

## **NORTHERN TRUST EUROPE VALUE ESG FUND**

a Sub-Fund of

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

**Supplement dated 30 November 2022 to the Prospectus dated 23 June 2017 as amended by an addendum dated 24 May 2019, 10 July 2020, 5 March 2021, 9 July 2021, 13 December 2021 and 30 November 2022**

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

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

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

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 23 June 2017 as amended by an addendum dated 24 May 2019, 10 July 2020, 5 March 2021, 9 July 2021, 13 December 2021 and 30 November 2022.**

The Directors of the Manager, whose names appear under the section titled "Directors of the Manager" in the Prospectus, accept responsibility for the information contained in the Prospectus, Supplement and the below Annex. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires or as otherwise provided herein, have the same meaning when used in this Supplement.

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

**The Fund may invest in FDI for hedging and efficient portfolio management purposes. (See "Borrowing and Leverage" below for details of the leverage effect of investing in FDI).**

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

**A typical investor will be seeking to achieve exposure to the European equities market and a return on its investment in the medium to long term.**

## DIRECTORY

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# 1 INVESTMENT OBJECTIVE, POLICIES AND STRATEGIES

## Investment Objective

The investment objective of the Fund is to deliver long-term capital growth by investing in securities which exhibit value, quality and momentum factors excluding securities that do not meet certain environmental, social and governance (**ESG**) criteria.

## Investment Policy

The Fund seeks to achieve its investment objective through investment primarily in a diversified portfolio of transferable Equity and (where considered by the Investment Manager to be necessary or appropriate) Equity Related Securities issued by companies or linked to companies within the MSCI Europe Index (the **Index**), which exhibit value, quality and momentum factors (determined based on a proprietary quantitative methodology), whilst constraining the exposure to certain securities in accordance with the ESG criteria and Investment Manager's scoring as further detailed below, exposure by industry and exposure by region and country, as well as exposures to other risk factors relative to the Index. It also seeks a reduction in carbon intensity and potential emissions from fossil fuels relative to the Index. Further details concerning the Index are set out below.

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

The next step is to apply the Investment Manager's proprietary scoring which is constructed using data from multiple sources including company financial statements and historical stock price movements. The scoring is applied to all of the investible securities based on value, quality and momentum factors with relative return forecasts. This enables the construction of an optimal portfolio which maximises expected risk-adjusted performance based on the return forecasts whilst aiming for a significant reduction of the operational carbon intensity of the portfolio and reduced exposure to fossil fuels relative to the Index. As noted above, risk is controlled by limiting the exposure to certain securities, exposure by industry and exposure by region and country, as well as exposures to other risk factors relative to the Index. The Fund's holdings and exposures are regularly monitored, and, where appropriate, traded efficiently using the aforementioned portfolio construction process to ensure alignment with the investment objectives.

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

The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency in accordance with the powers and restrictions set out by the Central Bank in relation to techniques for efficient portfolio management purposes

as further disclosed in section 3.5 entitled "Hedging" in the Prospectus. The Fund may invest in FDI as set out in the section titled "Efficient Portfolio Management (EPM) and Use of Derivatives" below.

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

### **Index Description**

The Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of European markets. As at the date of the supplement, the Index consists of the following 15 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – 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.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: <https://www.msci.com/index-methodology> and <https://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 Fund to reference an alternative index, should the Index cease to be provided.

The Index used by the Fund in accordance with Article 3(1)(7)(e) of the EU Benchmarks Regulation is to be provided by an administrator either included in the register referred to in Article 36 of the EU Benchmarks Regulation or availing of the transitional arrangements pursuant to Article 51 of the EU Benchmarks Regulation.

### **Efficient Portfolio Management (EPM) and Use of Derivatives**

The purpose of EPM should be in line with the best interests of Unitholders and is to achieve one or more of the following: the reduction of risk, the reduction of costs and the generation of additional capital or income for the Fund with an acceptably low level of risk. The Fund may use the following instruments for EPM namely: currency forwards and exchange traded futures (details of which are outlined below).

