# NORTHERN TRUST UCITS FGR FUND

An open-ended umbrella fund for joint account divided into a number of Sub-Funds

established under the laws of the Netherlands

# PROSPECTUS

This Prospectus is dated 2 March 2026

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# 1 INTRODUCTION AND DECLARATION OF THE MANAGER

If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the FGR or the suitability for you of investing in the FGR, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

## NORTHERN TRUST UCITS FGR FUND (the FGR)

**The FGR is structured as an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) constituted by the Terms and Conditions which are governed by the laws of the Netherlands and thus the FGR is governed by the laws of the Netherlands. The FGR has no legal personality. The FGR was formed on 29 January 2015 for an indefinite period of time. The FGR is an umbrella fund, meaning that the FGR consists of various Sub-Funds. Each Sub-Fund comprises a separate portfolio of Assets of the FGR. For each Sub-Fund different classes of Units will be issued. Each Sub-Fund has a specific name and pursues its own investment objectives and strategy and is subject to a specific investment policy for the Assets allocated to it as set out in the relevant Supplement. The FGR and Sub-Funds is a contractual arrangement between the Manager and the Legal Titleholder governed by the Terms and Conditions. The Assets of the FGR will be held by the Legal Titleholder. The Legal Titleholder holds legal title to the Investments of the FGR and will hold cash and assets in accounts in its name, on behalf of the relevant Sub-Fund and for the account of the Unitholders.**

On the introduction of any new Sub-Fund or any new Class of Units, the Manager will issue a new or updated Supplement setting out the relevant details of each such Sub-Fund or new Class of Units as the case may be.

As of the date of this Prospectus, all or certain Sub-Funds are registered for distribution in Austria, Germany, Luxembourg, the Netherlands, Sweden and the United Kingdom.

Distribution of this Prospectus and the relevant Supplement is not authorised in any jurisdiction unless accompanied by a copy of the KIID or KID and the published annual report and audited accounts. KIDs shall be made available to EEA retail investors with KIIDs being made available to any non-EEA investors and/or any EEA professional clients. An investor shall only receive either a KIID or KID depending on their status and domicile.

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised.

To mitigate the impact of FATCA for the FGR, its Sub-Funds and the Unitholders, participation in the FGR is not open to Unitholders that are considered a Specified U.S. person as described under FATCA, Unitholders that refuse to cooperate with an increased identification of their FATCA Status or Unitholders that are considered as a Non Participating Foreign Financial Institution under the Intergovernmental Agreement.

In addition, the Manager reserves the right to impose restrictions on the holding of Units directly or indirectly by (and consequently to redeem Units held by) an entity who breached or falsified representations on subscription documents or who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such entity is not qualified to hold Units including without limitation any exchange control regulations, or if the holding of the Units by any entity is unlawful or is less than the minimum holding set for that Class of Units by the Directors, or in circumstances which (whether directly or indirectly affecting such entity, and whether taken alone or in conjunction with any other entity or entities, connected or not, or any other circumstances

appearing to the Manager to be relevant), in the opinion of the Manager, may result in the FGR, a Sub-Fund, any Units or any Class of Units or its Unitholders incurring any liability to taxation or suffering any other regulatory, pecuniary, legal, taxation or material administrative disadvantage which the FGR or the relevant Sub-Fund or any Class of Units or its Unitholders might not otherwise have incurred or suffered or might result in the FGR being required to comply with registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply or is otherwise prohibited by the Terms and Conditions.

This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language document. To the extent that there is any inconsistency between this English language document and the document in another language, this English language document shall prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Units are sold so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail.

**Potential subscribers and purchasers of Units should inform themselves as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Units.**

The information in Schedule II of this Prospectus is intended for potential subscribers and purchasers of Units residing in the Federal Republic of Germany.

