

THE NT GLOBAL BOND ESG CLIMATE INDEX FUND

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

The NT Global Bond ESG Climate Index Fund

This Supplement contains specific information in relation to The NT Global Bond ESG Climate Index Fund (the "Fund"), a Fund of Northern Trust Investment Funds plc (the "Company") an open-ended investment company with variable capital established as an umbrella fund with segregated liability between Funds governed by the laws of Ireland and authorised by the Central Bank of Ireland (the "Central Bank").

This Supplement forms part of and should be read in conjunction with the Prospectus.

*The Directors of 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, 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 is prepared to accept a degree of low volatility. A typical investor will be seeking to achieve exposure to investment grade bonds and will be seeking to achieve a return on investment in the medium to long term.

Investment in the Fund may be appropriate for professional or retail investors who have knowledge of,

and investment experience in, this particular financial product and understand and can evaluate the strategy, characteristics and risks in order to make an informed investment decision. This Fund is passively managed.

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.

INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The investment objective of the Fund is to track the risk and return characteristics of the Solactive Global Bond ESG Climate Index (the "Index").

Any change of Index shall only be made with the prior approval of the Shareholders.

Investment Policies

The Fund seeks to achieve its investment objectives through investment primarily in freely transferable Debt and Debt Related Securities including investment grade bonds that are constituents of the Index as described further below in the section titled "Index Description". The Fund may also invest in investment grade bonds that are not included in the Index that are deemed by the Investment Manager to exhibit similar characteristics to securities in the Index and that have a similar risk profile, examples include: recently issued securities that are expected to be included in the Index; securities that have previously been included in the Index and have been deleted due to maturity falling below one year; and, securities that have previously been included in the Index and have been deleted due to an increase in the paramount eligibility threshold of the Index. Investment in such securities will, in all cases, be consistent with the investment objective of the Fund. The bonds which may be fixed or floating rate in which the Fund invests will be investment grade quality at the time of purchase and, although in practice they may be purchased or sold by the Investment Manager on the secondary market, they and all other securities, including exchange traded FDI, in which the Fund may invest (other than permitted unlisted securities) will be listed or traded on a Market within the list in Appendix I of the Prospectus. The Fund may invest in mortgage and asset-backed securities for which the pools of underlying assets may directly include commercial, residential, consumer loans or trade receivables but shall not invest in collateralised loan obligations, collateralised mortgage obligations or collateralised debt obligations. The average credit rating of the Fund's assets will be approximate to the average credit rating of the Index.

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 invest in FDI for EPM purposes. The Fund may be fully or partially hedged back to the Base Currency in accordance with the powers and restrictions set out by the Central Bank in relation to techniques for EPM purposes as further disclosed in the **Efficient Portfolio Management, Financial Derivative Instruments and Securities Financing Transactions** section of the Prospectus. The Fund may invest in FDI as set out in the section titled "Use of Efficient Portfolio Management Techniques and Financial Derivative Instruments" below.

The Fund may also invest (up to 10% of its Net Asset Value) indirectly in Debt and Debt Related Securities comprised within the Index through holdings in open-ended collective investment schemes ("CIS") (including UCITS exchange traded funds

("ETFs")). Any such CIS shall be listed/traded on Regulated Markets and will have investment objectives which are materially similar to the Fund.

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 through the investment directly in assets that are Index constituents (i.e. a physical replication model). However, the Fund does not seek to fully replicate the Index but instead seeks to match the Fund's investments with Index constituents on a sample based physical replication model within the scope of the general UCITS investment restrictions and the specific investment restrictions set out below. Therefore the weighting of a constituent of the Index held by the Fund cannot exceed the permitted investment restrictions. Accordingly, investment in the Fund should not be considered to provide a direct exposure to the Index. In normal market conditions the Fund can be expected to closely match the performance of the Index. However, in normal market conditions, since the Fund does not seek to fully replicate the Index, an annualised ex-post Tracking Error of up to 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 corresponding counterparty risk related to the index replication strategy.

Index Description

The Index is a global benchmark to measure the performance of worldwide bonds issued by central government, government-related, corporates and securitised debt securities with a fixed rate such as asset backed securities and mortgage backed securities. The benchmark is designed to provide a broad coverage of local currency debt from developed and emerging markets according to Solactive's Bond Market Classification. All the bonds have an investment grade rating by either S&P or Moody's. For government issuers the country's issuer rating is relevant for inclusion.

