

THE NT FRONTIER MARKETS INDEX FUND

**SUPPLEMENT DATED 28 FEBRUARY 2019 TO THE PROSPECTUS
DATED 23 JUNE 2017 FOR NORTHERN TRUST INVESTMENT
FUNDS PLC**

Supplement dated 28 February 2019 to the Prospectus dated 23 June 2017 for Northern Trust Investment Funds plc

THE NT FRONTIER MARKETS INDEX FUND

*This Supplement contains specific information in relation to The NT Frontier Markets 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 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.

The anticipated volatility is expected to be similar to the Index (as defined herein). Accordingly, the Fund is suitable to investors who are prepared to accept a high level of volatility.

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

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: 28 February 2019

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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 Northern Trust S&P Extended Frontier 150 Custom 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 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. 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 Shareholders.

The Fund may also invest (up to 10% of its Net Asset Value) indirectly in such securities through holdings in open-ended collective investment schemes (including exchange traded funds (**ETFs**) that satisfy Regulation 4(3) of the Regulations. The ETFs are currently listed/traded on the stock exchanges listed above and in Appendix I of the Prospectus.

Due to the high volatility of investment in frontier markets, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

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% - 1.00% 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

COO/664916-000002/14636014v27

The Index is a customised index constructed as a subset of the S&P Frontier BMI, a broad benchmark index of frontier countries that are smaller and relatively less liquid than emerging markets.

The Index is a modified market capitalisation index in which no country has a weight greater than 15% and no security represents more than 10% of the Index.

The Index is comprised of 150 of the largest and most liquid companies drawn from a pool of frontier markets and is designed to meet the needs of global investors seeking to expand into less known markets that have a potential for return similar to, or greater than, other better known emerging markets. As at the date of this Supplement, the Index consisted of companies based in the following countries: Argentina, Bahrain, Bangladesh, Croatia, Cote d'Ivoire, Georgia, Jordan, Kazakhstan, Kenya, Kuwait, Lebanon, Mauritius, Nigeria, Oman, Pakistan, Panama, Qatar, Romania, Slovenia, Sri Lanka, Tunisia, U.A.E., Ukraine and Vietnam. In terms of index composition and methodology, the Index corresponds with the S&P Extended Frontier 150 Index with the exception of the exclusion of Cyprus from the Index's composition. For more details on the S&P Extended Frontier 150 Index, please refer to www.indices.standardandpoors.com

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: <http://us.spindices.com/indices/equity/sp-extended-frontier-150> and <http://us.spindices.com/indices/equity/sp-extended-frontier-150>

The valuation function within S&P is functionally independent of the design of the Index. The Index will typically be rebalanced semi-annually (each May and November). 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: 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 high volatility particularly over short term periods. A typical investor will be seeking to achieve exposure to frontier 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.

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

The purpose of efficient portfolio management should be in lined 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 efficient portfolio management: 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 assets) 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 efficient portfolio management 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 FDIs 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 assets on a temporary basis.

RISK FACTORS

The general risk factors set out under the heading **Risk Factors** section of the Prospectus apply to the Fund. In particular, please refer to the Emerging Markets Risks contained in the Prospectus and summary of Settlement and Credit Risks; Regulatory Risks and Accounting Standards; Political Risks; and Custody Risks involved in investing in emerging markets. The risks associated with investing in the securities of issuers operating in emerging market countries are magnified when investing in frontier emerging market countries.

There are also additional risks specific to frontier markets. Investing in the securities of issuers operating in frontier emerging markets carries a high degree of risk and special considerations not typically associated with investing in more traditional developed markets. Frontier market securities could be affected by factors not usually associated with investments in more traditional developed markets, including risks associated with expropriation and/or nationalisation, political or social instability, pervasiveness of corruption and crime, armed conflict, the impact on the economy of civil war, religious or ethnic unrest and the withdrawal or non-renewal of any licence enabling a Fund to trade in securities of a particular country, confiscatory taxation, restrictions on transfers of assets, lack of uniform accounting, auditing and financial reporting standards, less publicly available financial and other information, diplomatic development which could affect investment in those countries and potential difficulties in enforcing contractual obligations. **These risks and special considerations make investments in securities in frontier emerging market countries highly speculative in nature and, accordingly, an investment in the Fund's shares must be viewed as highly speculative in nature and may not be suitable for an investor who is not able to afford the loss of their entire investment.**

As the Fund may use certain derivatives for efficient portfolio management 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 Company 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 FDIs. Any FDIs 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 Company 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 shall commence at 9am (Irish time) on 1 March 2019 and will close at 5.00 p.m. (Irish time) on 30 August 2019 or such earlier or later date as the Directors may determine.

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 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, 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 0.70% in respect of the Class A, B, C, D, E, F, G, H and P1 Shares.

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 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 (plus VAT thereon, if any).

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 which will not exceed 0.4% 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 (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).

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.

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 Pacific (ex-Japan) 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 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 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 Quality Low Carbon 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**