

THE NT EM LOCAL CURRENCY GOVERNMENT ESG BOND INDEX FUND

Supplement dated 22 November 2024 to the Prospectus dated 27 August 2024 for Northern Trust Investment Funds plc

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This Supplement contains specific information in relation to The NT EM Local Currency Government ESG Bond Index Fund (the “Fund”), a sub-fund of Northern Trust Investment Funds plc (the “Company”) an open-ended investment company with variable capital established as an umbrella fund with segregated liability between 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 the Company, whose names appear in the **Management and Administration** section of the Prospectus, accept responsibility for the information contained in the Prospectus, this Supplement and the 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, 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 is prepared to accept a degree of medium to high volatility. A typical investor will be seeking to achieve exposure to the performance of local currency emerging markets debt markets and will be seeking to achieve a return on investment in the medium to long term.

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

passively managed.

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

INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The investment objective of the Fund is to closely match the risk and return characteristics of the Bloomberg Emerging Market Debt Local Currency Sustainable Low Carbon 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 objective through investment in investible local currency bonds issued by the governments of emerging market countries that are constituents of or are eligible as constituents of the Index. The Fund may also invest in securities which were previously constituents of the Index but are no longer eligible for inclusion in the Index where they have less than one year to final maturity. Such securities are otherwise eligible for inclusion in the Index and so are included for investment purposes. Such securities shall be listed on stock exchanges or regulated markets in countries (within the list of Markets set out in Appendix I of the Prospectus) comprised within the Index, details of which are set out under the heading **Index Description** below. The Fund may also from time to time invest in freely transferable Debt and Debt Related Securities, supranational bonds which may be rated or unrated, fixed rate or floating rate and will be issued by public international bodies (of which one or more of the EEA member states are members) and bond futures that are not included in the Index in order to achieve its investment objective. Any such substitute instrument is selected using proprietary tools with the selection process focusing on instruments of similar currency, duration and credit quality to the Index constituent being replicated.

The Fund may use currency forwards and exchange-traded futures for hedging and EPM purposes, further details of the techniques and instruments that the Fund may employ for EPM purposes are set out in the **Efficient Portfolio Management, Financial Derivative Instruments and Securities Financing Transactions** section of the Prospectus. The Fund may invest in FDI as set out in the section titled "**Use of Effective Portfolio Management Techniques, Financial Derivative Instruments and Securities Transaction**" below.

The Fund's investments will, at the time of purchase, comply with the Fund's ESG policy, as described below under "Index Description". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Shareholders.

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 may not invest in any securities directly issued by any government that is subject to global sanctions

from the United Nations or which appears on the Consolidated United Nations Security Council Sanctions List.

It is not anticipated that investments that are listed or traded in Russia will normally constitute a substantial element of the Fund and shall not in any event exceed 10% of the Net Asset Value of the Fund based on the concentration rules of the Index. Investment will only be made in securities that are listed/traded on the Moscow Exchange.

The Fund may also invest in the China Interbank Bond Market (CIBM) via the arrangement between Hong Kong and the People's Republic of China (PRC) that enables Chinese and overseas investors to trade various types of debt securities in each other's bond markets through connection between the relevant respective financial infrastructure institutions (Bond Connect).

Index Tracking Strategy

The Fund operates an index tracking strategy whereby it seeks to track the risk and return characteristics of the Index by investing directly in securities that are Index constituents or eligible as Index constituents (i.e. a physical replication model). The Fund does not seek to fully replicate the Index but instead seeks to construct a representative sample portfolio to obtain representative exposures in segments of the Index as well as to the overall Index (i.e. a stratified sampling technique) within the scope of the Fund's investment restrictions. The prime criterion for selecting securities is their suitability in terms of achieving the investment objective of the Fund to closely match the risk and return characteristics of the Index. In addition in selecting these securities factors relevant to the investment strategy of the Fund will also be taken into account including their liquidity. The portfolio is constructed by reweighting the constituent countries in the Index to maximise an overall fiscal strength and promote strong governance scores, while reducing exposure to those constituent countries with the highest carbon emissions, intensity and trends. Country-level carbon measures are applied to reduce carbon impact and mitigate the risk of climate change. 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 with a potential difference of up to 1% annually. 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

Index Description

The Index measures the performance of investible local currency emerging markets bonds using the Bloomberg Barclays EM Local Currency Government 10% Country Capped B3 and better Index (the "**Parent Index**") as the starting universe. The Index methodology aims to provide a reweighting of each of the constituent countries so as to maximise a fiscal strength and governance score, while aiming to promote environmental factors by reducing exposure to those constituent countries with the highest carbon emissions measured by the carbon emission score and carbon intensity score of each constituent country.

