

# THE NT WORLD SMALL CAP ESG LOW CARBON INDEX FEEDER FUND

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

## The NT World Small Cap ESG Low Carbon Index Feeder Fund

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

*This Supplement contains specific information in relation to The NT World Small Cap ESG Low Carbon Index Feeder 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").*

**The Fund is a feeder fund which will invest 85% or more of its Net Asset Value permanently in Northern Trust World Small Cap ESG Low Carbon Index Fund (the "Master Fund"), a sub-fund of the Northern Trust UCITS Common Contractual Fund (the "CCF"), an open-ended umbrella common contractual fund governed by the laws of Ireland, and authorised by the Central Bank pursuant to the UCITS Regulations. The Manager of the Company also acts as manager of the CCF and has appointed the Investment Manager as investment manager of the Master Fund.**

*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, the 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 small cap representation across developed market equities 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 a feeder fund, and the Master Fund is a passively managed investment fund.*

*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

### The Fund Investment

#### Objective

The investment objective of the Fund is to invest at least 85% of its assets in the Master Fund.

#### Investment Policies

Save as hereinafter provided, it is not intended that the Fund will make any direct investments and all monies received by it will be invested in the Master Fund as soon as reasonably practicable.

The Fund may invest up to 15% of net assets, in aggregate, in (a) ancillary liquid assets, including cash deposits, cash equivalents (including certificates of deposits, U.S. treasury bills, investment grade corporate bonds, commercial paper and short term money market deposits) and Money Market Instruments, which may be held by the Fund to meet expenses or pending investments and (b) FDI as set out in the section titled "Use of Efficient Portfolio Management Techniques Financial Derivative Instruments and Securities Financing Transactions".

As a result of the direct investments which may be made by the Fund as detailed above and different fee structures, the performance of the Fund and the Master Fund may not be identical.

### Master Fund

#### NORTHERN TRUST WORLD SMALL CAP ESG LOW CARBON INDEX FUND

#### Investment Objective

The investment objective of the Master Fund is to closely match the risk and return characteristics of the MSCI World Small Cap Custom ESG Low Carbon Index (the "Index") with net dividends reinvested.

Any change of Index shall only be made with the prior approval of its unitholders (the "Unitholders").

#### Investment Policies

The Master 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 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 Master 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 Master Fund shall not invest into 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 under the heading "Index Description" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in

Equities and/or Equity Related Securities listed on markets elsewhere.

The Master Fund's investments will, at the time of purchase, comply with the Master Fund's environmental, social and governance ("ESG") policy, as described below under "Index Description". As the Master 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 Master 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). Any such CIS will have investment objectives which are materially similar to the Master Fund.

#### Index Tracking Strategy

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

It may not always be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to holders of units in the Master Fund (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Index, or in circumstances where a security in the Index becomes temporarily unavailable or less liquid, or as a result of legal restrictions that apply to the Master Fund but not to the Index). In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Index.

The Master Fund typically holds securities at, or very close to, Index weight and an 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 Master Fund does not pursue a synthetic index replication strategy, there is no counterparty risk related to the index replication strategy.

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

#### Index Description

The starting universe for the Index is the MSCI World Small Cap Index (the "**Parent Index**"). The Parent Index is free float-adjusted market capitalisation weighted index that is designed to measure the small cap equity market performance of developed market countries as determined by MSCI.

The Index is a custom index calculated and screened by MSCI based on predetermined and objective ESG criteria selected by the Investment Manager which (i) excludes certain companies from the Parent Index which are not considered to meet sustainability principles considering business involvement, and ESG controversy screening criteria as further detailed in the Annex, (ii) excludes companies with exposure to carbon emissions and reserves and fossil fuels, above thresholds specified within the Annex and (iii) excludes certain companies that do not meet certain governance criteria as specified within the Annex.

Further information about the ESG criteria applied to the Index, including exclusions and specified thresholds is provided in the Annex.