#### **Exchange Traded Futures**

Exchange traded futures (such as index futures and equity futures) are used exclusively for efficient portfolio management purposes, mainly to "equitise" cash contributions into the Fund, hedge index exposure for limited periods when immediate purchase/sale of the underlying is not feasible or in the best interests of the Fund or generate additional capital or income with a level of risk consistent with the risk profile of the Fund by gaining short term exposure to securities. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash position.

## Forwards

Forward currency contracts may be used to hedge against currency risk that has resulted from assets held by the Fund that are not in the Base Currency. The Fund, may, for example, use forward currency contracts by selling forward a foreign currency against the Base Currency to protect the Fund from foreign exchange rate risk that has risen from holding assets in that currency.

The 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 Fund. Please see section 3.5 entitled "Hedging" in the Prospectus for more details.

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

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

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

The Manager on behalf of the Fund has filed with the Central Bank its risk management process which enables it to accurately measure, monitor and manage the various risks associated with the use of FDI. Any FDI not included in the risk management process will not be utilised until such time as a revised submission has been provided to the Central Bank. The Manager will, on request, provide supplementary information to Unitholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of Investments.

## **2 INVESTMENT RESTRICTIONS**

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

## **3 BORROWING AND LEVERAGE**

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

The Fund may utilise FDI as referred to in the section headed "Efficient Portfolio Management (EPM) and Use of Derivatives" above.

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

#### 4 LISTINGS

It is not currently intended to list the Units of the Fund on any stock exchange, though the Directors may in future apply for one or more Classes to be admitted to listing on the official list and to trading on the Global Exchange Market of Euronext Dublin.

#### 5 RISK FACTORS

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

#### 6 GROSS INCOME PAYMENT POLICY

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

#### 7 INVESTMENT MANAGER AND SUB INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund (the "Investment Manager"). The Investment Manager is a company incorporated under the laws of England and Wales on 15 February 2000; is authorised and regulated by the Financial Conduct Authority in the United Kingdom and has its registered office at 50 Bank Street, London E14 5NT. The Investment Manager is a wholly owned subsidiary of Northern Trust Management Services Limited which is a wholly owned subsidiary of The Northern Trust International Banking Corporation which is a wholly owned subsidiary of The Northern Trust Company. The Northern Trust Company in turn is a wholly owned subsidiary of Northern Trust Corporation. The Investment Manager's main business activity is the provision of investment management services.

The Investment Manager has appointed Northern Trust Investments, Inc ("NTI") as the sub-investment manager of the Fund (the "Sub-Investment Manager") pursuant to the Sub-Investment Management Agreement (as detailed below under the heading "Material Contracts").

NTI is an Illinois State Banking Corporation and an investment manager registered under the Investment Advisers Act of 1940, as amended. It primarily manages assets for institutional and individual separately managed accounts, investment companies and bank common and collective funds. NTI is an indirect subsidiary of Northern Trust Corporation. Northern Trust Corporation is regulated by the Board of Governors of the Federal Reserve System as a financial holding company under the U.S. Bank Holding Company Act of 1956, as amended.

#### 8 KEY INFORMATION FOR SUBSCRIBING AND REDEEMING ALL CLASSES OF UNITS

##### Accumulating Units and Distributing Units

The Fund may issue Accumulating Units and Distributing Units.

##### Classes of Units Available (as either Accumulating or Distributing Units)

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

## **Currencies Available**

Each of the above referenced Unit Classes are available in U.S. Dollar, Euro and Sterling.

## **Base Currency**

Euro

## **Initial Issue Price**

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

€10 per Unit for the Euro Classes

£10 per Unit for the Sterling Classes

## **Initial Offer Period - Accumulating Units**

The Initial Offer Period in relation to the A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, BB, CC, DD, EE, FF, GG, HH, II, JJ, KK, LL, MM, NN, OO, PP, QQ, RR, SS, TT, UU, VV, WW, XX, YY and ZZ Classes of Accumulating Units denominated in U.S. Dollar, Euro and Sterling shall be available from 9am (Irish time) on 1 December 2022 and will close at 12pm (Irish time) on 30 May 2023 (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

## **Initial Offer Period – Distributing Units**

The Initial Offer Period in relation to the A, B, C, D and F Classes of Distributing Units denominated in the Base Currency have closed.