For the corporate securities, the Index then applies a series of exclusions based on Sustainalytics data pursuant to Northern Trust's objective and pre-determined environmental, social and governance ("ESG") criteria, as further detailed in the Annex. It is confirmed that the performance of the Index is calculated in an independent environment, free from any external influences in which the Investment Manager has no role. Factoring in the ESG criteria means that certain companies shall be excluded from the Index, as further detailed in the annex. For issuers domiciled in emerging markets, an additional governance screen is applied and companies that do not meet the following criteria are ineligible - companies with scores that fall below the emerging market company average in the corporate governance categories of board structure, ownership & shareholder rights, remuneration, and audit & financial reporting. The Northern Trust ESG Vector Score will then be applied to ensure an uplift in the overall sustainability profile of the Index. The Northern Trust ESG Vector Score is a measurement that assesses publicly traded

companies in the context of financially relevant ESG related criteria that could impact a company's operating performance. It marries two leading sustainability reporting frameworks; the Sustainability Accounting Standards Board's (SASB) Standards, which are industry-specific sustainability disclosure standards focused on financial materiality, and the thematic structure of the Task Force on Climate-related Financial Disclosures' (TCFD) recommendations. It applies TCFD's anticipatory framework on governance, strategy and risk management, beyond simply climate, to all financially material ESG risks across the SASB Standards, resulting in a comprehensive risk assessment. Additionally, the Northern Trust ESG Vector Score places a further emphasis on corporate governance because of the impact it can have on long-term value. The Index then seeks to (i) reduce carbon intensity, using ISS intensity data in tonnes CO2/\$ million; and (ii) uplift the portfolio's carbon risk profile, using the ISS Carbon Risk Rating (the "ISS CRR"). The ISS CRR combines a Carbon Risk Classification, which assesses a company's exposure to carbon transition risk, and a Carbon Performance Score which assesses a company's current carbon performance and its initiatives to reduce carbon intensity in the future.

For government securities, the Index will systematically integrate fiscal strength and governance metrics by the application of country level fiscal strength scores (based on Debt/GDP, Deficit/GDP, CAB/GDP) and governance scores (based on World Bank Governance Indicators (WGI)) to maximise a combined fiscal strength plus governance score ("FWS+G") of the Index. Using data from the European Commission's Emissions Database for Global Atmospheric Research, country level carbon measures will then be applied to reduce carbon impact and mitigate the risk of climate change.

Following the ESG integration into the corporate and government securities, risk will be controlled by applying liquidity and turnover constraints and limiting the weights of securities, exposure by sub-industry, region and country, as well as exposures to other risk factors.

Further details of the Index please refer to <http://www.solactive.com/indices/?se=1&index=DE000SLOBTG9#detail>.

Further details on the Northern Trust Vector Score can be found at <https://landing.northerntrust.com/esg-vector-score/p/1>.

Further details on Sustainalytics can be found at <https://www.sustainalytics.com/>.

Further details on ISS can be found at <https://www.issgovernance.com/esg/climate-solutions/>.

INVESTMENT RESTRICTIONS

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

USE OF EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may use forwards, TBAs and exchange traded funds for EPM and hedging purposes as further described in the Prospectus.

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 EPM 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**.

BORROWINGS AND LEVERAGE

The Fund may borrow up to 10% of its Net Asset Value on a temporary basis.

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

RISK FACTORS

In addition to the general risk factors set out in the **Risk Factors** section of the Prospectus, the following additional risk factors apply specifically to the Fund:

Liquidity Risk

Reinvestment of Cash Collateral Risk Economic Factors Derivatives and Securities Financing Transactions Risk Sanctions

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.

Base Currency

U.S. Dollar

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 3.00 p.m. (Irish time) on the day before 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 A GBP Hedged Accumulating, A GBP Hedged Distributing, B GBP Hedged Accumulating, GBP B Hedged Distributing and B EUR Accumulating has closed.

The Initial Offer Period in respect of all other Share Classes will commence at 9.00 a.m. (Irish time) on 15 August 2023 and will continue until 5.00 p.m. (Irish time) on 26 February 2025 or such earlier or later date as the Directors may determine.

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

Settlement Date

In the case of applications, proceeds must be received no later than two Business Days after the relevant Dealing Day or as otherwise determined by the Manager.

In the case of repurchases, proceeds must be remitted to investors no later than two Business Days after the relevant Dealing Day (assuming the receipt of the relevant duly signed repurchase documentation) or as otherwise determined by the Manager provided that in all cases proceeds are paid within ten Business Days.

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.

Classes of Shares Available

A, B, C, D, E, F, G, H, I, J, K

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

Currencies Available

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

Currency Hedged Share Classes

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

Minimum Shareholding

€100,000 (or its equivalent in the relevant Share Class currency) subject to the discretion of the Directors to allow lesser amounts.