It is not envisaged that any circumstances will arise whereby the exclusion list is not compatible with the customised Index criteria so as to construct the Index. However, the Index rules reflect that MSCI shall stop calculating the Index if the number of components falls below 20. In addition, the Master Fund will only continue to track the Index while it remains diversified to a level consistent with UCITS requirements. If the Index ceases to be so diversified the Master Fund may be terminated on the basis of the provisions outlined in the prospectus of the Master Fund.

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 Master Fund or on transaction costs associated with the Master Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Master Fund than would otherwise be the case.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links:

[www.msci.com/index/methodology/latest/ESGLowCarbon](http://www.msci.com/index/methodology/latest/ESGLowCarbon) and [www.msci.com/constituents](http://www.msci.com/constituents)

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 Master Fund to reference an alternative index, should the Index cease to be provided.

The Index used by the Master Fund in accordance with Article 3(1)(7)(e) of the EU Benchmarks Regulation to be provided by an administrator either has been in the register referred to in Article 36 of the EU Benchmarks Regulation.

## **INVESTMENT RESTRICTIONS**

### **The Fund**

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

apply, save for the derogation in accordance with Regulation 78(1) of the UCITS Regulations from Regulations 4(3)(a), 68, 70 and 74(2)(a)(iii) of the UCITS Regulations. The investment restrictions as they apply to the Fund should be read accordingly.

Warrants, share purchase rights and convertible securities may also be held, traded or exercised when considered appropriate.

### **The Master Fund**

The general investment restrictions set out in the "Investment Restrictions" section of the CCF prospectus apply to the Master Fund.

## **INTERNAL CONDUCT OF BUSINESS RULES**

The Manager on behalf of the Fund has put in place internal conduct of business rules in relation to the investment by the Fund in the units of the Master Fund (the "**Business Rules**"). The Business Rules set out which Classes of the Master Fund are available for investment by the Fund, details of the charges and expenses to be borne by the Fund, the standard dealing arrangements and events affecting dealing arrangements.

Further information relating to the Business Rules and a copy of the CCF prospectus is available from the Manager at their offices in Dublin, Ireland.

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

### **The Fund**

Derivatives may be used by the Fund but use is expected to be limited. The Fund may use currency forwards and exchange traded futures for hedging purposes as further described in the Prospectus.

### **The Master Fund**

The Master Fund may use currency forwards and exchange traded futures for EPM as further described in the prospectus of the CCF.

The Master Fund may engage in transactions in FDI identified above for the purposes of EPM and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. Such transactions may include foreign exchange transactions and while seeking to protect against exchange risks may still alter the currency characteristics of transferable securities held by the Master Fund. Please see section entitled "Hedging" in the prospectus of the CCF for more details.

Collateral or margin may be passed by the Master Fund to a counterparty or broker in respect of OTC FDI transaction. Further details of the Master Fund's collateral policy are set out in Schedule II section 8 of the CCF's prospectus.

The use of FDI for the purposes outlined above may expose the Master Fund to the risks disclosed under the section of the CCF's prospectus entitled "Risk Factors".

The Master 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.

## **BORROWINGS AND LEVERAGE**

Each of the Fund and the Master Fund may borrow up to 10% of its respective Net Asset Value on a temporary basis. Global exposure and leverage as a result of its investment in FDI shall not exceed 100% of the Net Asset Value of the Fund and will be calculated in accordance with the requirements of Regulation 78(2)(b) of the UCITS Regulations. Global exposure and leverage as a result of its investment in FDI shall not exceed 100% of the Net Asset Value of the Master Fund. In each case, 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**" apply to the Fund, as well as the following additional factors, which apply specifically to the Fund:

**Master/Feeder Risks; and  
Feeder Fund Fees.**

## **INVESTMENT MANAGER**

The Manager has appointed Northern Trust Global Investments Limited as the 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**.