The Initial Offer Period in relation to the E, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, BB, CC, DD, EE, FF, GG, HH, II, JJ, KK, LL, MM, NN, OO, PP, QQ, RR, SS, TT, UU, VV, WW, XX, YY and ZZ Classes of Distributing Units denominated in the Base Currency shall continue until 12pm (Irish time) on 30 May 2023 (or such shorter or longer period as the Manager may determine and notify to the Central Bank).

The Initial Offer Period in relation to the A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, BB, CC, DD, EE, FF, GG, HH, II, JJ, KK, LL, MM, NN, OO, PP, QQ, RR, SS, TT, UU, VV, WW, XX, YY and ZZ Classes of Distributing Units denominated in US Dollar and Sterling shall continue until 12pm (Irish time) on 30 May 2023 (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 Fund will be continuously open for subscriptions on each Dealing Day.

## **Business Day**

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

## **Dealing Day**



The Dealing Day for the Fund will be every Business Day or such other day or days as the Manager may determine and notify in advance to Unitholders, provided that there shall be at least one Dealing Day per fortnight.

### **Dealing Deadline**

Applications for subscription and redemption of Units must be received by 12pm Irish time on the relevant Dealing Day.

### **Valuation Point and Dealing Cut-Off Point**

Close of business in the relevant recognised market that closes last on each Dealing Day.

As an amendment to third paragraph of the "**Purchase of Units**" section of the Prospectus there will be no discretion for the Manager to accept applications in any circumstances after the close of business in the relevant recognised market that closes first on the relevant Dealing Day.

### **Minimum Initial Investment Amount**

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

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

### **Minimum Additional Investment**

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

### **Preliminary Charge**

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

### **Redemption Charge**

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

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

### **Anti-Dilution Levy**

An Anti-Dilution Levy can be applied to net subscriptions or net redemptions on any Dealing Day, as set out in the Prospectus. This Anti-Dilution Levy will be charged at the discretion of the Directors. The Anti-Dilution Levy is designed to cover the costs of dealing in the various markets and preserve the value of the underlying Assets of the Fund.

### **Settlement Date**

In respect of receipt of monies for subscription for Units, the Settlement Date shall be two (2) Business Days following the relevant Dealing Day or as otherwise determined by the Manager and in respect of dispatch of monies for the redemption of Units, the Settlement Date shall be two (2) Business Days following the relevant Dealing Day assuming timely receipt of the relevant duly signed repurchase documentation or as otherwise determined by the Manager and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

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

### **Minimum Net Asset Value**

U.S. \$30 million.

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

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

## **9 HOW TO SUBSCRIBE FOR UNITS**

Application for Units should be made by completing and submitting a Subscription Agreement in accordance with the provisions set out in the Prospectus to be received by the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day.

No application will be capable of withdrawal after acceptance by the Administrator. Any subsequent application may be made by contacting the Administrator in writing, by telephone, by facsimile or by electronic means provided such means have been agreed with the Administrator and are in accordance with the requirements of the Central Bank.

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

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

This section should be read in conjunction with the section entitled "**Purchases of Units**" in the Prospectus.

## **10 HOW TO REDEEM UNITS**

Requests for the redemption of Units should be submitted to the Manager c/o the Administrator in accordance with the provisions set out in the Prospectus. Requests received on or prior to a Dealing Deadline will be dealt with on the relevant Dealing Day. A redemption request once given will not be capable of withdrawal after acceptance by the Administrator.

The amount due on the redemption of Units of any Class in the Fund will be paid by the Settlement Date at the Unitholder's risk and expense by electronic transfer to an account in the name of the Unitholder. Payment of the proceeds of redemption will only be paid on receipt by the Administrator of the original Subscription Agreement in respect of the Unitholder's initial subscription and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed.