An optimization process is used to meet the objectives above whilst aiming to respect at the same time defined constraints; in particular:

1. a country index's yield and duration maximum deviation

- from those in the Parent Index;
2. a turnover constraint to limit the cumulative deviation of the monthly changes in weights for all constituent countries with respect to the turnover of the Parent Index;
 3. weight bounds for each constituent country to limit the deviation from their weights in the Index and an overall weight total constraint to ensure that the all weights of the constituent countries sum up to 100%.

The Index is rebalanced at each month end. 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 navigated to from the following links:

<https://www.bloomberg.com/professional/products/indices/fixed-income/#performance>

INVESTMENT RESTRICTIONS

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

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

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

The Fund may use currency forwards and exchange-traded futures for hedging and EPM purposes. Further details of the techniques and instruments that the Fund may employ for EPM purposes are set out in the **Efficient Portfolio Management, Financial Derivative Instruments and Securities Financing Transactions** section of the Prospectus.

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

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

The Fund may use securities lending transactions 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. The maximum proportion of the Fund's assets that can be subject to Securities Financing Transactions will be 100%, i.e. all of the assets of the Fund and the expected proportion of the Fund's assets that can be subject to Securities Financing Transactions will be 100%. 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 EPM 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 assets on a temporary basis.

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

RISK FACTORS

The general risk factors as set out in the Prospectus under the heading "**Risk Factors**" also apply to the Fund, as well as the following additional factors, which apply specifically to the Fund

**Russian Markets;
Economic Factors;
Sanctions; and
Investing through Bond Connect.**

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.

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.

Classes of Shares Available

A, B, C, D, E, F, G, H

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

Currency Hedged Share Classes

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

Currencies Available

Each of the Share Classes are available in Euro, Sterling and U.S. Dollar.

Minimum Shareholding

For all 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

For all Shares Classes USD100,000 (or its equivalent in the relevant Share Class currency) subject to the discretion of the Directors to allow lesser amounts.

Base Currency

USD

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 12.00p.m. (Irish Time) on the Business Day immediately preceding each Dealing Day.

Settlement Date

In the case of applications, proceeds must be received no later than two (2) 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 (2) 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 (10) Business Days.

Preliminary Charge

There will be no Preliminary Charge for this Fund.

Redemption Charge

There is no Redemption Charge for this Fund.

Anti-Dilution Levy

The Directors or the Manager (or their duly appointed delegate) may impose a swing pricing adjustment as further detailed in the Prospectus in the section 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.

Initial Offer Period

The Initial Offer Period in respect of unhedged Euro B and unhedged Euro D is closed.

The Initial Offer Period in respect of all other Share Classes shall continue until 5.00 p.m. (Irish time) on 23 May 2025 (or such shorter or longer period as the Manager may determine and notify to the Central Bank).

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

FEES AND EXPENSES

The Investment Manager will 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 0.50% in respect of all Share Classes (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 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 is also 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 of up to 0.08% of the net assets of the Fund (plus VAT thereon, if any).

The Depositary is also entitled to be repaid out of the assets of the Fund, sub-custodian's fees (which will be charged at normal commercial rates) as well as agreed upon transaction charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

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

Establishment costs

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

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".

MISCELLANEOUS

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.

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.

Further Information on the Index

Bloomberg® and **Bloomberg Emerging Market Debt Local Currency Sustainable Low Carbon Index** are service marks of Bloomberg Finance L.P. and its affiliates, including **Bloomberg Index Services Limited** ("BISL"), the administrator of the index (collectively, "**Bloomberg**"), and have been licensed for use for certain purposes by **The NT EM Local Currency Government ESG Bond Index Fund**.