## **TAXATION**

There are not anticipated to be any adverse tax consequences for investors resulting from the Fund's investment in the Master Fund relative to an investment in a directly investing fund. Investors in the Fund should refer to the section of the Prospectus entitled "Taxation" for further information on taxation provisions which should be taken into account when considering an investment in the Fund. Prospective investors should consult their own professional advisors on the relevant taxation considerations applicable to the purchase, acquisition, holding, switching and disposal of Shares and receipt of distributions (if applicable) under the laws of their countries of citizenship, residence or domicile.

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

### **Share Classes**

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

**Fund Base Currency**  
Sterling

### **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**

Applications for subscription and redemption of Shares must be received by 2.15pm Irish time on the relevant Business Day prior to the relevant Dealing Day. The Directors may agree to waive the notice period at their discretion provided such applications are received before the close of business on the relevant market which closes first on any Dealing Day.

### **Initial Offer Period**

The Initial Offer Period in respect of Class A GBP Accumulating, Class A GBP Distributing, Class B GBP Accumulating, Class B GBP Distributing, Class G GBP Accumulating, Class A EUR Accumulating and Class B EUR Accumulating has closed.

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

After the close of the relevant Initial Offer Period, the relevant classes 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 (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.

### **Repurchase Requests**

It should be noted that if an investor wishes to effect a repurchase of their entire holding in the Fund, such a repurchase request should specify the number of Shares to which the request relates (rather than stipulate a cash amount).

### **Anti-Dilution Levy – Master Fund**

An anti-dilution levy may be applied by the Master Fund to its investors, including the Fund.

This Anti-Dilution Levy will be charged at the discretion of the Manager. The Anti-Dilution Levy will cover the Master Fund's costs of dealing in the various markets and will preserve the value of the underlying assets of the Master Fund.

The Master Fund Anti-Dilution Levy will be passed through to investors subscribing for or redeeming Shares in the Fund in a manner that avoids double-charging but facilitates the Master Fund and the Fund passing on the relevant dealing costs to the particular investors subscribing for or redeeming Shares, as appropriate. The Anti-Dilution Levy will typically be applied where the Master Fund receives net subscriptions or net redemptions on any Dealing Day and will result in an dilution adjustment being applied to the Net Asset Value per Share in order to determine a subscription price, if there is a net inflow, or a repurchase price, if there is net outflow, on the relevant Dealing Day. Please see the Prospectus for further details.

#### **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.

It should be noted that the Directors may be required to exercise their discretion to value the Fund's assets (that is units in the Master Fund) at a fair value (with such method of valuation to be approved by the Depositary, in accordance with the valuation provisions outlined in the Prospectus and the Articles), in circumstances where the latest available net asset value per unit of the Master Fund does not adequately capture any subsequent market events that the Directors are aware of at the time the Fund's valuation is carried out.

#### **Initial Issue Price**

For Euro denominated share classes €10 per Share, for USD denominated share classes \$10 per Share, for GBP denominated share classes, £10 per Share and for Danish Krone denominated share classes DKK100 per Share.

#### **Classes of Shares 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 and Z

Each class may be issued as either Accumulating or Distributing).

#### **Currencies Available**

Each of the Share Classes are available in EUR, USD, GBP and Danish Krone (DKK).

#### **Currency Hedged Share Classes**

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

#### **Minimum Shareholding**

GBP 100,000 (or the equivalent in EUR, USD or DKK) 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 or DKK) subject to the discretion of the Directors to allow lesser amounts.

In respect of all other Share Classes, GBP 100,000 (or the equivalent in EUR, USD or DKK) subject to the discretion

of the Directors to allow lesser amounts

#### **Minimum Additional Investment Amount**

GBP 100,000 (or the equivalent in EUR, USD or DKK) subject to the discretion of the Directors to allow lesser amounts.

