled "**Use of Efficient Portfolio Management Techniques and Financial Derivative Instruments**" below.

It is not anticipated that investments that are listed or traded in Russia will normally constitute a substantial element 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.

The anticipated tracking error to the Parent Index is set not to exceed 1%. Optimisation constraints are employed to ensure low tracking error to the Parent Index while at the same time reducing exposures to conventions criteria based on the Ethical Council, a collaboration between four of the national Swedish pension funds (the "**Ethical Council**"), as outlined below.

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 designed to reduce the carbon exposure (emission and reserves) with limited tracking error to the Parent Index. It is a custom index built by MSCI by taking the Parent Index and applying an additional screening based on carbon footprint and carbon reserves exposure data from MSCI ESG Research and an exclusion list of the Ethical Council. The exclusion list comprises of companies in breach of international conventions and not considered to meet set rules as described 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.

The Index excludes securities of all issuers which have more than a certain threshold of carbon emissions and reserves. Pursuant to the carbon efficient and international conventions criteria, the following shall be excluded from the Index: i) companies that have higher carbon footprint than the set criteria, ii) companies identified by the Ethical Council to be associated with violations of international conventions on the environment and human rights and iii) real estate investment trusts. 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/index-methodology> and <https://www.msci.com/constituents>.

For further details of the Index, please refer to [www.msci.com](http://www.msci.com). For further details on the Ethical Council

governance, please refer to [www.ethicalcouncil.com](http://www.ethicalcouncil.com) and for further details on the exclusion list please refer to <http://etikradet.se/etikradets-arbete/reaktiva-dialoger-vid-krankning/rekommenderade-uteslutningar/?lang=en>

The valuation function within MSCI is functionally independent of the design of the Index.

The Index will be rebalanced quarterly in February, May, August and November to reflect the quarterly Parent Index rebalances in those months. Additional rebalancing of the Index may also occur on a quarterly basis, with 10 Business Days' prior notice to the Fund, to reflect changes to the Ethical Council exclusion list. Any such additional rebalancing outside of the quarterly Index rebalancing dates will be subject to additional charges by the Index Provider and at the expense of the Fund.

Post rebalancing, the Index information will be updated on the website referred to above for investors' information. 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.

## 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 fiduciary managers. A typical investor is a sophisticated investor prepared to accept a degree of medium to high volatility. A typical investor will be seeking to achieve exposure across emerging market equities and will be seeking to achieve a return on investment in the medium to long term.

## RESPONSIBLE INVESTMENT – CORPORATE ENGAGEMENT

The Investment Manager has appointed Hermes Equity Ownership Services ("Hermes EOS") to act as the Manager's agent in carrying out corporate engagement with carefully selected companies held within the Fund (each an "Engaged Company"). Engaged Companies will be selected for engagement and engagement will be carried out in accordance with an Engagement Policy, a copy of which is available from the Investment Manager on request. Corporate engagement complements the ESG considerations underpinning the construction of the Index. The engagement process neither informs investment or divestment decisions nor the construction of the Index, and Hermes EOS will exercise no discretion over Fund assets.

An engagement by Hermes EOS with an Engaged Company will involve a process of dialogue with that Engaged Company with the long-term objective of that Engaged Company improving on its social, ethical and environmental practices in the belief that such factors can have an impact on financial performance.

Hermes EOS typically conducts engagement with Engaged Companies in confidence and will not disclose the Manager's involvement in such engagements, unless specifically agreed in advance.

In addition to engaging with individual Engaged Companies, Hermes EOS has a broad international public policy engagement program through which it engages with governments and regulators on behalf of its client base (including the Manager) to promote the interests of long-term institutional investors.

The Fund will follow the Northern Trust Proxy Voting Policy, a copy of which is available via the following website:

<https://www.northerntrust.com/asset-management/europe/uk-stewardship-proxy-voting>

Engagement activities conducted on behalf of the Fund may not always be complemented by this policy.

## 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.

In addition, while the Fund shall not invest other than as outlined above under the heading "Investment Objective and Policies", for the avoidance of doubt, the following investment restrictions shall apply.

The Fund may not:

- a) invest in such companies not considered to meet international conventions criteria based on the Ethical Council's exclusion list as described under the heading "Index Description"
- b) invest more than 10% of Net Asset Value in CIS in aggregate;
- c) invest in shares or other participations in undertakings which are not, or will not within one year of the issuance thereof, or are not intended to be, listed on an exchange or other regulated market.
- c) invest in bonds and other debt instruments which are not issued for public trading;
- d) hold shares or other participations in an undertaking where the voting capital for such shares exceeds ten per cent.
- e) invest in options, futures, or other similar financial instruments for which commodities constitute the underlying asset;
- f) assume any debt, unless limited to short term borrowing to satisfy temporary cash requirements; and
- g) invest in real estate investment trusts.

