

**THE NT EURO GOVERNMENT INFLATION LINKED  
INDEX FUND**

# Supplement dated 14 August 2023 to the Prospectus dated 14 August 2023 for Northern Trust Investment Funds plc

## THE NT EURO GOVERNMENT INFLATION LINKED INDEX FUND

*This Supplement contains specific information in relation to The NT Euro Government Inflation Linked Index Fund (the "Fund"), a sub-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 sub-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 Northern Trust Investment Funds plc, 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.*

***A typical investor is prepared to accept a degree of low volatility. A typical investor will be seeking to achieve exposure to high quality European inflation linked government bonds and will be seeking to achieve a return on investment in the medium to long term.***

***Investment in the Fund may be appropriate for professional or retail investors who have knowledge of, and investment experience in, this particular financial product and understand and can evaluate the strategy, characteristics and risks in order to make an informed investment decision. This Fund is passively managed.***

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

## INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return characteristics of the Bloomberg Barclays France + Germany Govt EMU HICP Inflation-Linked All Maturities (the "**Index**"). Any change in the Index shall only be made with the prior approval of the Shareholders.

### Investment Policies

The Fund will invest in freely transferable Euro-denominated inflation-linked fixed income securities issued by France and Germany. The securities are inflation-linked bonds issued by the governments France and Germany. 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 the event that securities in the Index exceed the permitted investment restrictions, the Fund will sell such securities as soon as reasonably practicable taking into account the best interests of the Shareholders.

The Fund will use a proprietary optimisation methodology. Optimisation aims to match the risk and return characteristics of the Fund to the relevant 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 EPM purposes. The Fund 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 EPM purposes as further disclosed in the **Efficient Portfolio Management, Financial Derivative Instruments and Securities Financing Transactions** section of the Prospectus. The Fund may invest in FDI as set out in the section titled "**Use of Efficient Portfolio Management Techniques, Financial Derivative Instruments and Securities Financing Transactions**" below.

### 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 up to 0.10% 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 overweightings 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 provided by Barclays Capital. The securities are inflation-linked bonds issued by the governments of France and Germany.

In turn, the bonds issued by those eligible issuer countries must also have an investment grade rating by Fitch, Moody's or Standard & Poor's. The average rating of an issued bond determines its Index rating. The coupon of the bond must be fixed; zero coupon inflation-linked bonds are eligible.

All bonds issued by the issuer countries must have a minimum remaining time to maturity of at least one year at the date of its selection for the Index. Bonds with a remaining life of less than one year at that date are ineligible for the Index. The amount outstanding of a bond determines its Index weight. The Index is capitalisation-weighted. The Index is rebalanced monthly.

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 on the Index, including constituents and weightings can be navigated to from the following link: [https://indices.barcap.com/Benchmark\\_Indices/Index\\_Constituents\\_for\\_UCITS](https://indices.barcap.com/Benchmark_Indices/Index_Constituents_for_UCITS) (click on France+Germany Govt EMU HICP Inflation-Linked All Maturities)

## INVESTMENT RESTRICTIONS

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

It is noted in particular that the Fund may not invest more than 10% of net assets in CIS in aggregate.

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

The Fund may use currency forwards and exchange-traded futures for hedging and EPM purposes.

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. In addition, the Fund 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.

The Fund may also enter into certain currency related transactions in order to hedge exchange rate fluctuation risks between the denominated currencies of the Fund's assets and the designated currency of the relevant Share Class.

As a result of currency hedging, hedged Share Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled **Credit Risk and Counterparty Risk**.

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**. 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.

## **BORROWING AND LEVERAGE**

The Fund may borrow up to 10% of its Net Asset Value on a temporary basis.

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.

## **RISK FACTORS**

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

In addition, the following specific risk factors apply in light of the Fund's use of FDI for EPM:

**Market Risk**  
**Liquidity Risk**  
**Counterparty Risk**  
**Correlation Risk and Legal**  
**Regulatory Risks**

## **INVESTMENT MANAGER AND SUB-INVESTMENT MANAGER**

The Manager has appointed Northern Trust Global Investments Limited as the Investment Manager of the Fund. The Investment Manager has appointed Northern Trust Investments, Inc. as the sub-investment manager of the Fund.

## **DIVIDEND POLICY**

### **Accumulating Shares**

No dividends will be declared in respect of the Accumulating Shares.

### **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.

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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.

### **Base Currency**

Euro

### **Business Day**

Any day (except Saturday or Sunday) on which the banks in Ireland are open generally for business, or such other day as the Directors may determine and notify to Shareholders.

### **Dealing Day**

The Dealing Day for the Fund will be every Business Day or such other day or days as the Directors may determine and notify in advance to Shareholders, provided that there shall be at least one Dealing Day per fortnight. In determining whether a day should be treated as a Dealing Day, the Directors may take into account whether there are sufficient market exchanges open as determined by the Investment Manager to allow the normal liquidity trading of the portfolio. The Investment Manager maintains a list of any non- Dealing Days on the Website.

### **Dealing Deadline**

In respect of a Dealing Day, the Dealing Deadline is 12.00 p.m. on that 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.

### **Preliminary Charge**

There will be no Preliminary Charge for this Fund.

### **Redemption Charge**

There is no Redemption Charge for this Fund.

### **Anti-Dilution Levy**

The Directors or the Manager (or their duly appointed delegate) may impose an anti-dilution adjustment as further detailed in the section of the Prospectus entitled **Anti-Dilution Levy**.

### **Valuation Point**

With respect to: (i) currencies and currency-related transactions only, 4pm (London time); and (ii) all other assets, the close of business of the relevant market that closes last on each Dealing Day, which in all cases shall be after the Dealing Deadline.

### **Initial Issue Price**

For Euro denominated Share classes €1 per Share, for US Dollar denominated Share classes \$1 per Share, for Sterling denominated Share classes, £1 per Share.

### **Initial Offer Period**

The Initial Offer Period in respect of Euro B, Euro C, Sterling

C and EUR P1 is closed.

The Initial Offer Period in respect of all other Share Classes will commence at 9.00 a.m. (Irish time) on 15 August 2023 and shall continue until 5.00 p.m. (Irish time) on 13 February 2024 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.

### **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.

### **Currency Hedged Share Classes**

Each Share Class is available as either a hedged or an unhedged Share Class.

### **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 €100,000 (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 €100,000 (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 Investment Manager will be entitled to receive an annual fee of up to 0.08% in respect of the Class A, B, C, E, F, G, H and P1 Shares and of up to 0.50% 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 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 Manager shall not receive a fee but shall be entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket expenses incurred in the performance of its duties.

The Administrator shall be entitled to receive out of the net assets 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 assets 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 out of the assets of the Fund (plus VAT thereon, if any).

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The Depositary shall be entitled to receive out of the net assets of the Fund an annual fee, accrued and calculated on each Dealing Day and payable monthly in arrears, at an annual rate of up to 0.08% of the net assets 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 out of the assets of the Fund (plus VAT thereon, if any).

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

## **ESTABLISHMENT COSTS**

The organisational and establishment costs relating to the creation of the Fund have been fully amortised by 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.

### **Other Funds**

The other Funds of the Company are listed in the Global Supplement to the Prospectus.

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.