The value of and income from Units in a Sub-Fund may go up or down and you may not get back the amount you have invested. There can be no assurance that a Sub-Fund will achieve its investment objectives and an investment in Units involves certain risks and your attention is drawn to the section entitled "**Risk Factors**" below and, where applicable, the relevant section of the relevant Supplement for a discussion of certain risks that should be considered by you. Due to the potential for above average risk such investment is only suitable for you if you (either alone or with the help of an appropriate financial or other adviser) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this Prospectus are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

Statements made in this Prospectus are based on the law and practice in force in the Netherlands at the date of the Prospectus as the case may be, which may be subject to change. Neither the delivery of this Prospectus nor the offer, issue or sale of Units shall under any circumstances constitute a representation that the affairs of the FGR have not changed since the date hereof. This Prospectus will be updated by the Manager to take into account any material changes from time to time. Any information or representation not contained herein or given or made by any broker, salesperson or other person should be regarded as unauthorised and should accordingly not be relied upon.

Any further distribution or reproduction of this document, in whole or in part, or the divulgence of any of its contents, is prohibited. A prospective investor should not subscribe for Units unless satisfied that he and/or his investment representative have asked for and received all information which would enable him or both of them to evaluate the merits and risks of the proposed investment.

No representations or warranties of any kind are intended or should be inferred with respect to the economic return from, or the tax consequences of, an investment in the FGR or any Sub-Fund. No assurance can be given that existing laws will not be changed or interpreted adversely.

Any information given, or representations made, by any dealer, salesman or other person which are not contained in this Prospectus or in any reports and accounts of the FGR forming part hereof must be regarded as unauthorised and accordingly must not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Units shall under any circumstances constitute a representation that the information contained in this Prospectus is correct as of any time subsequent to the date of this Prospectus. This Prospectus may from time to

time be updated either by updating this Prospectus in its entirety and issuing a new and updated version of this Prospectus or by issuing one or more addenda, which will reflect changes or additions to this Prospectus. The addenda are supplemental to, form part of and should be read in conjunction with this Prospectus and may not be distributed unless accompanied by (other than to prior recipients of) the Prospectus. Intending subscribers should enquire of the Manager or the Administrator as to the issue of any later Prospectus or as to the issue of any reports and accounts of the FGR.

All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Terms and Conditions, copies of which are available as mentioned herein.

This Prospectus shall be governed by and construed in accordance with the laws of the Netherlands. Defined terms used in this Prospectus shall have the meanings attributed to them in the section entitled "Definitions" below.

The Directors of the Manager, Northern Trust Fund Managers (Ireland) Limited, whose names appear in the section entitled "**Directors of the Manager**" below accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly. The Manager declares that it, the FGR and the Legal Titleholder associated to the FGR comply with the rules laid down by or pursuant to the AFS and that the Prospectus complies with the rules laid down by or pursuant to the AFS and the Decree.

## 2 DEFINITIONS

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| **"4MLD"** | means the Fourth Anti-Money Laundering Directive (2015/849/EU); |
| **"Accounting Date"** | means the date by reference to which the annual accounts of each Sub-Fund shall be prepared and shall be 31 December in each year commencing on 31 December 2015 or such other date as the Manager may determine and (in the case of the termination of the FGR Period or of a Sub-Fund Period) the date on which the final payment of cash and/or Investments shall have been made to Unitholders; |
| **"Accounting Period"** | means, in respect of each Sub-Fund, a period ending on an Accounting Date and commencing, in the case of the first such period on the date of the first issue of Units of the relevant Sub-Fund and, in subsequent periods, on the expiry of the preceding Accounting Period; |
| **"Administrator"** | means Northern Trust International Fund Administration Services (Ireland) Limited or any successor appointed thereto; |
| **"AFM"** | means the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiele Markten*) or any successor regulatory authority with responsibility for supervising the FGR; |
| **"AFS"** | means the Act on the Financial Supervision (*Wet op het financieel toezicht*) as amended from time to time; |
| **"AIF"** | means an alternative investment fund as defined in Regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013) and/or any other collective investment undertaking meeting the criteria outlined in Regulation 68(e) of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011), as may be amended, consolidated or substituted from time to time; |
| **"Annex(es)"** | means an annex to a Supplement to this Prospectus, issued from time to time, prepared for the purpose of meeting the specific financial product level disclosures contained in SFDR and specifically, the disclosure requirements applicable to Article 8 Funds and Article 9 Funds; |
| **"Article 6 Fund"** | means a Sub-Fund which does not meet the criteria outlined in SFDR; |
| **"Article 8 Fund"** | means a Sub-Fund that meets the criteria outlined in Article 8 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 Sub-Fund invests in follow good governance practices; |