Minimum Initial Investment Amount

In respect of Share Class B, GBP 100 million (or the equivalent in EUR, USD) subject to the discretion of the Directors to allow lesser amounts.

In respect of all other Share Classes, €100,000 (or its equivalent in the relevant Share Class currency) subject to the discretion of the Directors to allow lesser amounts.

FEES AND EXPENSES

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

The Investment Manager is entitled to receive out of the assets of the Fund an annual fee of up to 0.50% 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 also be entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket expenses incurred by the Investment Manager in the performance of its duties. The Investment Manager will pay out of the above fee (and not out of the assets of the Fund) the fees of the Sub-Investment Manager.

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 shall be entitled to receive out of the Net Asset Value of the Fund an annual fee, accrued and calculated on each Dealing Day and payable monthly in arrears at an annual rate which will not exceed 0.05% of the Net Asset Value of the Fund (plus VAT, if any). The Administrator is entitled to be repaid out of the assets of the Fund all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses (plus VAT thereon, if any).

The Depositary shall be entitled to receive out of the Net Asset Value of the Fund an annual fee, accrued and calculated on each Dealing Day and payable monthly in

arrears, at an annual rate which will not exceed 0.05% of the Net Asset Value of the Fund (plus VAT thereon, if any).

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

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 this Supplement), 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 of the Funds** in the Prospectus.

Establishment costs

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

MISCELLANEOUS

Reporting

Some Shareholders may receive additional information and/or reports in relation to the Fund on a frequent basis. Any such information will be available to all investors in the Fund on request. Any such information will only be provided on a historical basis and after the relevant Dealing Day to which the information relates. Please contact your relationship manager to discuss any reporting needs.

Other Funds

The other Funds of the Company are listed in the Global Supplement to the Prospectus.

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

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 Global Bond ESG Climate Index Fund (the "Fund")

Legal entity identifier:
635400HOLQF5WECK8B44

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 checked="" 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 10% 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 checked="" 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 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 the following environmental characteristics related to climate change by:

- i. reducing carbon reserves and emissions versus the Parent Index;
- ii. reducing investments in thermal coal power and thermal coal mining and;
- iii. reducing investment in unconventional oil and gas exploration.

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; as well as violations of international norms related to human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found [here](#).



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:

- Scope 1 and Scope 2 carbon emissions intensity (t/USD million revenue) applied to corporate bonds only;
- ISS Carbon Risk Rating (the "ISS CRR") to uplift the portfolio's carbon risk profile applied to corporate bonds only;
- Northern Trust ESG Vector Score™ (a measurement that assesses publicly traded companies in the context of financially relevant environmental, social and governance ("ESG") related criteria that could impact their operating performance) applied to corporate bonds only;
- Sustainalytics' Global Standards Screen (GSS) 'non-compliant'; defined as companies causing or contributing to severe, systematic violations of international norms, applied to corporate bonds only;
- 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, nuclear power suppliers applied to corporate bonds only;
- Any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons) applied to corporate bonds only;
- Country level fiscal strength scores (based on Debt/GDP, Deficit/GDP, CAB/GDP) and governance scores based on World Bank Governance Indicators ("WGI" I") are applied to government bonds only to maximise a combined fiscal strength and governance score ("FWS+G") of government bonds only;
- European Commission's Emissions Database for Global Atmospheric Research' country level carbon measures to reduce carbon impact and mitigate the risk of climate change applied at country level to government bonds only; and
- A carbon trend score is applied at country level to government bonds only.

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](#).

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 the environmental and social objectives including reducing carbon emissions and avoiding business activities with adverse health and social impacts including tobacco, nuclear weapons, civilian firearms, controversial weapons, conventional weapons, and for-profit prisons or human or labour rights violations as set out in the principles of the UN Global Compact. For the corporate securities within the Index, a constituent company must promote good governance practices without causing significant adverse impact through its product and services.

The index methodology is found [here](#).

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 product and 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 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: (i) it 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; and
- excluding certain companies with exposure to carbon and fossil fuels.

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 Global Standards Screening criteria to identify and exclude companies that are assessed to be non-compliant with the UN Global Compact (UNGC) and international norms and conventions such as:

- the 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 monthly and is based on any investee company that is directly associated with issues causing severe, negative impacts on the environment and society.

In practice, this means that all investee companies that form part of the Index 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,

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;
- GHG intensity;
- Exposure to companies active in the fossil fuels sector;
- Violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

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

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.

