NORTHERN TRUST HIGH DIVIDEND ESG WORLD EQUITY 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 High Dividend ESG World Equity 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 entitled "Directors of the Manager" in the Prospectus, accept responsibility for the information contained in the Prospectus, Supplement and the below Annex. 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.

The Fund meets the criteria pursuant to Article 8 of the Sustainable Finance Disclosure Regulation (Regulation EU/2019/2088) as amended ("**SFDR**") to qualify as a financial product which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics and provided that the companies that the Fund invests in follow good governance practices. Please refer to the Annex appended hereto which has been prepared for the purpose of meeting the specific financial product level disclosure requirements contained in SFDR applicable to an Article 8 Fund.

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 the global equities market 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.

DIRECTORY

NTAC:3NS-20

1 INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The investment objective of the Fund is to deliver long-term capital growth by investing in a diverse portfolio of high quality, dividend paying companies whilst controlling for market risk and aiming for an improvement in the environment, social and governance ("**ESG**") characteristics of the portfolio.

Investment Policies

The Fund seeks to achieve its investment objective through investment primarily in a diversified portfolio of 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 MSCI World Index (the "**Index**"), which exhibit a combination of quality characteristics (determined based on a proprietary scoring methodology as further outlined below) and are high dividend paying, whilst constraining the exposure to certain securities in accordance with ESG criteria. The Investment Manager's proprietary scoring methodology shall be applied to securities and the portfolio shall be constructed in a manner which seeks to control the variation of returns as compared to the Index by actively limiting exposures to security, industrial sector, region / country, and other risk factors relative to those in the Index. The Fund **does not operate an index tracking or physical replication strategy**.

As part of the optimization process outlined below, the Fund also seeks a reduction in carbon intensity and reduced potential carbon emissions associated with current fossil fuel reserves, relative to the Index.

The investment process is to establish the securities eligible for investment by excluding from the list of securities within the Index companies that do not meet certain ESG criteria as detailed in the Annex.

This exclusion list is non-exhaustive and subject to change. Further information on each of the foregoing exclusion criteria is available from the Investment Manager on request.

Following this, all non-dividend paying companies are excluded from investment consideration, unless considered eligible for risk management purposes.

The next step is to apply the Investment Manager's proprietary scoring methodology based on indicators of management efficiency, profitability and cash availability which are constructed using data from multiple sources including company financial statements and historical stock price movements. The scoring method is applied by the Investment Manager to all of the investible securities with the aim of determining which companies are high quality companies i.e. those more likely to outperform other companies in the Index. The lowest-quality companies as determined by the Investment Manager after application of the proprietary scoring methodology are excluded from the investment consideration unless considered eligible for risk management purposes.

An optimization shall then be applied to the resulting portfolio that aims to maximize expected risk-adjusted performance based on the return forecasts while looking to achieve following characteristics in the optimal portfolio:

a) Under normal market conditions, generate dividend yield of approximately 1.5 to 2 times the dividend yield of the Index (which is available in the index factsheet for "MSCI World Index (USD)" under the heading "Div Yld (%)" which can be accessed on the MSCI website).

b) 20% improvement in ESG characteristics of the portfolio on an ongoing basis relative to the Index by integrating ESG characteristics to favor companies that are more effective at managing ESG risks and opportunities.

c) Maximize exposure to high quality companies as determined using the proprietary scoring relative to the Index.

d) A reduction in the carbon intensity of the portfolio and reduced potential emissions associated with current fossil fuels reserves, relative to the Index.

As noted above, risk is controlled by limiting the exposure to securities, limiting the extent of overweighing and underweighting relative to the Index, and limiting the exposure by industry and exposure by region and country, as well as exposures to other risk factors relative to the Index.

The Fund's holdings and exposures are regularly monitored, and, where appropriate, traded efficiently using the aforementioned portfolio construction process to ensure alignment with the investment objective.

The portfolio is constructed focusing on companies of similar size in aggregate to those in the Index but may also hold up to 20% of Net Asset Value in Equity and Equity Related Securities that are not in the Index. Any such Equity and Equity Related Securities outside the Index shall meet the Manager's quality criteria and dividend yield requirements (as referred to above) and shall be listed on recognised exchanges in countries that form part of the Index.