No Unitholder shall be entitled to realise part only of his holding of Units of any Class in the Fund if such realisation would result in his holding of Units of such Class after such realisation being below the Minimum Holding.

The Manager may at its discretion with the consent of the Unitholder or at the request of the Unitholder satisfy a redemption request by a redemption of investments of the Fund in specie provided that such a redemption would not prejudice the remaining Unitholders of that Fund, which provisions are summarised under "**Redemption of Units**" in the Prospectus.

The Directors of the Manager are entitled to limit the number of Units of the Fund redeemed on any Dealing Day to Units representing ten (10) per cent of the total Net Asset Value of Units of the Fund in issue on that Dealing Day or such other amount as they may in their absolute discretion determine subject to the terms of the Prospectus. The redemptions effected on that Dealing Day will be effected pro rata in the manner described under "**Redemption of Units**" in the Prospectus.

This section should be read in conjunction with the section entitled "**Redemption of Units**" in the Prospectus.

## **11 NET ASSET VALUE**

The Administrator calculates the Net Asset Value per Unit as at the Valuation Point of each Dealing Day in accordance with the procedure provided for under the heading "**Calculation of Net Asset Value/Valuation of Assets**" in the Prospectus.

## **12 FEES AND EXPENSES**

### **Fees and Expenses of the Manager**

The Manager charges a fee out of the assets of the Fund of up to one (1) per cent of the Net Asset Value of the Fund to cover its reasonable out of pocket costs and expenses incurred in the performance of its duties, including expenses relating to due diligence and monitoring of the Investment Manager. The latest figure is set out in the most recently published report and accounts of the Fund, or pending publication of the initial report and accounts, will be available upon request from the Administrator. This fee will accrue and be calculated on each Dealing Day and shall be payable quarterly in arrears.

### **Fees and Expenses of the Investment Manager**

The Investment Manager is entitled to receive out of the assets of the Fund (with the exception of Class F Units) an annual fee of up to one (1) per cent of the Net Asset Value of the Fund. The latest figure is set out in the most recently published reports and accounts of the Fund, or pending publication of the initial reports and accounts, will be available upon request from the Administrator. This fee will accrue and be calculated on each Dealing Day and shall be payable quarterly in arrears. The Investment Manager is also entitled to be

reimbursed out of the assets of the Fund for its respective reasonable out of pocket costs and expenses incurred in the performance of its duties.

#### **Fees and Expenses of the Sub-Investment Manager**

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

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

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

#### **Initial Expenses**

The Fund shall share a pro rata portion of the yet to be discharged initial establishment costs of the CCF as set out in the Prospectus under the heading "**Fees and Expenses**". The initial establishment costs of the Fund have been fully amortised by the Fund.

#### **Ongoing Expenses**

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

Ongoing legal and constitution fees and expenses in respect of the Fund will be paid out the assets of the Fund.

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

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

### **13 MATERIAL CONTRACTS**

In addition to those detailed in the Prospectus, the following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Fund and are or may be material:

The Investment Management Agreement dated 30 November 2018 between the Manager and the Investment Manager as may be amended or supplemented from time to time. This agreement provides that the appointment of the Investment Manager will continue unless and until terminated by either party giving to the other not less than thirty (30) days' written notice although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other; the agreement contains certain indemnities in favour of the Investment Manager which are restricted to exclude matters arising by reasons of the fraud, bad faith, negligence or wilful default of the Investment Manager in the performance or non-

performance by the Investment Manager of its duties. The Sub-Investment Management Agreement dated 13 November 2018 between the Manager and the Sub-Investment Manager as may be amended or supplemented from time to time. This agreement provides that the appointment of the Sub-Investment Manager will continue unless and until terminated by the Sub-Investment Manager giving not less than 180 days' written notice to the Investment Manager or by the Investment Manager giving not less than 30 days' written notice to the Sub-Investment Manager although in certain circumstances the Sub-Investment Management Agreement may be terminated forthwith by notice in writing by either party to the other; the Sub-Investment Management Agreement contains certain indemnities in favour of the Sub-Investment Manager which are restricted to exclude matters resulting from the willful misfeasance, bad faith, fraud, wilful default or negligence of the Sub-Investment Manager in the performance or nonperformance of its obligations and duties.

