

The NT Global Green Bond Index Fund

Supplement dated 14 August 2023 to the Prospectus dated 14 August 2023 for NorthernTrust Investment Funds plc

The NT Global Green Bond Index Fund

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

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

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

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

*The Fund meets the criteria pursuant to Article 9 of the Sustainable Finance Disclosure Regulation (Regulation EU/2019/2088) as amended ("**SFDR**") to qualify as a financial product which has Sustainable Investment as its objective 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 9 Fund.*

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

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

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

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

INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The investment objective of the Fund is to track the risk and return characteristics of the Bloomberg MSCI Global Green Bond Index (the "Index").

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

Investment Policies

The Fund seeks to achieve its investment objectives through investment primarily in freely transferable Debt and Debt Related Securities including investment grade green bonds; namely fixed-income securities in which the proceeds will be exclusively and formally applied to projects or activities that promote climate or other environmental sustainability purposes through their use of proceeds. Such bonds will be constituents of the Index as described further below in the section titled "Index Description". The Fund may also invest in Bond Connect through CIBM, as defined and further detailed below.

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

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

Subject to any derogation that may be obtained from the Central Bank during the initial six months from approval of the Fund from the requirements of Regulation 73 of the UCITS Regulations, the Fund may also invest (up to 10% of its Net Asset Value) indirectly in Debt and Debt Related Securities comprised within the Index through holdings in open-ended collective investment schemes ("CIS") (including UCITS

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

Index Tracking Strategy

The Fund operates an index tracking strategy whereby it seeks to track the risk and return characteristics of the Index through the investment directly in assets that are Index constituents (i.e. a physical replication model). However, the Fund does not seek to fully replicate the Index but instead seeks to match the Fund's investments with Index constituents on a sample based physical replication model within the scope of the general UCITS investment restrictions and the specific investment restrictions set out below. Therefore the weighting of a constituent of the Index held by the Fund cannot exceed the permitted investment restrictions. Accordingly, investment in the Fund should not be considered to provide a direct exposure to the Index. In normal market conditions the Fund can be expected to closely match the performance of the Index. However, in normal market conditions, since the Fund does not seek to fully replicate the Index, an annualised ex-post Tracking Error of 0.20% should be anticipated due to transaction costs and the liquidity impact of the Fund's sampling approach. Employing a sampling approach (rather than full replication approach) necessarily results in individual security overweights and underweights relative to the Index, as the Fund will not hold every Index constituent but will strive to achieve representative exposure to the more liquid securities and sectors of the Index which are available for purchase.

As the Fund does not pursue a synthetic index replication strategy, there is no corresponding counterparty risk related to the index replication strategy.

Index Description

The Index is a global benchmark to measure the performance of the global market for fixed income securities issued to fund projects with direct environmental benefits. Securities are independently evaluated by MSCI ESG Research to determine whether they should be classified as a green bond. The eligibility criteria reflect themes articulated in the Green Bond Principles which require commitments about a bond's: (i) stated use of proceeds; (ii) process for green project evaluation and selection; (iii) process for management of proceeds; and (iv) commitment to ongoing reporting of the environmental performance of the use of proceeds.

So long as projects fall within an eligible MSCI ESG Research green bond category and there is sufficient transparency on the use of proceeds, an investment grade bond will be considered for the Index even if it is not explicitly marketed as green. As a result both self-labelled green bonds and investment grade bonds not labelled green will be evaluated using the eligibility criteria for potential inclusion in the Index.

Meeting all four elements of the eligibility criteria is required for any investment grade bonds issued after the publication of the Green Bond Principles in 2014. Bonds issued prior to 2014 that are widely accepted by investors as green bonds may still qualify for the Index, even if all four elements of the eligibility criteria are not satisfied, since no formal guidelines were available to issuers at the time of issuance.

Further details of the Index please refer to <https://www.msci.com/our-solutions/indexes/bloomberg-msci-esg-fixed-income-indexes>.

For the avoidance of doubt, the Investment Manager has no role in the composition of the Index.

INVESTMENT RESTRICTIONS

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

USE OF EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND FINANCIAL DERIVATIVE INSTRUMENTS

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

Further details of the techniques and instruments that the Fund may employ for EPM purposes are set out in the **Efficient Portfolio Management, Financial Derivative Instruments and Securities Financing Transactions** section of the Prospectus.