"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 the Fund's Net Asset Value) and convertible securities which do not embed FDI or leverage (such as convertible preference shares, share purchase rights and corporate bonds (which shall only be held as a result of corporate actions and which may be rated or unrated, fixed and/or floating rate) and convertible into common or preferred shares). The Fund shall not invest in contingent convertible securities. 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 below under the heading "Index Description". 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 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. Any exchange traded FDI the Fund invests in will be listed or traded on Regulated Markets.

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 only invest in AIFs per the Central Bank's Guidance in relation to UCITS Acceptable Investments in Other Investment Funds. Any investment in AIFs shall be subject to the foregoing 10% restriction on investment in CIS.

Index Description

The Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed markets. As at the date of the supplement, the Index consists of twenty-three (23) developed market country indices as determined by MSCI. The Index does not have any restrictions on industry or sector focus.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May August and November, 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.

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.

Warrants, share purchase rights and convertible securities may also be held for the purposes of EPM and traded or exercised when considered appropriate.

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.

The Fund shall not engage in any securities lending or use repurchase agreements/reverse repurchase agreements (i.e. Securities Financing Transactions) and this section will be updated in accordance with the Central Bank Rules and the disclosure requirements of Regulation 2015/2365 in advance of any change in this regard.

2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in the Prospectus under the heading "Investment Restrictions" apply to the Fund.

3 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 above under the heading ‘Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions’).

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.

4 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 Securities Market of the Irish Stock Exchange.

5 RISK FACTORS

The general risk factors set out in the Prospectus under the heading "Risk Factors" apply to the Fund.

6 GROSS INCOME PAYMENT POLICY

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

7 INVESTMENT MANAGER AND SUB INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited as the investment manager of the Fund. In line with its global operating model the Investment Manager has appointed Northern Trust Investments, Inc as the sub-investment manager of the Fund.

8 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 3:30p.m. (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:

C EUR Accumulating Units

F EUR Distributing Units

The Initial Offer Period in respect of all other Classes shall continue until 3.30pm (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.

It is noted, specifically, that the Class F Units will not charge a Redemption Charge to investors.

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 US 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), 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 on the Exchange of Units
Class F Units do not bear any investment management fees and are available only to 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 Units.

The Minimum Holding must be maintained by each Unitholder in the Fund (subject to the discretion of the Manager) following any partial redemption or exchange of Units.

Unless the Administrator otherwise agrees, payment for Units must be received by the relevant Settlement Date by electronic transfer in cleared funds in the currency of the relevant Units

9 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 is 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 fees and expenses of the Sub-Investment Manager will be paid by the Investment Manager out of the investment management fee and not out of the assets of the Fund.

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.

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

Initial Expenses
The organisational and establishment expenses relating to the creation of the Fund have been

fully amortised by the Fund.

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".

10 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.

ANNEX

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Northern Trust High Dividend ESG World Equity Fund ("the Fund")

Legal entity identifier: 54930057HLHIB13DY798

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: ___% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ **It promotes Environmental/ Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ___%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental characteristics as listed below:

i. reduction of carbon intensity and potential emissions associated with fossil fuels relative to the Index;
ii. avoiding investment in unconventional oil and gas exploration
iii. targets an improvement in ESG characteristics to favour companies that are more effective at managing ESG risks and opportunities

The Fund promotes the following social characteristics related to social norms and conventions

i. avoiding specific investment in business activities with adverse health and social impacts including tobacco, nuclear weapons, civilian firearms, controversial weapons, conventional weapons, and for-profit prisons; and
ii. human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Please refer to the sustainability indicators stated below for further detail.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The following sustainability indicators are used tomeasure the attainment of the environmental and social characteristics promoted by the Fund:

- MSCI Red Flag ESG Controversies, defined as very severe, ongoing controversies that a company is directly involved in;
- specific revenue thresholds regarding tobacco, nuclear weapons, civilian firearms, for profit prisons, unconventional oil and gas, arctic oil, thermal coal mining (not including metallurgical coal), thermal coal-based power generation, and
- Any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons).

referred to hereafter as the “NT Custom ESG screening criteria”.