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BLOOMBERG DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE BLOOMBERG EMERGING MARKET DEBT LOCAL

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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:
The NT EM Local Currency Government ESG Bond Index Fund ("the Fund")

Legal entity identifier:
635400AGE1VPYUCNYG61

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes **No**

- | | |
|--|---|
| <input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective : ___% | <input type="checkbox"/> 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 ___ of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective : ___% | <input type="checkbox"/> with a social objective |
| | <input checked="" type="checkbox"/> 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 and social characteristics through tracking the risk and return characteristics of the Index which has been designated as a reference benchmark.

The Fund promotes environmental and social characteristics through tracking the risk and return characteristics of the Index which has been designated as a reference benchmark.

The Fund promotes the following environmental characteristics related to climate change by:

- (i) reducing carbon reserves and emissions versus the Parent Index;



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 to measure the attainment of the environmental and social characteristics promoted by the Fund:

- Fiscal strength score based on Debt/GDP, Deficit/GDP, CAB/GDP metrics
- Governance score based on World Bank Governance Indicators (WGI)

- Estimate of metric tons of CO2 per year produced by each constituent country
- Estimate of metric tons of CO2 per thousand U.S. Dollars of GDP per year produced by each constituent country
- annualised 3 year change in the rolling 2 year average Carbon Intensity (CO2/GDP) by each constituent country

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.

Further information on the methodology and specific thresholds of the Index can be found here.

<https://www.bloomberg.com/markets/rates-bonds/bloomberg-fixed-income-indices>

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?

Not applicable - the Fund does not make a commitment to sustainable investments.

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?

The Fund will not make any sustainable investments.

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

The Fund will not make any sustainable investments.

- *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 will not make any sustainable investments.

This is not applicable to government issuers as they are not multinational enterprises or businesses.

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,

No

The Fund considers as part of the investment strategy, the following principal adverse impact (PAI) indicators in Annex 1, Table 1 of the RTS:

- GHG emissions (Scope 1 and Scope 2);
- Carbon footprint; and
- GHG intensity.



What investment strategy does this financial product follow?

The Fund has an index tracking strategy whereby it seeks to track the risk and return characteristics of the Index by investing directly in assets that are Index constituents.

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 and social characteristics and form part of investible universe. This means that the each of the constituent countries are reweighted so as to maximise a fiscal strength and governance score, while aiming to promote environmental factors by reducing exposure to those constituent countries with the highest carbon emissions measured by the carbon emission score and carbon intensity score of each constituent country compared to the Parent Index.

Examples of the binding elements include:

- reweighted so as to maximise a fiscal strength and governance score;
- reducing exposure to those constituent countries with the highest carbon emissions measured by the carbon emission score and carbon intensity score of each constituent country.

These binding elements are non-exhaustive and subject to change.

Further information on the methodology and specific thresholds of the Index can be found [here](#).

Any investments made by the Fund are in accordance with 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?**

The Fund does not commit to a minimum reduction rate.

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

An assessment of good governance of investee securities forms a foundational part of the Index methodology. In practice, this is achieved through the use of the fiscal strength and governance score.

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



Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

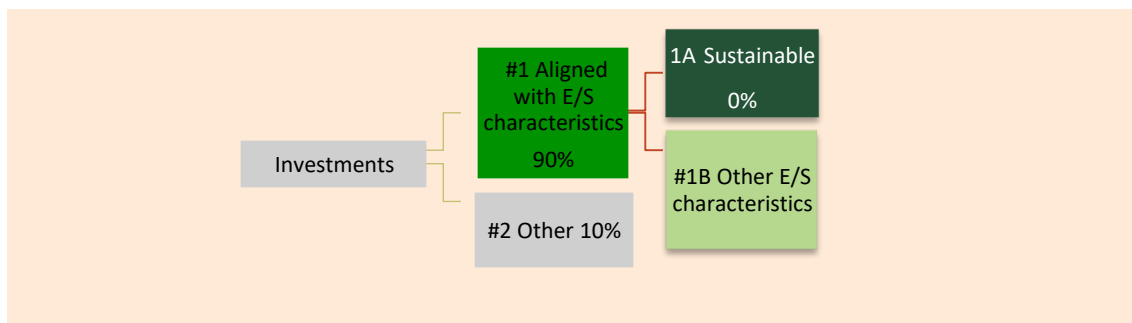
The Fund intends to invest at least 90% of its Net Asset Value in companies that are aligned with the environmental or social characteristics promoted by the Fund.