## **14 MISCELLANEOUS**

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

At the date of this Supplement, there are eighteen other Sub-Funds of the CCF in existence, namely the:

Northern Trust World Equity Index Fund

Northern Trust Europe Custom ESG Equity Index Fund

Northern Trust World EUR Hedged Equity Index Fund

Northern Trust World Custom ESG Equity Index Fund

Northern Trust High Dividend ESG World Equity Fund

Northern Trust World Custom ESG EUR Hedged Equity Index Fund

Northern Trust North America Value ESG Fund

Northern Trust Developed Real Estate Index Fund

Northern Trust North America Custom ESG Equity Index Fund

Northern Trust World ESG Leaders Equity Index Fund

Northern Trust World Small Cap ESG Low Carbon Index Fund

Northern Trust World Green Transition Index Fund

NT Europe SDG Screened Low Carbon Index Fund

NT World SDG Screened Low Carbon Index Fund

Northern Trust Quality Low Vol Low Carbon World Fund

Northern Trust Developed Real Estate ESG Climate Index Fund

Northern Trust World Natural Capital Paris-Aligned Equity Index Fund

Northern Trust World Natural Capital PAB Index Fund II

**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**

**Product name:**  
Northern Trust Europe Value ESG Fund ("the Product")

**Legal entity identifier:**  
5493007Q5W6D2STQFW74

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

● ● <input type="checkbox"/> Yes	● ● <input checked="" type="checkbox"/> No
<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b>: ___%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b>: ___%</p>	<p><input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promotes E/S characteristics, <b>but will not make any sustainable investments</b></p>

**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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

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

The investment objective of the Product is to deliver long-term capital growth by investing in securities of MSCI Europe Index (the "Index") which exhibit value, quality and momentum factors while excluding securities that do not meet specific environmental, social and governance (ESG) criteria.

The Product has the following environmental and/or social ("E/S") characteristics: (i) applies environmental, social and governance ("ESG") exclusions that impact the investment universe of the Product; and (ii) excludes companies which have faced controversies pertaining to ESG issues. The Investment Manager will seek a reduction in carbon intensity and potential emissions from fossil fuels relative to the Index.

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

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

Below is a list of sustainability indicators, expressed in number and/or weight of holdings used to measure the attainment of the environmental and/or social characteristics promoted by this Product using the NT custom ESG screening:

- companies that are in breach of global norms such as UN's Global Compact Ten Principles due to being involved in controversies classified as "very severe";
- companies that derive any revenue from the production of tobacco, or 5% or more of their revenue from the distribution of tobacco, supply of key products for the production of tobacco, or the retail of tobacco;
- 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;
- companies that manufacture civilian firearms or retail civilian firearms and derive 5% or more revenue from this sector;
- companies that manufacture conventional weapons or provide support services to and derive 5% or more revenue from this sector;
- companies that derive 5% of revenue or more from mining thermal coal;
- companies that derive 30% of revenue or more from coal-fired energy generation or 5% or more revenue if they face asset stranding risk;
- 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 face asset stranding risk;
- companies that derive 5% or more revenue from For Profit Prisons.

referred to hereafter as the "NT Custom ESG screening criteria".

Investments are then selected based on value, quality and momentum factors with relative return forecasts.

The Investment Manager will seek a reduction in operational carbon intensity and reduced exposure to fossil fuels relative to the Index.

In addition, the Investment Manager shall also ensure that any investments made by the Product pursuant to its strategy 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.

The NT Custom ESG screening methodology is reviewed annually. These sustainability indicators are non-exhaustive and subject to change.

***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?***



Our definition of positive contribution includes minimum percentage revenues deriving from activities linked with objectives alongside companies assessed to have credible carbon reduction targets such as The Science Based Targets Initiative ("SBTI").

- alternative energy (renewables),
- energy efficiency,
- green building,
- sustainable water,
- pollution prevention and
- sustainable agriculture.