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of EPM techniques. Please refer to the section of the Prospectus entitled **Collateral Policy** for further details.

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

INVESTING THROUGH BOND CONNECT

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

BOROWINGS AND LEVERAGE

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

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

RISK FACTORS

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

Liquidity Risk

Reinvestment of Cash Collateral Risk

Economic Factors

Derivatives and Securities Financing Transactions Risk

Sanctions

Investing through Bond Connect

INVESTMENT MANAGER AND SUB-INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited as the Investment Manager of the Fund. The Investment Manager has appointed Northern Trust Investments, Inc as the sub-investment manager of the Fund.

DIVIDEND POLICY

Accumulating Shares

No dividends will be declared in respect of the Accumulating Shares.

Distributing Shares

In respect of the Distributing Shares, the Directors intend to declare and pay all net income of the Fund attributable to each class annually as a dividend to the Shareholders of each relevant class of Shares on the register of members as at the close of business on the relevant Dealing Day.

Further details on the distribution policy are set out in Prospectus under the heading **Dividend Policy**.

KEY INFORMATION FOR BUYING AND SELLING

Share Classes

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

Base Currency

U.S. Dollar

Business Day

Any day (except Saturday or Sunday) on which the banks in Ireland are open generally for business, or such other day as the Directors may determine and notify to Shareholders.

Dealing Day

The Dealing Day for the Fund will be every Business Day or such other day or days as the Directors may determine and notify in advance to Shareholders, provided that there shall be at least one Dealing Day per fortnight. In determining whether a day should be treated as a Dealing Day, the Directors may take into account whether there are sufficient market exchanges open as determined by the Investment Manager to allow the normal liquidity trading of the portfolio.

The Investment Manager maintains a list of any non-Dealing Days on the Website.

Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline is 3.00p.m. (Irish time) on the Business Day immediately preceding each Dealing Day. Any applications received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless the Directors in their absolute discretion in exceptional circumstances, otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such request(s) have been received prior to the Valuation Point for the particular Dealing Day.

Initial Offer Period

The Initial Offer Period in respect of all of the Share Classes will commence at 9.00 a.m. (Irish time) on 15 August 2023 and will continue until 5.00 p.m. (Irish time) on 13 February 2024 or such earlier or later date as the Directors may determine.

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

Settlement Date

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

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

Preliminary Charge

There will be no Preliminary Charge for this Fund.

Redemption Charge

There is no Redemption Charge for this Fund.

Anti-Dilution Levy

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

Valuation Point

With respect to: (i) currencies and currency-related transactions only, 4pm (London time); and (ii) all other assets, the close of business of the relevant market that closes last on each Dealing Day, which in all cases shall be after the Dealing Deadline.

Initial Issue Price

For Euro denominated share classes €100 per Share, for US Dollar denominated share classes \$100 per Share, for Sterling denominated share classes, £100 per Share.

Classes of Shares Available

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

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

Currencies Available

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

Currency Hedged Share Classes

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

Minimum Shareholding

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

Minimum Initial Investment Amount

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

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

FEES AND EXPENSES

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

The Investment Manager is entitled to receive out of the assets of the Fund an annual fee of up to 0.50% of the Net Asset Value of the Fund. Such fee shall accrue and be calculated on each Dealing Day and be payable monthly in

arrears. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket expenses incurred by the Investment Manager in the performance of its duties. The Investment Manager will pay out of the above fee (and not out of the assets of the Fund) the fees of the Sub-Investment Manager.

The Manager shall not receive a fee but shall be entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket expenses incurred in the performance of its duties.

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

The Depositary shall be entitled to receive out of the Net Asset Value of the Fund an annual fee, accrued and calculated on each Dealing Day and payable monthly in arrears, at an annual rate which will not exceed 0.05% of the Net Asset Value of the Fund (plus VAT thereon, if any).

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

In addition to the fees outlined above, the Fund will also be responsible for the fees of Hermes EOS (for its services in respect of the Fund, as described in the Prospectus), up to 0.02% of the Net Asset Value of the Fund per annum. Such fee shall accrue and be calculated on each Dealing Day and be payable quarterly in arrears.