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| **"Article 9 Fund"** | means a Sub-Fund that in accordance with the criteria outlined in Article 9 SFDR has Sustainable Investment as its objective; |
| **"Assets"** | means the Investments and/or cash of each Sub-Fund from time to time; |
| **"Associate"** | means in relation to a corporation, a holding company or a subsidiary of such corporation or a subsidiary of the holding company of such corporation; and means in relation to an individual or firm or other unincorporated body, any corporation directly or indirectly controlled by such person; |
| **"Auditors"** | means KPMG Accountants N.V. or any successor appointed thereto; |
| **"BaFin"** | means the German Federal Financial Supervisory Authority (the *Bundesanstalt für Finanzdienstleistungsaufsicht*); |
| **"Base Currency"** | means in relation to any Sub-Fund such currency as is specified in the Supplement for the relevant Sub-Fund; |
| **"Benchmark Regulation"** | means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds |
| **"Business Day"** | means in relation to any Sub-Fund such day or days as is or are specified in the Supplement for the relevant Sub-Fund; |
| **"CIS"** | means a collective investment scheme; |
| **"Class" or "Class of Units"** | means any class of Unit issued by the Manager in respect of any Sub-Fund; |
| **"Connected Person"** | means the persons defined as such in the section headed "Portfolio Transactions and Conflicts of Interest"; |
| **"CRS"** | means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard; |
| **"Currency Hedged Class"** | means a Class of a Sub-Fund which allows the use of hedging transactions to reduce the effect of exchange rate fluctuations as described under the section of this Prospectus entitled "**Hedging**"; |
| **"Dealing Day"** | means in respect of each Sub-Fund such Business Day or Business Days as is or are specified in the Supplement for the relevant Sub-Fund provided that there shall be at least one Dealing Day per fortnight; |



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| **"Dealing Deadline"** | means in relation to applications for subscription, redemption or exchange of Units in a Sub-Fund, the day and time specified in the Supplement for the relevant Sub-Fund provided always that the Dealing Deadline is no later than the Valuation Point; |
| **"Decree"** | means the Decree on conduct of business of financial institutions AFS (*Besluit gedragstoezicht financiele ondernemingen Wft*); |
| **"Depositary"** | means Northern Trust Global Services Societas Europaea, Amsterdam branch or any successor appointed; |
| **"Depositary Agreement"** | means the agreement between the Manager, the Legal Titleholder (for as far as relevant) and the Depositary, which includes the custody of the Assets, as may be amended, supplemented or otherwise modified from time to time; |
| **"Directors"** | means the Directors of the Manager, each a "Director"; |
| **"EEA"** | means the European Economic Area; |
| **"Eligible Counterparty"** | means a counterparty to over-the-counter "OTC" derivatives with which a Sub-Fund may trade which at the date of this Prospectus comprise the following:<br><br>(i) a Relevant Institution;<br><br>(ii) an investment firm, authorised in accordance with the recast Markets in Financial Instruments Directive (2014/65/EU) in an EEA Member State; or<br><br>(iii) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve. |
| **"ESG"** | means environmental, social and governance; |
| **"EU"** | means the European Union; |
| **"Euro", "EUR" or "€"** | means the lawful single currency of the participating Member States of the EU or any replacement thereof, as the case may be; |
| **"FATCA"** | (a) sections 1471 to 1474 of the US Internal Revenue Code of 1986, as amended or any associated regulations or other official guidance;<br><br>(b) any intergovernmental agreement, treaty, regulation, guidance or other agreement between the government of the Netherlands (or any Dutch government body) and the U.S., UK or any other jurisdiction (including any government bodies in such jurisdiction) entered into in order to comply with, facilitate, supplement, implement or give effect to the legislation, regulations or guidance described in paragraph (a) above; or |