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

The use of techniques and instruments relating to transferable securities, money market instruments and/or other financial instruments in which the Fund invests for efficient portfolio management purposes should be in line with the best interests of Shareholders and will generally be made for one or more of the following reasons:

- (i) the reduction of risk;
- (ii) the reduction of cost; or
- (iii) the generation of additional capital or income for the Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the risk diversification rules set out in the Central Bank Rules ("Efficient Portfolio Management Techniques").

The Fund may use the following Efficient Portfolio Management Techniques: spot and forward currency contracts (for hedging and local currency exposure), options on securities, indices and currencies, swaps, futures

(exchange-traded, index and equity futures mainly to gain index exposure for limited periods when immediate purchase/sale of the underlying is not feasible or in the best interests of the Fund) 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). Further details of the Efficient Portfolio Management Techniques that the Fund may employ 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. 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.

For the avoidance of doubt, the Investment Manager shall not invest in repurchase/reverse repurchase agreements or Total Return Swaps.

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**. In addition, the prices of these instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements and the use of these instruments may further expose the Fund to the risk that the legal documentation of the relevant counterparty may not accurately reflect the intention of the parties.

## 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 Policies of the Funds – Borrowing and Lending Powers** the Fund may borrow up to 10% of its Net Asset Value on a temporary basis, limited to short term borrowing to satisfy temporary cash requirements

## 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.

### **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 relevant 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. The Shareholders shall reinvest all dividends in the following manner: any dividends on each relevant class of Accumulating 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 12.00 p.m. (Irish time) on the Business Day immediately preceding each Dealing Day.

### Initial Offer Period

The Initial Offer Period in respect of USD C is closed.

The Initial Offer Period in respect of all other Share Classes shall commence at 9am (Irish time) on 19 April 2018 and will continue until 5.00 p.m. (Irish time) on 19 October 2018 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 two 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 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, 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

### Fees of the Manager, the Investment Manager, the Depositary, any sub-custodian and the Administrator

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 this Supplement), 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.

#### **Establishment costs**

The organisational and establishment expenses relating to the creation of the Fund did not exceed USD35,000 and will be borne by the Fund and will be amortised by the Fund over the first five accounting periods of its operation (or such other period as may be determined by the Directors at their discretion) and shall be subject to such adjustment following the establishment of new Funds as the Directors may determine. The Manager may create additional Funds from time to time subject to obtaining prior approval from the Central Bank.

#### **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 Agreement for the Provision of Responsible Investment Services dated 22 June 2015, as amended, between the Investment Manager and Hermes EOS (with its registered office at Lloyds Chambers, 1 Portsoken Street, London E1 8HZ, United Kingdom). Hermes EOS, authorised and regulated by the Financial Conduct Authority, provides non-discretionary responsible investment advisory services to the Investment Manager in respect of various sub-funds managed by the Investment Manager, including the Fund. This agreement provides that the appointment of Hermes EOS will continue unless and until terminated by either party giving to the other not less than 9 months' written notice (such notice may only be served on or after the first anniversary of the agreement), although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other; the agreement provides that Hermes EOS will accept responsibility for loss to the Investment Manager and/or the Fund to the extent that such loss is due to the negligence, wilful default, fraud or any breach of the agreement by Hermes EOS. See Fees and Expenses section above for details of the fees of Hermes EOS as paid out of the assets of the Fund.

#### **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 19 other Funds of the Company currently in existence, namely:**

- **The NT Europe (ex-UK) Equity Index Fund**
- **The NT Euro Government Bond 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 UK Equity Index Fund**
- **The NT North America Equity Index Fund**
- **The NT Euro Government Inflation Linked Index Fund**
- **The NT Emerging Markets Index Fund**
- **The NT Frontier Markets Index Fund**
- **The NT All Country Asia ex Japan Custom ESG Equity Index Fund**
- **The NT Emerging Markets Custom ESG Equity Index Fund**
- **The NT High Quality Euro Government Bond Index Fund**
- **The NT Emerging Markets Custom Equity Index 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 Bond Index Fund**
- **The NT World Equity Index Feeder Fund**