In addition to the NT Custom ESG screening, the following suitability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- Scope 1 and Scope 2 carbon emissions intensity (t/USD million sales);
- Fossil fuels reserves; and,
- Targeted 20% improvement in ESG characteristics of the portfolio relative to the Index. This is achieved by integrating ESG characteristics to favour companies that are more effective at managing ESG risks and opportunities, including
- Up to 20% increase in the portfolio weighted average MSCI ESG Intangible Value Assessment score of the portfolio; and,
- At least 20% upweighting of exposure to ESG Leaders, i.e. those with MSCI ESG ratings of AAA and AA.

The NT Custom ESG screening methodology is reviewed annually.

These sustainability indicators are non-exhaustive and subject to change.

Please also refer to the response below on the binding elements of the investment strategy for further details of the sustainability indicators, including the thresholds applied.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The intended objectives of the sustainable investments of the Fund are to positively contribute towards environmental and social objectives, such as reducing carbon emissions and avoiding adverse business activities or human rights violations. An investee company must promote good governance practices without causing significant adverse impact through its product and services.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In order to deem an investment a sustainable investment, the investee company must ‘do no significant harm’ (DNSH) to the environment or society through its products or services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which the Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby it:

i. does not breach the PAI threshold as set by the Investment Manager;

ii. meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and

iii. follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

How have the indicators for adverse impacts on sustainability factors been taken into account?

In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;
- excluding certain companies from the Parent Index not considered to meet ESG characteristics;
- excluding certain companies with exposure to carbon emissions intensity and fossil fuel reserves.

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm. Examples include avoidance of controversial weapons and human rights violations, reducing carbon footprint and exposure to fossil fuels.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions – such as:

- OECD Guidelines for Multinational Enterprises, and;
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is based on any investee company being directly involved in very severe and ongoing controversies in relation to its operations, products and services. In practice, this means that all investee companies are aligned with these minimum safeguards,not only the sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ **Yes,** The Fund considers (as part of its investment strategy) the following principa adverse impacts (‘PAI’) indicators in Table 1 Annex 1 of the SFDR Regulator Technical Standards (‘SFDR RTS’):

1. PAI 1: GHG emissions (Scope 1 and 2)
2. PAI 3: GHG Intensity
3. PAI 4: Exposure to companies active in the fossil fuels sector
4. PAI 10: Violations of UN Global Compact principles and Organisation fc Economic Cooperation and Development ("OECD") Guidelines fc Multinational Enterprises; and,
5. PAI 14: Exposure to controversial weapons (anti-personnel mines, cluste munitions, chemical weapons and biological weapons).

In addition, through the Investment Manager's direct engagement and voting, a well as engagement activities performed by the Investment Manager's outsid engagement partner, Hermes EOS, the Fund aims to encourage investe companies to improve their ESG practices and disclosures.

☐ **No**

What investment strategy does this financial product follow?

The Fund is an active strategy, that seeks to deliver long-term capital growth by investing in a diverse portfolio of high quality, dividend-paying companies whilst controlling for market risk and aiming for an improvement in the ESG characteristics of the portfolio, while excluding securities that do not meet specific ESG criteria.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following are the binding elements of the investment strategy that are used to promote the environmental or social characteristics.

The application of the following exclusions seeks to attain the environmental and social characteristics promoted by the Fund:

i. Companies that are directly involved in ongoing controversies classified as ‘very severe’ in the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;

ii. Companies that derive any revenue from the production of tobacco, or 5% or more revenue from the distribution of, supply of key products for, or retail of, tobacco and tobacco alternatives;

iii. Companies that manufacture controversial weapons, such as cluster bombs, landmines, nuclear weapons, depleted uranium weapons, biological/chemical weapons (or their strategic components), blinding laser, non-detectable components, or incendiary weapons;

iv. companies that manufacture or retail civilian firearms and derive 5% or more revenue from this sector;

v. companies that manufacture conventional weapons or provide support services to and derive 5% or more revenue from this sector;

vi. companies that derive 5% or more revenue from unconventional oil and gas such as oil sands and shale gas or 1% or more revenue from arctic oil;

vii. companies that derive 5% or more of their total annual revenues (either reported or estimated) from activities related to for profit prisons.