The Investment Manager of the Product will seek a reduction in operational carbon intensity of the portfolio and reduced exposure to fossil fuels relative to the Index which contribute towards climate change mitigation and climate change adaptation and pollution prevention and control.

***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, it must not only satisfy the positive contribution test described above, but also a 'do no significant harm' (DNSH) test designed to ensure that no significant harm is caused to any environmental or social investment objective.

Our assessment of harm involves the use of a set of diverse environmental and social indicators for example, Greenhouse Gas emissions ("GHG"), carbon footprint, GHG intensity of investee companies etc. coupled with our own proprietary thresholds. These thresholds represent a value or metric at which we believe there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment under our definition if it a) meets our minimum positive contribution test; b) the indicators for harm are under the proprietary thresholds set at specific points in time and lastly c) that investee companies follow good governance practices and are aligned with minimum safeguards such as OECD guidelines for Multinational Enterprises.

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

The Product considers adverse impacts through a range of criteria that form part of the investment strategy; the NT Custom ESG Screening criteria. These screens and tilts provide a strong ethical foundation in line with international norms and are regularly updated following our own research, as well as feedback from our clients. Added to this, we have secured access to a range of ESG data providers and datasets to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, our assessment of harm involves the use of a set of diverse environmental and social indicators with proprietary thresholds.

The Investment Manager of the Product will seek a reduction in carbon intensity and potential emissions from fossil fuels relative to the Index.

Lastly, consideration of adverse impacts form part of our focused engagement and voting activities designed to help influence the business models of investee companies to transition to a more sustainable future.

**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.

- ***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 Product applies the NT Custom ESG screening methodology to identify and exclude companies that do not adhere to international norms – such as:

- OECD Guidelines for Multinational Enterprises;
- 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; and
- the International Bill of Human Rights.

The implementation of these exclusions happens through the use of third party controversy data used as a proxy to assess the negative environmental, social and governance impact of a company's operations, products and services.

In practice, this means that all investee companies are aligned with these minimum safeguards, not only the sustainable investments.

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

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

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



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

Yes

No

Through the NT Custom ESG screening criteria methodology, the Product adheres to international norms by screening for violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

Additionally, the methodology excludes a range of companies whose business activities have been determined to cause significant harm on the environment or society such as exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) and identified cases of severe human rights issues and incidents.

GHG emissions are considered as the Product aims to reduce carbon intensity and potential emissions from fossil fuels relative to the Index.

Lastly, adverse impacts also form part of our focused engagement and voting activity enabling us to identify where best to utilise resources for maximum social and/or environmental impact.



## What investment strategy does this financial product follow?

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

The Product is an active strategy, that seeks to deliver long-term capital growth by investing in securities within the MSCI Europe Index (the 'Index') which exhibit value, quality and momentum factors and have favourable ESG characteristics, while excluding securities that do not meet specific ESG criteria.

Environmental, Social and Governance (ESG) screening is applied based on criteria selected by Northern Trust which excludes certain companies not considered to meet certain sustainability principles. Amongst other things, The Product is looking to reduce the carbon intensity and reduce fossil fuel exposure compared to the Index.

***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 binding elements of the strategy used to promote the environmental or social characteristics form part of the custom Index design. This means that the Parent Index is customised according to specific ESG criteria designed to promote specific environmental and/or social objectives and to reduce or avoid adverse impacts.

Examples of the binding elements include the exclusion of a range of companies, or sectors, typically based on a prescribed revenue threshold and extend to companies that:

- do not comply with UN Global Compact Principles;
- derive revenue from the production or distribution of tobacco;
- manufacture civilian firearms, controversial and conventional weapons;
- derive revenue from thermal coal power, thermal coal mining, unconventional oil and gas, for-profit prisons.

Please refer to previous responses to the question on “sustainability indicators” for a complete list of the NT Custom ESG exclusions that form part of the product’s binding criteria.

