

## **NORTHERN TRUST DEVELOPED REAL ESTATE INDEX FUND**

**a Sub-Fund of**

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

**Supplement dated 27 August 2024 to the Prospectus dated 27 August 2024**

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

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

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

This Supplement forms part of and should be read in conjunction with the Prospectus dated 27 August 2024.

The Directors of the Manager, whose names appear under the section titled "Directors of the Manager" in 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 or as otherwise provided herein, 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 will be seeking to achieve exposure to real estate related securities and a return on its 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.**

**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.**

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

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## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return of the FTSE EPRA/NAREIT Developed Index (the “**Index**”) with net dividends reinvested. Any change of Index shall only be made with the prior approval of the Unitholders.

### Investment Policy

The Fund seeks to achieve its investment objective through investment primarily in a diversified portfolio of real estate related securities listed or traded on Recognised Markets worldwide including listed Real Estate Investment Trusts (“**REITs**”) and 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 whose principal business is the ownership, management and/or development of income producing and for sale real estate.

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

The Investment Manager will **use an index tracking/replication strategy** as further set out in the section "Index Tracking Strategy" below. The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency in accordance with the powers and restrictions set out by the Central Bank in relation to techniques for efficient portfolio management purposes as further disclosed in section 3.5 entitled "Hedging" in the Prospectus. The Fund may invest in FDI as set out in the section titled “Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions” below.

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

The Fund will act in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions as detailed in the Prospectus.

### Index Tracking Strategy

The Fund operates an index tracking or physical replication strategy through investing directly in the Index constituents to replicate, to the extent possible, the composition of the Index by physically holding all the Index constituents in similar proportion to their weighting in the Index. Where direct investment is not achievable, direct substitutes for Index constituents, may be used.

It may not always be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to holders of units in the Fund (for example, where there are considerable costs or practical difficulties

involved in compiling a portfolio of securities in order to replicate the Index, or in circumstances where a security in the Index becomes temporarily unavailable or less liquid, or as a result of legal restrictions that apply to the Fund but not to the Index). In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Index, whose returns, individually or collectively, are considered by the Investment Manager to be similar to the constituents of the Index.

The Fund typically holds securities at, or very close to, Index weight and an ex-post Tracking Error of 0.05% - 0.50% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

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

As outlined above the Fund seeks to track certain characteristics of the Index. The Fund may therefore avail of the increased diversification limits as outlined in Regulation 71(1)(a) of the Regulations and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

### **Index Description**

The Index is a free float-adjusted market capitalisation weighted index that is designed to represent general trends in eligible real estate equities worldwide which incorporates REITs and Real Estate Holding & Development companies. Real Estate Holding and Development companies are involved in real estate activities such as the ownership, trading and development of income-producing real estate. Real estate companies must have derived, in the previous full financial year, at least 75 per cent of their total EBITDA from relevant real estate activities.

REITs are a type of investment structure which invests in real property or real property related loans or interests listed, traded or dealt in on Recognised Markets.

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

Further details of the Index constituents, weightings and methodology can be easily navigated to from the following link: <http://www.ftse.com/products/indices/EPRA-NAREIT>

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 which has been included in the register referred to in Article 36 of the EU Benchmarks Regulation.

### **Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM should be in line with the best interests of Unitholders and is to achieve

one or more of the following: the reduction of risk, the reduction of costs and the generation of additional capital or income for the Fund with an acceptably low level of risk.

The Fund may use forwards and exchange traded futures for EPM and hedging purposes as further described in 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 Class.

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

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.

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

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

## **2 RESPONSIBLE INVESTMENT – CORPORATE ENGAGEMENT**

Hermes Equity Ownership Services Limited ("**Hermes EOS**") has been appointed by the Investment Manager to act on behalf of the Fund in carrying out corporate engagement as further detailed in the Prospectus.

## **3 INVESTMENT RESTRICTIONS**

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

## **4 BORROWING AND LEVERAGE**

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

The Fund may utilise FDI as referred to in the section headed "Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions" above.

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

## **5 LISTINGS**

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

## **6 RISK FACTORS**

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

## **7 GROSS INCOME PAYMENT POLICY**

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

## **8 INVESTMENT MANAGER**

The Manager has appointed Northern Trust Global Investments Limited as the investment manager of the Fund.

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

### **Unit Classes**

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

### **Base Currency**

U.S. Dollar.

### **Business Day**

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

### **Dealing Day**

The Dealing Day for the Fund will be every Business Day or such other day or days as the Manager may determine and notify in advance to Unitholders, provided that there shall be at least one Dealing Day per fortnight. 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 noon (Irish time) on each Dealing Day on the Business Day prior to the relevant Dealing Day. Any applications received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless the Directors in their absolute discretion in exceptional circumstances, otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such request(s) have been received prior to the Valuation Point for the particular Dealing Day.

### **Initial Offer Period**

The Initial Offer Period in respect of the below Classes has closed:

A, B, C, D, G EUR Accumulating Units

E EUR Distributing Units

The Initial Offer Period in respect of all other Classes shall continue until 12pm (Irish time) on 26 February 2025 (or such shorter or longer period as the Manager may determine and notify to the Central Bank).

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

### **Settlement Date**

In respect of receipt of monies for subscription for Units, the Settlement Date shall be two (2) Business Days following the relevant Dealing Day or as otherwise determined by the Manager and in respect of dispatch of monies for the redemption of Units, the Settlement Date shall be two (2)

Business Days following the relevant Dealing Day assuming timely receipt of the relevant duly signed repurchase documentation or as otherwise determined by the Manager and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

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

#### **Preliminary Charge**

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

#### **Redemption Charge**

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

#### **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**

U.S. \$10 per Unit for the U.S. Dollar Classes

€10 per Unit for the Euro Classes

£10 per Unit for the Sterling Classes

#### **Classes of Units Available**

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

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

#### **Currencies Available**

Each of the above referenced Classes are available in U.S. Dollar (USD), Euro (EUR) and Sterling (GBP).

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

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

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

#### **Minimum Additional Investment**

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

#### **Minimum Net Asset Value**

U.S. \$30 million.

### **Restriction for the Exchange of Units**

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

## **10 FEES AND EXPENSES**

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

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 Manager in the performance of its duties.

The Investment Manager will be entitled to receive out of the assets of the Fund (with the exception of Class F Units) an annual fee of up to one (1) per cent of the Net Asset Value of the Fund. 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 its reasonable out-of-pocket expenses incurred in the performance of its duties.

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

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

### **Initial Expenses**

The Fund shall share a pro rata portion of the yet to be discharged initial establishment costs of the CCF as set out in the Prospectus under the heading "**Fees and Expenses**" and the yet to be discharged initial establishment costs of the Fund up to EUR 20,000. These costs shall be borne by the Fund and will be amortised 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.

This section should be read in conjunction with the section entitled "Fees and Expenses" in the Prospectus.

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

## **11 MISCELLANEOUS**

Some Unitholders may receive additional information and/or reports in relation to the Fund on a frequent basis. Any such information will be available to all investors in the Fund on request. Any such information will only be provided on a historical basis and after the relevant Dealing



Day to which the information relates. Please contact your relationship manager to discuss any reporting needs.