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

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name:
The NT Global Green Bond Index Fund ("the Product")

Legal entity identifier:
635400EZAVKA6VPYKK62

Sustainable investment objective

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> Yes	<input type="radio"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 90% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

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

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



What is the sustainable investment objective of this financial product?

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

The sustainable investment objective of the Product relates to the following five environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- Pollution prevention and control;
- Sustainable use and protection of water and marine resources; and
- Protection and restoration of biodiversity and ecosystems.

The NT Global Green Bond Index Fund ("the Product") seeks to achieve these objectives by closely matching the risk and return characteristics of the Bloomberg MSCI Global Green Bond Index (the "Index") which measures the performance of the global market for fixed income securities classified as a 'green bonds' issued to fund projects with direct environmental benefits. Treasury, corporate, government-related, and securitised bonds are included.

In order to be eligible for the index, the proceeds of these Green bonds are exclusively and formally applied to projects or activities that promote the transition to a low carbon economy or other environmental sustainability purposes. As such the Index targets a minimum 90% asset allocation to environmentally impactful projects in the categories listed above and therefore has over 90% of sustainable investments. Project evaluation against eligible project categories is conducted by MSCI ESG Research analyst team.

The seven environmental categories are defined by MSCI ESG Research as; Alternative Energy, Energy Efficiency, Pollution Prevention and Control, Sustainable Water, Green Building, Climate Adaptation and 'Other'. Other may include, but is not limited to, the protection and conservation of biodiversity; sustainable forestry and afforestation projects; and sustainable agricultural projects. Any funding to thermal coal extraction or energy generation, agriculture for tobacco or manufacturing of tobacco-based products, or manufacturing of controversial weapons is ineligible. A bond or loan using over 0% proceeds to fund any of these categories is deemed ineligible.

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

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

Independent evaluation of securities by MSCI ESG Research along four dimensions (use of proceeds, project evaluation, management of proceeds, and reporting) determine index eligibility. These eligibility criteria reflect the core elements of the Green Bond Principles set by the International Capital Markets Association ("ICMA").

Below is the list of sustainability indicators used to measure the attainment of the sustainable investment objective of this Product by evaluating the eligibility of the fixed-income securities defined by MSCI ESG Research, which are applied by the Index, of which the Product invests directly.

- The **use of proceeds** that fall within at least one of the seven eligible environmental categories defined by MSCI ESG Research (alternative energy, energy efficiency, pollution prevention and control, sustainable water, green building, climate adaptation, and other (as described earlier));
- The **process for green project selection** includes the bond issuer clearly delineating the specific criteria and process for determining projects or investments in the bond or loan-related documentation which can include but is not limited to the green bond or loan framework, investor presentation or website. Project criteria must outline either specific projects or the specific categories of activities to be financed;
- The **management of proceeds** is a formal process to ring-fence net proceeds raised to the use of proceeds must be disclosed in the documentation ("**Management of Proceeds**"). Mechanisms to ring-fence net proceeds include: direct recourse to revenues or assets; creation of a separate legal entity; among others. For green bonds, a formal process to apply net proceeds raised or an amount equal to net proceeds raised to the eligible use of proceeds must be disclosed in the bond prospectus or supporting documentation.
- There is **ongoing reporting** at issuance, by the bond issuer or loan borrower on projects or state its commitment to report within one year of issuance. Reporting must include one or more of the following: a list of specific projects/investments, including amount disbursed to each individual project; aggregate project/investment categories, including amount disbursed to each project type; or quantitative or qualitative reporting on the environmental impact of the project pool.

This methodology is subject to change based on the evolving areas for use of proceeds, changes in regulatory requirements and standard definitions.

In addition to the above indicators, the Investment Manager shall also ensure that any investments made by the Product are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

In addition, Hermes EOS has been appointed to carry out corporate engagement with carefully selected securities held within the Product. Please refer to the Prospectus for further detail on this appointment.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The MSCI Green Bonds Assessment Methodology incorporates some elements of Do No Significant Harm (“DNSH”) through the issuer level exclusions applied. The index excludes issuers involved in the following business lines:

- thermal coal-related revenues of 15% or more;
- ownership or revenue ties to controversial weapons.