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. These elements form part of the Index design and are coded by as part of the Index methodology construction. The application of the following exclusions seeks to attain the environmental and social characteristics promoted by the Fund by excluding:

- i. companies that are assessed to be “non-compliant” with international norms and standards (e.g. UN Global Compact, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Principles) as per the Sustainalytics Global Standards Screening methodology. For example, those directly associated with issues causing severe, irreversible impacts that affect stakeholders and/or the environment and interfere with the enjoyment of rights and/or impose a clear cost on society;
- 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

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

- weapons, (or their strategic components), blinding laser, non-detectable components, or incendiary weapons;
- iv. companies that manufacture civilian firearms 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% of revenue or more from thermal coal mining and extraction;
- vii. companies that derive 30% or more revenue from coal-fired power generation or 5% or more revenue if their transition risk preparedness or carbon management is considered weak;
- viii. 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 and gas and their management of carbon in their own operations is assessed as weak; and
- ix. companies that derive 5% or more of their total annual revenues (either reported or estimated) from activities related to for profit prisons.

For the corporate securities, Northern Trust ESG Vector Score™ is then applied to provide an uplift in the overall sustainability profile of the Index versus the Parent Index.

The Northern Trust ESG Vector Score is a measurement that assesses publicly traded companies in the context of financially relevant ESG related criteria that could impact a company's operating performance. It marries two leading sustainability reporting frameworks; the Sustainability Accounting Standards Board's (SASB) Standards, which are industry-specific sustainability disclosure standards focused on financial materiality, and the thematic structure of the Task Force on Climate-related Financial Disclosures' (TCFD) recommendations. It applies TCFD's anticipatory framework on governance, strategy and risk management, beyond simply climate, to all financially material ESG risks across the SASB Standards, resulting in a comprehensive risk assessment. Additionally, the Northern Trust ESG Vector Score places a further emphasis on corporate governance because of the impact it can have on long-term value.

For corporate securities, the Index then seeks to (i) reduce carbon intensity, using ISS intensity data in tonnes CO2/\$ million revenue and (ii) uplift the portfolio's carbon risk profile, using the ISS Carbon Risk Rating (the "ISS CRR"); and therefore have a lower carbon footprint relative to the Parent Index.

For the government securities, the Index will systematically integrate fiscal strength and governance metrics by the application of country level fiscal strength scores (based on Debt/GDP, Deficit/GDP, CAB/GDP) and governance scores based on (based on World Bank Governance Indicators ("WGI") to maximise a combined fiscal strength plus governance score ("FWS+G") of the Index. Using data from the European Commission's Emissions Database for Global Atmospheric Research, country level carbon measures will then be applied to reduce carbon impact and mitigate the risk of climate change.

For more information on the Emissions Database for Global Atmospheric Research please see <https://edgar.jrc.ec.europa.eu/>

The Investment Manager shall also ensure that 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.

Hermes Equity Ownership Services has been appointed to carry out corporate engagement with carefully selected companies held within the Product. Please refer to the Prospectus for further detail on this appointment.

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

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 ESG exclusions and climate and governance tilts, 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 sovereign and corporate sectors forms a foundational part of the Index methodology.

An assessment of good governance of sovereign and corporate sectors of the Index forms a foundational part of the Index methodology.

In practice, this is achieved for corporate bonds through the use of the NT ESG Vector Score™ and the data provider Sustainalytics Global Standards Screen's ESG Controversy screen, 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 company being assessed as “non-compliant”, with the relevant international norms and standards (UN Global Compact, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Principles) will result in that company's exclusion from the Index.

For government bonds, the Index will systematically integrate fiscal strength and governance metrics by the application of country level fiscal strength scores (based on Debt/GDP, Deficit/GDP, CAB/GDP) and governance scores (based on World Bank Governance Indicators (WGI)) to maximise a combined fiscal strength plus governance score (“FWS+G”) of the Index.

What is the asset allocation planned for this financial product?

The Fund intends to invest at least 70% of its Net Asset Value in sovereign and corporate securities that are aligned with the environmental or 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.