In addition, the application of the following climate-related exclusions seeks to reduce exposure to companies with carbon emissions intensity and potential emissions from fossil fuels when compared to the Index:

- companies that derive 5% or more of their total annual revenues from thermal coal mining or extraction.

In addition, the application of the following exclusions and tilts aim to improve the wider ESG characteristics of the Fund relative to the Index:

The Fund targets a 20% improvement in the ESG characteristics of the portfolio relative to the Index. This is achieved by integrating ESG characteristics to favour companies that are more effective at managing ESG risks and opportunities, including:

1. Up to 20% Increase in the portfolio weighted average MSCI ESG Intangible Value Assessment score of the portfolio; and;
2. At least 20% upweighting of exposure to ESG Leaders i.e. those with MSCI ESG ratings of AAA and AA.

Any investments made by the Fund are in accordance with the rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

While the Fund's investible universe is reduced as a result of the application of ESG exclusions, the Fund does not commit to a minimum reduction rate. As such, the reduction of the universe may be subject to change.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

An assessment of good governance of investee companies forms a foundational part of the ESG screenign criteria applied. The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

A very severe, ongoing controversy that directly implicates a company through its operations, products and services will result in that company's exclusion from the Index. The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;
- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.
- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

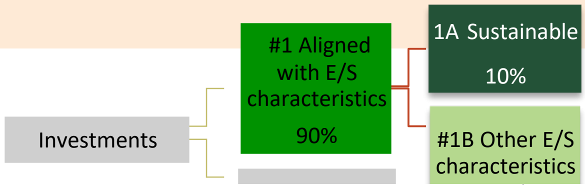
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Fund intends to invest at least 90% of its Net Asset Value in companies that are aligned with the environmental and social characteristics promoted by the Fund.

Of this, a minimum of 10% of its Net Asset Value will be invested in sustainable investments with an environmental objective.

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ **Yes:**

☐ In fossil gas ☐ In nuclear energy

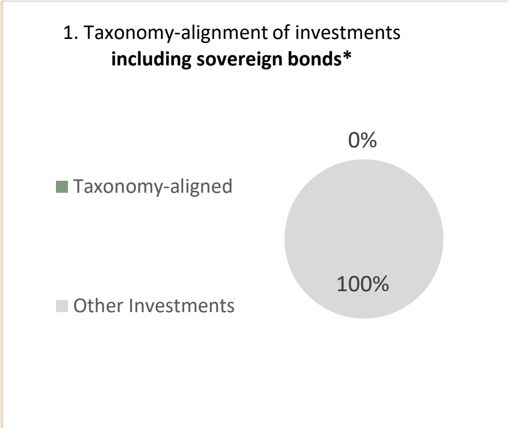
☒ **No**

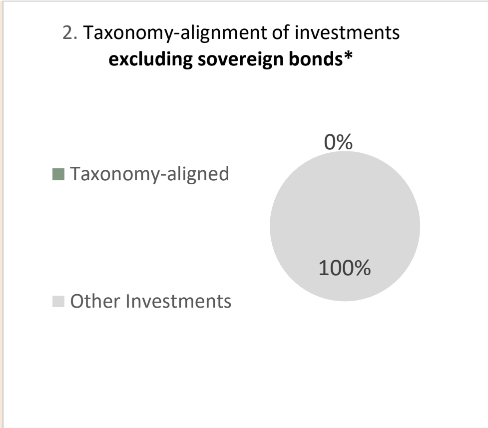
The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulations (EU) 2022/1214.





**** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures***

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of investments in transitional and enabling activities?

Not applicable. The Fund will not make any investments in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

Not applicable. The Fund does not commit to sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied.

Investments categorised as 'other' may be used for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.
- Derivatives: The Fund may use derivatives for hedging purposes and for managing broad market exposure.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Fund does not have a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

This is not applicable as the Fund does not have a specific ESG designated index.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

As an active strategy this is not applicable.

How does the designated index differ from a relevant broad market index?

As an active strategy this is not applicable.

Where can the methodology used for the calculation of the designated index be found?

As an active Fund this is not applicable.

Where can I find more product specific information online?

More product-specific information regarding the Fund can be found on the website here.