The Investment Manager shall also ensure that any investments made by pursuant to the strategy are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

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

While the product’s investible universe is reduced as a result of the binding exclusions, it does not commit to a minimum reduction rate. As such, the reduction of the universe may be subject to change.

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

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

An assessment of good governance of investee companies forms a foundational part of the Custom ESG Index methodology. In practice, this is achieved through the use of our data provider'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.

In order to produce the controversy, our chosen data provider assesses the negative environmental, social and governance impact of the investee companies operations, products and services. It also identifies breaches of international norms through the use of controversy proxies which are assessed based on the scale and severity of the controversy.

Severity may vary depending on the nature of the controversy but generally includes metrics such as:

- the percent of shareholder votes or number of shareholders voicing an opinion,
- number and position of executives or directors involved,
- number and type of external parties voicing an opinion, or
- the portion of the company that is affected or implicated.

For other governance issues, scale is generally measured by:

- the length of time an activity was ongoing,
- the size of the market or government affected, or
- the scale on which either company executives or external parties such as government officials were involved.



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

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

The Product intends to be at least 95%-99% invested in companies aligned with environmental and/or social characteristics using the sustainability indicators described above.

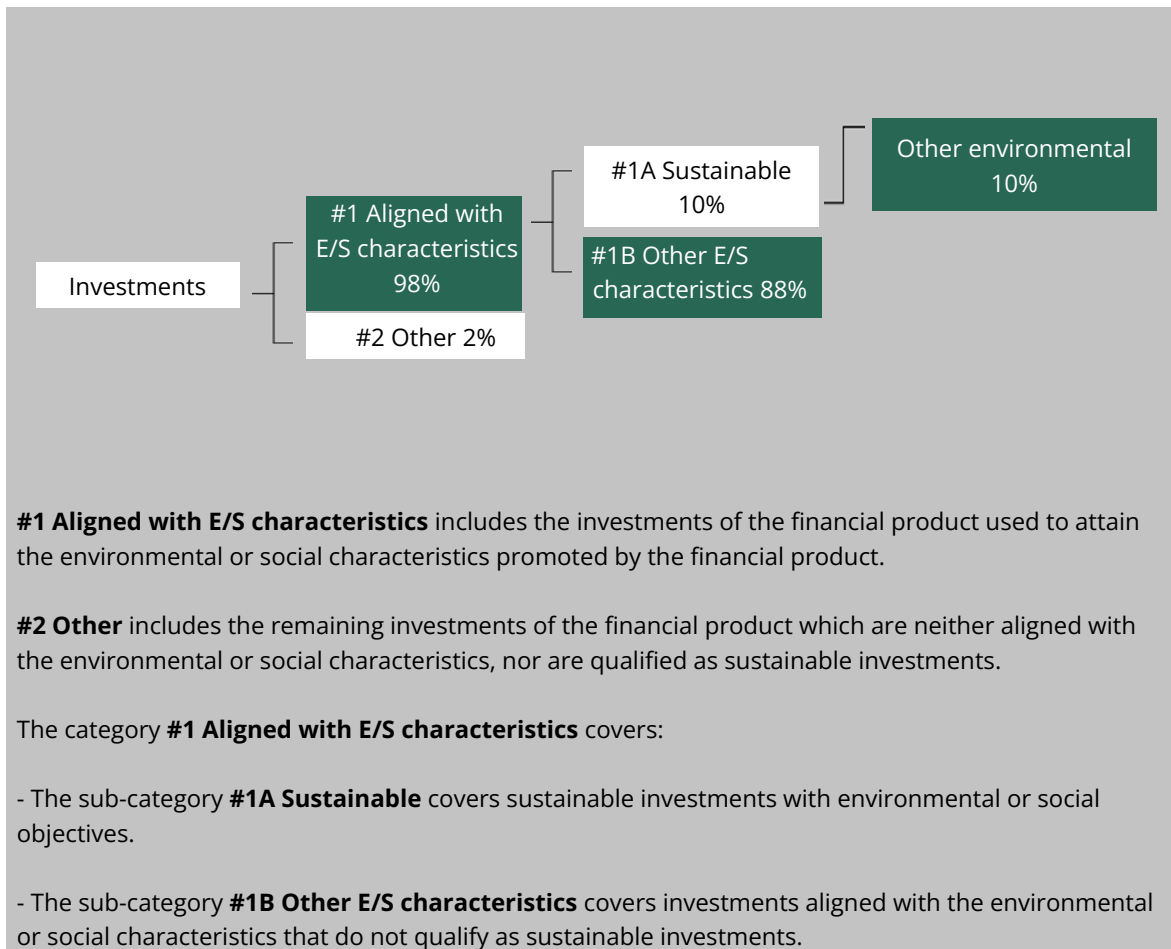
Of this, a minimum of 10% will be invested in sustainable investments with an environmental objective.