Additionally, the index excludes companies identified by MSCI as global norms violators and involved in “very severe” ESG controversies.

As the proceeds of these Green bonds are exclusively and formally applied to projects or activities that promote the transition to a low carbon economy or other environmental sustainability purposes and therefore are at least 90% sustainable investments this meets our definition of positive contribution and DNSH.

The Management of Proceeds requirement (detailed earlier) ensures that bond proceeds are ring-fenced from unsustainable or harmful activities and that proceeds are not used for any purpose other than the stated environmentally sustainable project. To ensure this is the case, MSCI ESG Research ensures that a formal process to apply net proceeds raised or an amount equal to net proceeds raised to the eligible use of proceeds is disclosed in the bond prospectus or supporting documentation. Eligible mechanisms to apply net proceeds raised or an amount equal to net proceeds raised include: direct recourse to eligible revenues or assets (e.g., a green securitized bond, green project bond, or green revenue bond); creation of a separate legal entity; creation of a sub-portfolio linked to the issuer’s investment operations for eligible projects; or other auditable mechanism whereby the balance of tracked proceeds is reduced periodically by amounts matching investments made in eligible projects during that period.

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

The green bond eligibility criteria ensure that all bonds considered part of the Index, as evaluated by MSCI ESG Research, are securities in which the proceeds will be exclusively and formally applied to projects or activities that promote climate or other environmental sustainability purposes through their use of proceeds.

The Product considers adverse impacts through the design of the Management of Proceeds assessment requirements. The ring-fenced use of proceeds helps to ensure that proceeds are not financing any activities or projects other than the stated eligible environmentally sustainable projects. Furthermore, the Index additionally excludes issuers identified by MSCI ESG Research for breaches of global norms or those involved in thermal coal operations or controversial weapons.

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?

The Product ensures that investment proceeds are not used for any purpose other than the stated eligible environmentally sustainable projects. Additionally, MSCI ESG Research screens out all issuers identified as violators of international norms including:

- Organisation for Economic Cooperation and Development ("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.

In practice, this means that all investee securities are aligned with these minimum safeguards.

In addition, Hermes EOS has been appointed to carry out corporate engagement with carefully selected securities held within the Product. Please refer to the Prospectus for further detail on this appointment.



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

Yes

No

The Index screens out companies involved in breaches of international norms such as OECD Guidelines for Multinational Enterprises and UN Global Compact (UNGC) Principles. Additionally, the Index screens out issuers involved in thermal coal operations and controversial weapons. Issuers are required to publish annual allocation reports where they provide an account of how the proceeds were used. Failure to issue a report or disbursement of funds for another purpose leads to exclusion from the Index.

Additionally, the eligibility criteria for inclusion in the Index, excludes bonds whose proceeds do not have a clear net environmental positive impact, clearly disclosed in their annual reports.

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 a passive index tracking strategy whereby it seeks to track the risk and return characteristics of the Bloomberg MSCI Global Green Bond Index by investing directly in assets that are Index constituents.

The Index is a global benchmark, calculated and constructed by Bloomberg with the Green Bond Principles used for security selection undertaken by MSCI ESG Research; to measure the performance of the global market for fixed income securities issued to fund projects with direct environmental benefits.

Securities are independently evaluated by MSCI ESG Research to determine whether they should be classified as a green bond. The eligibility criteria reflect themes articulated in the ICMA Green Bond Principles which require commitments about a bond's: (i) stated use of proceeds; (ii) process for green project evaluation and selection; (iii) process for management of proceeds; and (iv) commitment to ongoing reporting of the environmental performance of the use of proceeds.

The eligibility criteria means that the Index excludes companies not considered to meet certain sustainability principles. Amongst other things, the Index is looking to minimise climate related risks and maximise climate related opportunities.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The binding elements of the strategy used to select the investments to attain the sustainable investment objective form part of the Bloomberg MSCI Global Green Bond Index design based on independent evaluation of securities by MSCI ESG Research along four dimensions (use of proceeds, project evaluation, management of proceeds, and reporting). The Index is then calculated by Bloomberg and uses the MSCI ESG Research eligibility criteria to exclude companies not considered to meet certain sustainability principles and to reduce or avoid material adverse impacts. The Product then seeks to closely match the risk and return characteristics of the Index.