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| | (c) any legislation, regulations or guidance in the Netherlands that give effect to the matters outline in the preceding paragraphs; |
| **"FBI"** | means Fiscal investment institution (*fiscale beleggingsinstelling*) within the meaning of Article 28 of the Dutch Corporate Income Tax Act 1969 (*Wet op de Vennootschapsbelasting 1969*); |
| **"FDI"** | means a financial derivative instrument (including an over-the-counter "**OTC**" derivative, i.e. a financial derivative instrument not traded on a Regulated Market); |
| **"FGR Period"** | means the period of the FGR as set out in the Terms and Conditions; |
| **"GBP"** | means Great Britain Pound Sterling, the lawful currency of the United Kingdom or any replacement thereof as the case may be; |
| **"German Information Agent"** | has the meaning ascribed thereto in Schedule II; |
| **"Initial Issue Price"** | means the price per Unit at which Units are initially offered in a Sub-Fund during the Initial Offer Period as specified in the Supplement for the relevant Sub-Fund (after the addition of a dilution levy, if applicable); |
| **"Initial Offer Period"** | means the initial period during which Units in a Sub-Fund are initially offered at the Initial Issue Price as specified in the Supplement for the relevant Sub-Fund or such other offer period in substitution as the Manager may from time to time in its discretion determine in a particular case; |
| **"Intergovernmental Agreement"** | means the convention between the Netherlands and the United States that includes provisions on the application of FATCA; |
| **"Investment"** | means an investment in accordance with the relevant rules and regulations applicable to UCITS, including an FDI, subject to the restrictions and limits as set out in the relevant Supplement for the relevant Sub-Fund; |
| **"Investment Management Agreement"** | means the investment management agreement between the Manager and an Investment Manager as may be substituted, amended, supplemented, novated or otherwise modified from time to time; |
| **"Investment Manager"** | means the investment manager appointed to manage the investment and re-investment of some or all of the Assets of any one or more of the Sub-Funds; |
| **"Issue Price"** | means the Net Asset Value per Unit (after the addition of a dilution levy, if applicable); |
| **"KAGB"** | means the German Capital Investment Code (*Kapitalanlagegesetzbuch*); |
| **"KID"** | means the key information document as required by the PRIIPs Regulation; |

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| **"KIID"** | means the key investor information document; |
| **"Legal Titleholder"** | means Stichting Bewaarder Anchor NL Beleggingsfondsen; |
| **"Manager"** | means Northern Trust Fund Managers (Ireland) Limited; |
| **"Member State"** | means a member state of the EU; |
| **"Minimum Additional Investment Amount"** | means such amount (if any) as the Manager may from time to time prescribe as the minimum additional investment amount required by each Unitholder for Units of each Class in a Sub-Fund as is specified in the Supplement for the relevant Sub-Fund; |
| **"Minimum Holding"** | in respect of a Sub-Fund means either a holding of Units in the relevant Sub-Fund or any Class the value of which by reference to the Net Asset Value per Unit is not less than such amount as may be determined by the Manager from time to time or such minimum number of Units as the Manager may determine and set out in the relevant Supplement for the relevant Sub-Fund; |
| **"Minimum Initial Investment Amount"** | means such amount (if any) or its foreign currency equivalent or any such higher amount as the Manager may from time to time determine in its absolute discretion as the minimum initial investment amount required by each Unitholder for Units of each Class in a Sub-Fund as is specified in the Supplement for the relevant Sub-Fund; |
| **"Minimum Net Asset Value"** | means such amount (if any) as the Manager considers for each Sub-Fund and as set out in the Supplement for the relevant Sub-Fund; |
| **"Money Market Instruments"** | means money market instruments as defined in the Regulation (EU) 2017/1131 on money market funds (the Money Market Fund Regulation); |
| **"Month"** | means a calendar month; |
| **"Net Asset Value" or "Net Asset Value per Unit"** | means in respect of the Assets of a Sub-Fund or the Units in a Sub-Fund, the amount determined in accordance with the principles set out in the section entitled "**Calculation of Net Asset Value/Valuation of Assets**" below as the Net Asset Value of a Sub-Fund or the Net Asset Value per Unit; |
| **"Preliminary Charge"** | means a subscription charge payable to the Manager, acting on behalf of the relevant Sub-Fund, calculated as a percentage of the Initial Issue Price (or the Net Asset Value per Unit for subscriptions after the Initial Offer Period), as disclosed in the relevant Supplement for the relevant Sub-Fund. |
| **"PRIIPs Regulation"** | means Regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products as amended from time to time and including any supplementing European Commission delegated regulations in force from time to time; |