#### **TERMINATION/MERGER OF THE MASTER FUND**

**In circumstances where the Master Fund is liquidated, the Fund shall also be liquidated unless the Central Bank approves - (i) the investment of at least 85% of the Fund's Net Asset Value in shares or units of another master UCITS, or (ii) the amendment of this Supplement in order to enable the Fund to convert into a UCITS which is not a feeder UCITS.**

In circumstances where the Master Fund merges with another UCITS or is divided into 2 or more UCITS, the Fund shall be liquidated unless the Central Bank grants approval to the Fund to – (i) continue to be a feeder UCITS of the Master Fund or another UCITS resulting from the merger or division of the Master Fund, (ii) invest at least 85% of the Fund's Net Asset Value in shares of another master UCITS not resulting from the merger or division, or (iii) amend this Supplement in order to enable the Fund to convert into a UCITS which is not a feeder UCITS.

#### **FEES AND EXPENSES**

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

#### **FEES AND EXPENSES OF THE FUND**

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 (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 its 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 shall be entitled to receive out of the Net Asset Value of the Fund an annual fee, accrued and calculated on each Dealing Day and payable monthly in arrears at an annual rate which will not exceed 0.08 % of the Net Asset Value of the Fund (plus VAT, if any).

The Administrator is also 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 0.08% 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).

The Investment Manager may from time to time, at its sole discretion and out of its own resources, decide to (i) rebate to Shareholders part or all of the fees set out above and/or (ii) enter into loss compensation arrangements with Shareholders.

#### **German Taxation**

The Fund will invest and be managed such that it qualifies as an Equity Fund as defined in the Prospectus.

#### **FEES AND EXPENSES OF THE MASTER FUND**

The Fund will directly (through its investment in the Master Fund) bear a pro rata share of the costs of the expenses of the Master Fund, which will include (but is not limited to) legal, accounting, auditing, organisational, administrative, custodial and operating expenses. Where, in connection with an investment in the Master Fund, a distribution fee, commission fee or other monetary benefit is received by the Fund, the Manager or any person acting on behalf of either the Fund or the Manager, the fee, commission or other monetary benefit shall be paid into the assets of the Fund.

#### **Fees and Expenses of the Administrator and Depositary**

The Depositary and Administrator will be entitled to receive out of the assets of the Master Fund a combined aggregate annual fee of up to 0.20% of the Net Asset Value of the Master Fund (plus VAT, if any). The latest figure will be set out in the most recently published reports and accounts of the Master 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 of the Master Fund and shall be payable quarterly in arrears. The Depositary and Administrator will also be entitled to be reimbursed out of the assets of the Master Fund for all reasonable pre-approved out-of-pocket expenses incurred in the performance of their duties.

#### **Other Fees and Expenses**

In addition to the fees outlined above, the Master Fund will also be responsible for the fees of Hermes EOS (for its services in respect of the Master Fund, as described in the CCF prospectus), up to 0.02% of the Net Asset Value of the Master Fund per annum. Such fee shall accrue and be calculated on each Dealing Day and be payable quarterly in arrears. These fees will be discharged by the Investment Manager who will then be reimbursed by the Master Fund the corresponding amount, out of the assets of the Master Fund.

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

#### **Establishment costs**

The organisational and establishment expenses relating to the creation of the Fund are estimated not to exceed EUR 25,000. These costs shall be borne by the Fund and will be amortised over the first five accounting periods of its operation (or such other period as may be determined by the Directors at their discretion).

#### **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.

**Product name:** The NT World Small Cap ESG Low Carbon Index Feeder Fund (the "Fund")

**Legal entity identifier:** 635400TH6XLMVC2KRX38

**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 will make a minimum of **sustainable investments with a social objective:** \_\_\_%

**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

- 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 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 its investment in the Master Fund which tracks the risk and return characteristics of the Index which has been designated as a reference benchmark by the Master Fund.

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

- (i) reduction of carbon reserves, carbon intensity and absolute emissions;
- (ii) reduction of investments in unconventional oil, gas exploration and Arctic oil; and
- (iii) reduction of investments in thermal coal power generation and thermal coal mining.