Examples of the binding elements include for both green bonds and green loans, clarity about a bond's or loan's:

- Stated use of proceeds;
- Process for green project evaluation and selection;
- Process for management of proceeds; and
- Commitment to ongoing reporting of the environmental performance of the use of proceeds.

Please refer to the previous response to the question on "sustainability indicators" for a complete list of the exclusion criteria that form part of the Index's binding criteria.

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?

Similar to Good Governance, the ring-fenced use of proceeds is achieved through the set-up of special purpose companies dedicated to the green bond issuance. The Index requires the following for the management of Proceeds:

- A formal process to apply net proceeds raised or an amount equal to net proceeds raised to the eligible use of proceeds must be disclosed in the bond prospectus or supporting documentation.
- Eligible mechanisms to apply net proceeds raised or an amount equal to net proceeds raised include: direct recourse to eligible revenues or assets (e.g., a green securitized bond, green project bond, or green revenue bond); creation of a separate legal entity; creation of a sub-portfolio linked to the issuer’s investment operations for eligible projects; or other auditable mechanism whereby the balance of tracked proceeds is reduced periodically by amounts matching investments made in eligible projects during that period.
- Additionally, the Index screening process ensures removes all issuers involved in “very severe” ESG controversies and global norms violations, thermal coal operations and controversial weapons.



What is the asset allocation and the minimum share of sustainable investments?

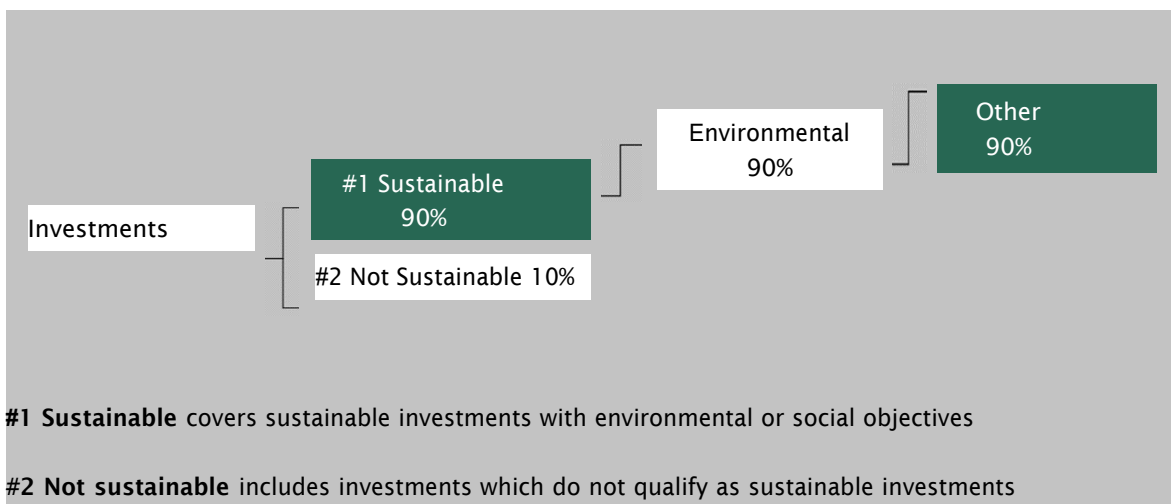
Asset allocation describes the share of investments in specific assets.

The Product intends to be at least 90% invested in securities that with a sustainable investment objective. This allocation is achieved through an eligibility criteria that excludes bonds that do not meet the ICMA Green Bond Principles. In practice that means that at least 90% of proceeds are dedicated to one of seven environmental project categories. As such the Index targets a minimum 90% asset allocation to environmentally impactful projects and therefore has over 90% of sustainable investments. The 90% also includes companies aligned 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. For further details on the UN Global Compact Ten Principles, please refer to www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html

Of the 90% invested in companies, a minimum of 100% 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 “other” 10% of the Product may include proceeds allocated by issuers to OpEx or CapEx outside of the Product’s eligible use-of-proceeds categories. The allocation is monitored and ensured through the bond reporting obligation which continues for the life of eligible bonds until proceeds have been fully disbursed.