The Product presently intends to invest 0% of its assets in investments that contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation.

The remaining allocation of the Product is expected to be in cash, hedging and other ancillary purposes.

Taxonomy-aligned activities are expressed as a share of:

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



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

The Product uses derivatives for managing broad market exposure. Derivatives are not used to attain the environmental or social characteristics of the Product and are not subject to any minimum safeguards.



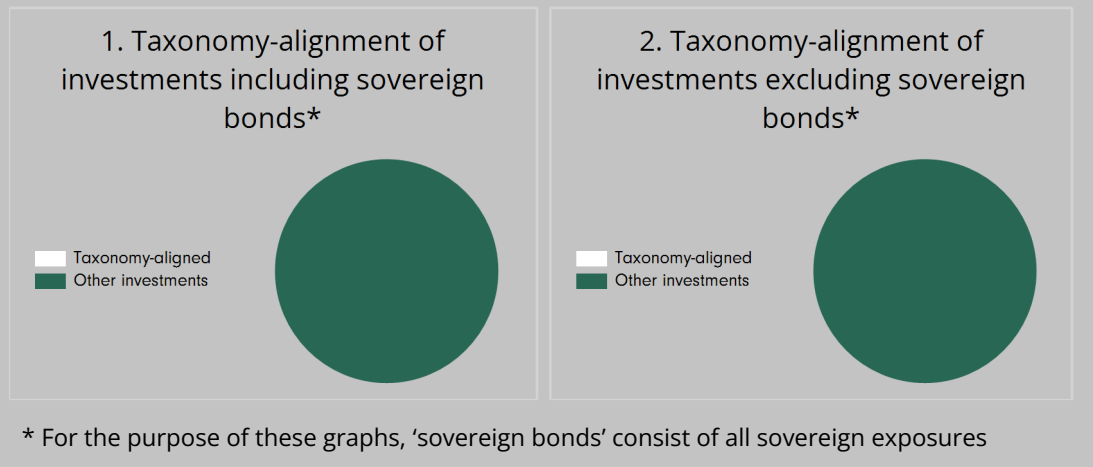
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Product presently intends to invest 0% of its assets in investments that contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation.

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

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

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



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

The Product presently intends to invest 0% of its assets in investments that contribute to environmentally sustainable economic activities in accordance with the Taxonomy Regulation therefore 0% of its assets will be invested in enabling or transitional activities.

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 sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

0% of the Product sustainable investments commitment is expected to be aligned with the EU Taxonomy.



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

The Product is not targeting socially sustainable investments hence 0% investments in social sustainable investments is anticipated.



**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 neither is aligned with environmental or social characteristics, nor qualify as sustainable investments. Additionally, no minimum environmental or social safeguards are applied.

Investments may be marked as ‘other’ for the following reasons:

- Cash and cash equivalents or money market instruments: The Product may invest in Cash and cash equivalents or money market instruments. Typically the Product holds a minimum of approximately 1% in daily liquidity to take advantage of market opportunities as they arise.
- Derivatives: The Product may use derivatives for efficient portfolio management purposes and/or to protect against exchange rate risks.





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

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

This is not applicable as the Product does not have a specific ESG designated Index.

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

As an active strategy this is not applicable.

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

As an active strategy this is not applicable.

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

As an active strategy this is not applicable.



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

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