Of this, 0% 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.

● **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 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 Taxonomy¹?

Yes:

In fossil gas In nuclear energy

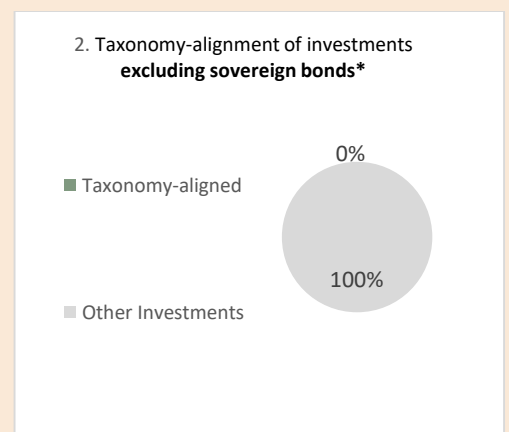
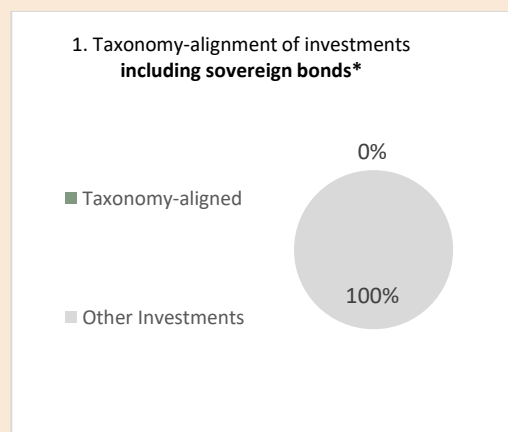
No

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.

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.

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.*



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

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.



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 will not make any sustainable investments.



- **What is the minimum share of socially sustainable investments?**

The Fund will not make any sustainable investments.



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

Cash and derivatives are the only investment type categorised as ‘other’ and no minimum environmental or social safeguards are applied.

Investments categorised as ‘other’ will be used for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents such as certificates of deposits and time deposits and Money Market Instruments.
- Derivatives: the Fund may use derivatives for managing broad market exposure to local currencies for efficient portfolio management purposes. The Fund may use currency forwards and exchange-traded futures.

- **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 has designated the Index as a reference benchmark.

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

The Index is aligned with each of the environmental or social characteristics of the Fund as it incorporates the binding elements detailed earlier.

The reference benchmark is reweighted monthly to maximise a fiscal strength and governance score; reducing exposure to those constituent countries with the highest carbon emissions measured by the carbon emission score and carbon intensity score of each constituent country.

The Investment Manager evaluates the application of the binding elements through regular reviews to ensure that the Index continues to be aligned with each of the environmental or social characteristics promoted by the Fund.

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

Alignment of the investment strategy is achieved on a continuous basis through tracking the Index, which incorporates the various binding elements.

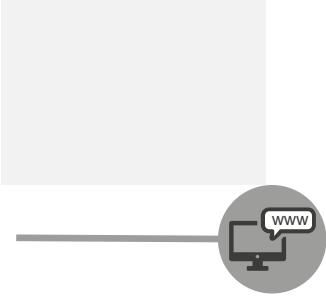
- **How does the designated index differ from a relevant broad market index?**

The Index differs from the Parent Index due to the application of the ESG tilts described in earlier responses.

Reference benchmarks

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



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

The methodology used for the Index can be found here:

<https://www.bloomberg.com/markets/rates-bonds/bloomberg-fixed-income-indices>

Where can I find more product specific information online?

More product specific information regarding the Fund can be found [here](#) .