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

- (i) avoiding investments in controversial weapons;
- (ii) reducing specific investment in business activities with adverse health and social impacts including gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, aggregate weapons, and for-profit prisons; and
- (iii) 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 sales);
- Scope 1 and Scope 2 absolute carbon emissions (t/USD million sales);
- MSCI Red Flag ESG Controversies, defined as very severe, ongoing controversies that a company is directly involved in;
- Specific revenue thresholds regarding gambling, adult entertainment, tobacco, nuclear weapons, aggregate weapons, civilian firearms, for-profit prisons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal-based power generation;
- Any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), and;
- MSCI Low Carbon Transition (LCT) Management Score which assesses current and potential exposure to transition risks and opportunities through companies' operations, and business model.

Please also refer to the response below on binding elements of the investment strategy that form part of the Index design and are coded by MSCI as part of the Index methodology construction.

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 Fund will not make any sustainable investments.

The intended objectives of the sustainable investments of the Master 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. An investee company must promote good governance practices without causing significant adverse impact through its products and services.

An investee company is assessed as a sustainable investment using the following methodology 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?***

The Fund will not make any sustainable investments.

With respect to the Master Fund, 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 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?*

The Fund takes adverse impacts on sustainability factors into account through its investment in the Master Fund.

In addition to the DNSH test detailed in the previous response, the Master 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 and fossil fuels; and
- excluding companies which do not conform to certain governance requirements.

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 Master 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 will not make any sustainable investments.

The Master Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to 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 quarterly and 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 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 takes adverse impacts on sustainability factors into account through its investment in the Master Fund.

The Master 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 Master Fund aims to encourage investee companies to improve their ESG practices and disclosures.

### What investment strategy does this financial product follow?

The Fund is a feeder fund which will invest 85% or more of its Net Asset Value permanently in the Master Fund.

The Master 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 MSCI as part of the Index methodology construction. The application of the following exclusions by the Master Fund seeks to attain the environmental and social characteristics promoted by the Fund through its investment in the Master Fund by excluding (MSCI ESG Research revenue estimates are utilised for all revenue based exclusions):

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

- 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 deriving 5% or more revenue from gambling-related business activities;
- iii. companies deriving 5% or more revenue from adult entertainment-related business activities;
- iv. 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;
- v. any 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;
- vi. companies that manufacture or retail civilian firearms and derive 5% or more revenue from this sector;
- vii. companies that manufacture conventional weapons or provide support services to and derive 5% or more revenue from this sector;
- viii. companies that derive 5% or more of their total revenues from thermal coal mining and extraction. This does not include revenues from metallurgical coal;
- ix. companies that derive (a) 10% or more revenue from coal-fired power generation or (b) between 5% and 10% revenue from this source and have transition risk preparedness or carbon management that is considered weak - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;
- x. companies that derive (a) 50% or more revenue from unconventional oil and gas such as oil sands and shale gas or (b) between 5% and 50% revenue from these sources and have transition risk preparedness or carbon management that is considered weak - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;
- xi. companies that derive (a) 50% or more revenue from Arctic oil or (b) between 1% and 50% revenue from this source and have transition risk preparedness or carbon management that is considered weak - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles; and
- xii. companies that derive 5% or more of their total annual revenues from activities related to for-profit prisons.

In addition, the application of the following climate-related exclusions seeks to achieve a minimum 50% reduction in the carbon footprint, when compared to the Parent Index, based on research conducted by MSCI:

- i. companies with any ownership of fossil fuel reserves;
- ii. companies which are in the top 50% of absolute operational carbon emissions in total; and
- iii. companies which are in the top 50% by operational emissions intensity in total. However, those companies which are classified within the Global Industry Classification Standard as sub-industry “Renewable Electricity” will not be excluded.

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.

***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.

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

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

***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 screening criteria applied to the Parent Index.

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 and 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; and
- **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.

In addition, the application of the following governance screening criteria seeks to exclude companies, when compared to the Parent Index, which do not conform with the following criteria:

- **Qualified Auditor Opinion:** all companies where the auditor expressed a qualified opinion or questioned the company's ability to remain a going concern as per the most recently reported period; and
- **Controlling Shareholder Concerns:** all companies where the ownership structure or governance arrangements indicate special concerns for minority public shareholders. Companies are identified as having a Controlling Shareholder if a shareholder or shareholder bloc control more than 30% of the voting rights, or is able to elect more than 50% of the company's board.