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.

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.

How does the use of derivatives attain the sustainable investment objective?

The Product uses derivatives for managing broad market exposure. Derivatives are not used to attain the sustainable investment objective 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.

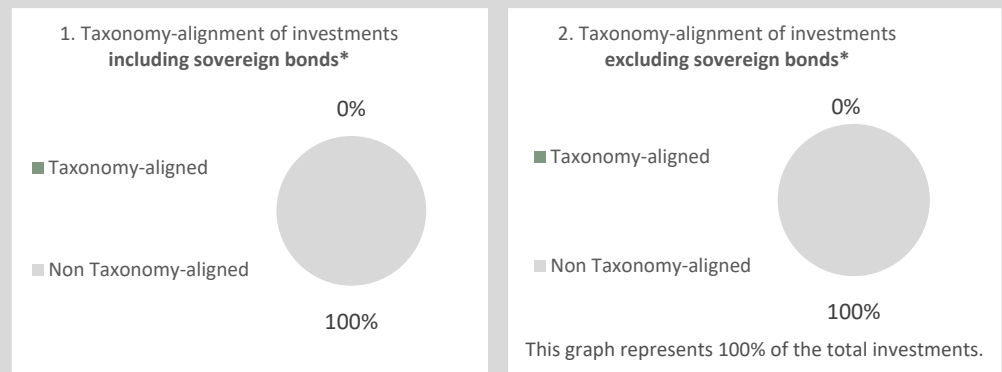
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

Yes:

In fossil gas In nuclear energy

No

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



¹ Fossil gas and/or nuclear related activities that contribute to 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 Regulation (EU) 2022/1214.

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 environmentally sustainable investments 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 sustainable investments with a social objective?

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



What investments are included under “#2 Not sustainable”, 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.
- Derivatives: The Product may use derivatives only for managing broad market exposure.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

The Product has a reference benchmark, the Bloomberg MSCI Green Bond Index, an index calculated by Bloomberg and whose securities are independently evaluated by MSCI ESG Research for inclusion in the Index based on the Green Bond Principles. Treasury, corporate, government-related, and securitized bonds are included.

How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?

For the Bloomberg MSCI Green Bond Index, securities are independently evaluated by MSCI ESG Research along four dimensions to determine whether a fixed-income security should be classified as a green bond. The securities to be excluded from the Index are based on MSCI ESG Research data and is calculated by Bloomberg.

Bloomberg maintains two universes of securities: the Returns (Backward) and the Projected (Forward) Universes. The composition of the Returns Universe is rebalanced at each month-end and represents the fixed set of bonds on which index returns are calculated for the next month. The Projected Universe is a forward-looking projection that changes daily to reflect issues dropping out of and entering the Index but is not used for return calculations. On the last business day of the month (the rebalancing date), the composition of the latest Projected Universe becomes the Returns Universe for the following month.

During the month, indicative changes to securities (credit rating change, sector reclassification, amount outstanding changes, corporate actions, and ticker changes) are reflected daily in the Projected and Returns Universe of the Index. These changes may cause bonds to enter or fall out of the Projected Universe of the Index on a daily basis, but will affect the composition of the Returns Universe at month-end only, when the Index is next rebalanced.

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

Alignment of the investment strategy is ensured through the tracking of the Bloomberg MSCI Global Green Bond Index which incorporates the various binding criteria to identify the “green” bonds whose proceeds have a clear net environmental benefit. This means that the Product is only able to own a security that meets the green bond eligibility criteria (companies that do not meet the specific criteria will not appear in the universe). To the extent possible, the investment guidelines and binding ESG criteria are coded into our investment management systems to provide pre- and post-trade controls.

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

The Product is managed against the Bloomberg MSCI Global Green Bond Index which is a global benchmark that measures the performance of the global market for fixed income securities issued to fund projects with direct environmental benefits. The securities are researched and evaluated by MSCI Research for green bond eligibility (bonds whose proceeds have a clear net environmental benefit).

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

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



Where can I find more product specific information online?

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