

THE NT HIGH QUALITY EURO GOVERNMENT BOND INDEX FUND

Supplement dated 14 August 2023 to the Prospectus dated 14 August 2023 for Northern Trust Investment Funds p.l.c.

The NT High Quality Euro Government Bond Index Fund

This Supplement contains specific information in relation to The NT High Quality Euro Government Bond Index Fund (the "Fund"), a Fund of Northern Trust Investment Funds p.l.c. (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").

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

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.

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 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.

INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The investment objective of the Fund is to track the risk and return characteristics of Bloomberg Barclays Euro Sovereign High Quality Index (the "**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 freely transferable bonds (within the scope of the defined term: Debt and Debt Related Securities) that are constituents of the Index as described further below in the section entitled "**Index Description**". The Fund may also invest in bonds issued by governments included in the Index that would exhibit similar characteristics to securities in the Index and that have a similar risk profile. Investment in such securities will, in all cases, be consistent with the investment objective of the Fund. The bonds in which the Fund invests will be of investment grade and, although in practice they may be purchased or sold by the Investment Manager on the secondary market, they will be listed or traded on a Market within the list in Appendix I of the Prospectus. In accordance with the facility as set out in regulation 70 of the Regulations, the Fund may be substantially invested in the Debt and Debt Related Securities issued by a single EU member state issuer. The average credit rating of the Fund's assets will therefore be approximate to the average credit rating of the Index. However, it is noted that any securities held by the Fund that are subject to a downgrade to below the minimum index rating (referred to below) may be retained by the Investment Manager provided this is consistent with the Fund's investment objective and the best interests of Shareholders.

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 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. 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, since the Fund does not seek to fully replicate the Index, a Tracking Error of 5-10bps should be anticipated due to transaction costs and the liquidity

impact of the Fund's sampling approach. Employing a sampling 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 custom index provided by Barclays Capital.

The Index comprises of the investment grade bonds issued by governments of certain member states of the Economic and Monetary Union (EMU) bloc of countries (whose membership may change from time to time) that meet the qualitative criteria of the Index regarding sovereign debt rating. The Index currently reflects the bond issuance (with a maturity profile of over 1 year) of the governments of Austria, Finland, France, Germany and the Netherlands, each being rated at the date of the Supplement with a minimum index rating of AA2.

To remain in the Index, the debt of a particular country must be rated AA3 or better. The rating taken will be the middle rating assigned by Fitch, Moody's and Standard & Poors (the "**Agencies**"). Where only two of the Agencies assign a rating then the lower of the two will be used. Where only one of the Agencies assigns a rating then that rating will be used. The countries in the Index will be weighted by market capitalisation.

The valuation function within Barclays is functionally independent of the design of the Index. The Index is reviewed monthly for any necessary rebalancing, with the objective of reflecting change in the underlying constituents 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 were the Index to be static.

It is not expected in any circumstances that the composition of the Index will be adjusted to the extent that tracking is not possible within the scope of standard UCITS investment restrictions.

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 (click on Euro Sovereign High Quality Index)

INVESTMENT RESTRICTIONS

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

The Fund does not intend to invest in CIS and in any case 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

Notwithstanding any other term of the Prospectus, the following requirements will apply where the Investment

Manager invests in repurchase/reverse repurchase agreements, and securities lending (together “**Efficient Portfolio Management Techniques**”) and/or invests in derivative instruments on behalf of the Fund in accordance with the investment Objective and Investment Policies of the Fund set out above and the conditions and limits set out in the Central Bank Rules. In the event of any conflict between the provision of this section and any other term of the Prospectus, the requirements in this section shall prevail with respect to the Fund only.

The Fund may use currency forwards and exchange-traded futures for hedging and EPM purposes. 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 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 repurchase/reverse repurchase agreements and 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 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**.

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

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:

Reinvestment of Cash Collateral Risk

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.

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. (Irish time) on that Dealing Day.

Initial Offer Period

The Initial Offer Period in respect of Class P1, Euro B and Euro C Shares 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.

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.

Subject to the approval of the Directors, 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.

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 €100 per Share, for US Dollar 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.

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.

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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 0.50% in respect of the class A, B, C, E, F, G, H and P1 Shares and of up to 0.20% 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 Investment Manager 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 Manager shall not receive a fee but shall also 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 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).

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.