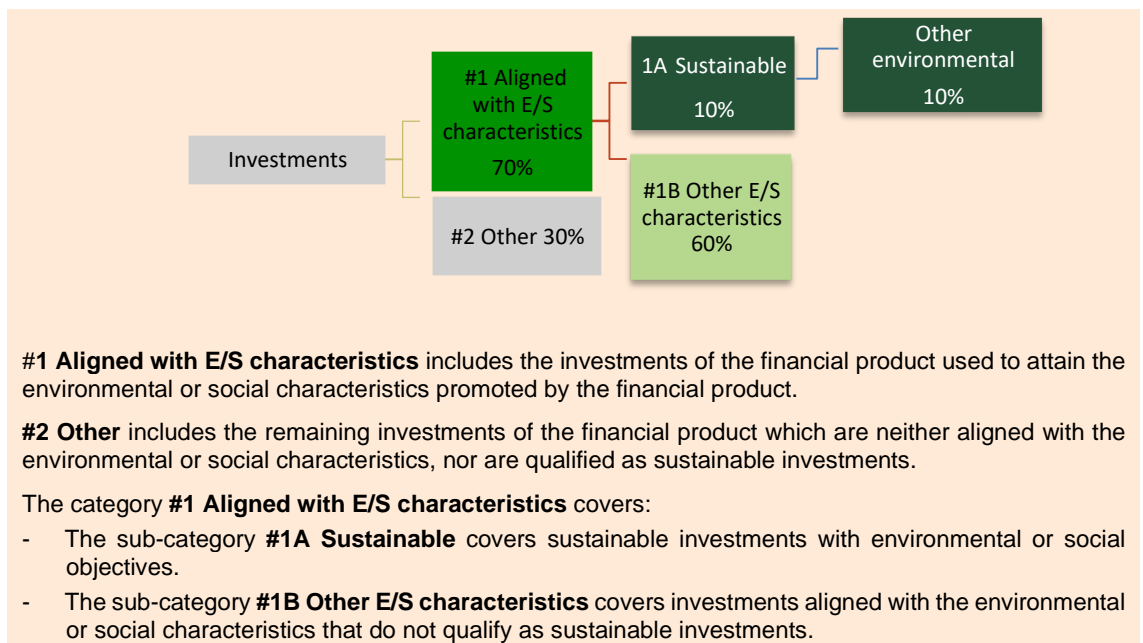
The “other” assets are expected to be securities that are securitised debt and government related securities, cash, passive share class hedging and other ancillary purposes.



Asset allocation describes the share of investments in specific assets.

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.



● **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.



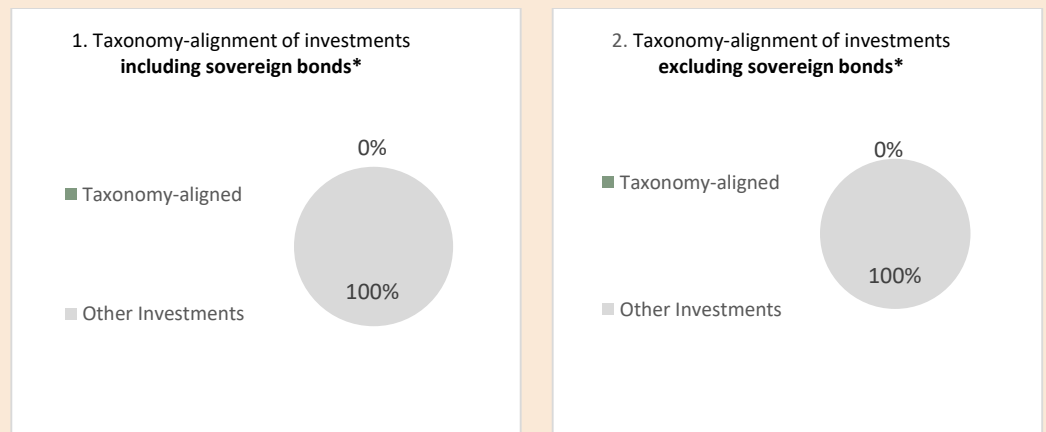
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

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

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?

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.



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

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.



Securitized debt and government related securities, cash, passive share class hedging and other ancillary purposes are the only investment types categorised as 'other' and no minimum environmental or social safeguards are applied.

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

Securitized debt and government related securities: to take advantage of market opportunities as they arise.

- 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 only for hedging and 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?

Yes, the Index has been designated 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 is rebalanced monthly based on the latest available ESG metrics. In addition, the ESG screening criteria based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

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 with the methodology of the Index is achieved on a continuous basis through the Fund tracking the Index, which incorporates the various binding elements, within the set tracking error tolerance and outlined in the Index Tracking Strategy section of this Supplement. In addition, investment guidelines and restrictions are coded in the Investment Manager's order management system to enable pre and post-trade monitoring.

● ***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 screening, climate metrics and tilts described in earlier responses.

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

The methodology used for the Index can be found [here](#). Please search by benchmark name.

Where can I find more product specific information online?

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



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