The companies can then be flagged by a number of factors or combination of factors, including where:

- Any of the following Key Metrics (KM) are also flagged:
  - No Independent Directors
  - Leadership Concerns
  - Undersized Board
  - Cross Shareholdings
  - Poison Pill
- or any of the following apply:
  - The issuer has issued Golden Shares
  - The issuer is controlled via a stock pyramid
  - The issuer incorporated as a Partnership Limited by Shares
  - The largest shareholder holds more than 75% of the total voting rights.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

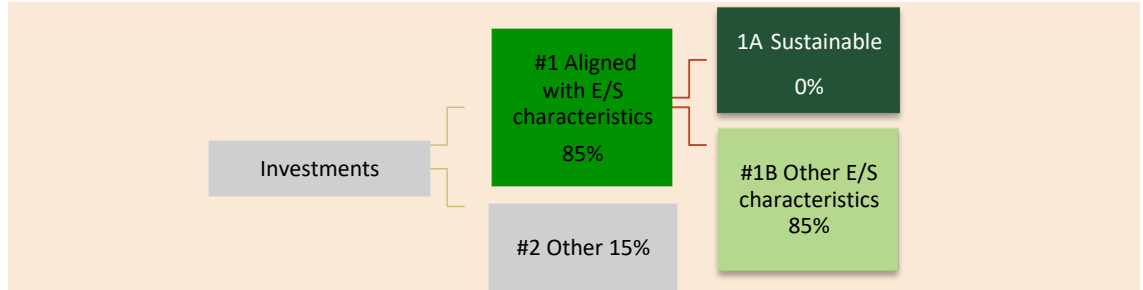
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities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

## What is the asset allocation planned for this financial product?

The Fund will invest 85% or more of its Net Asset Value permanently in the Master Fund.

The Master 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, 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.



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

The Fund will not make any sustainable investments.

The Master 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<sup>1</sup>?

**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.

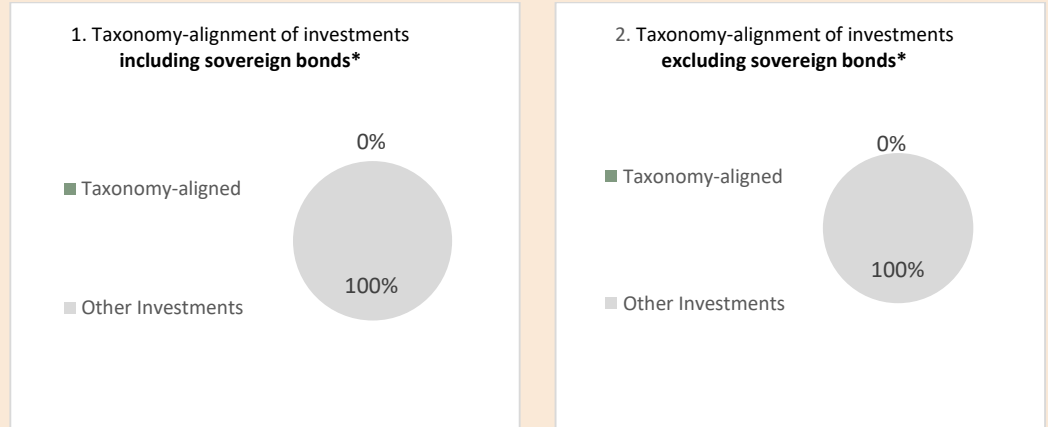
**Enabling activities** directly enable other activities to make a substantial contribution

<sup>1</sup> 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.

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**

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 transitioning 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.

The Master 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 will not make any investments in 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’ will 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 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?**

No index has been designated as a reference benchmark for the Fund.

The Master Fund has designated the Index as a reference benchmark.



**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?***

The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research 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 Master 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 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](#)

**Where can I find more product specific information online?**

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