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| **"Profit"** | means all income earned by a Sub Fund during a Profit Period and distributable to the Unitholders of the Sub-Fund calculated and as may be adjusted as described in the Profit Payments section below; |
| **"Profit Distribution Date"** | means the date or dates by reference to which a Profit distribution may at the discretion of the Manager be declared and paid and shall be disclosed in the Supplement for the relevant Sub-Fund; |
| **"Profit Period"** | means any period ending on an Accounting Date or a Profit Distribution Date as the Manager may select and beginning on the day following the last preceding Accounting Date, or the day following the last preceding Profit Distribution Date, or the date of the initial issue of Units of a Sub-Fund, as the case may be; |
| **"Prospectus"** | means this prospectus in relation to the FGR and its Sub-Funds including its Schedules and Supplements, as amended from time to time; |
| **"Redemption Charge"** | means an amount payable to the Manager acting on behalf of the relevant Sub-Fund, calculated as a percentage of the Redemption Proceeds, which percentage is disclosed in the relevant Supplement for the relevant Sub-Fund; |
| **"Redemption Price"** | means the Net Asset Value per Unit (after the deduction of a dilution levy, if applicable); |
| **"Redemption Proceeds"** | means the amount due on the redemption of Units being the Net Asset Value per Unit; |
| **"Regulated Market"** | means any exchange in or outside of the EEA or any market which is regulated, operates regularly, is recognised and open to the public; |
| **"Relevant Institution"** | means credit institutions authorised in an EEA Member State or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988, or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand; |
| **"Schedule"** | means the schedules of this Prospectus which form an integral part of the Prospectus; |
| **"Securities Act"** | means the United States Securities Act of 1933, as amended; |
| **"Securities Financing Transactions"** | means repurchase agreements, reverse repurchase agreements, securities lending agreements and any other transactions within the scope of SFTR that a Sub-Fund is permitted to engage in; |
| **"Settlement Date"** | means in respect of receipt of monies for subscription for Units or dispatch of monies for the repurchase of Units, the date specified in the Supplement for the relevant Sub-Fund; |
| **"SFDR" and "Disclosure Regulation"** | means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as may be amended, supplemented, |

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| | consolidated, substituted in any form or otherwise modified from time to time; |
| **"SFTR"** | means Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time; |
| **"Sub-Fund"** | means a separate part of the Assets of the FGR, represented by classes of Units and having its own characteristics, such as investment policy and risk profile. The specifications of each Sub-Fund are described in the Supplements; |
| **"Sub-Fund Period"** | means the period from the date of establishment of a Sub-Fund until the date on which the Sub-Fund shall be terminated in the manner provided for in the relevant Terms and Conditions; |
| **"Subscription Agreement"** | means the agreement pursuant to the provisions of which an investor agrees to purchase Units in and become a Unitholder of the FGR; |
| **"Subscriptions/Redemptions Account"** | means the account in the name of the Manager through which subscription monies and redemption proceeds and dividend income (if any) for each Sub-Fund are channelled, the details of which are specified in the application form; |
| **"Supplement"** | means any supplement to this Prospectus from time to time, which forms an integral part with this Prospectus, noting that any such supplement may be issued with an Annex or addendum containing supplemental information on the relevant Sub-Fund or Class; |
| **"Sustainable Investment"** | means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance; |
| **"Sustainability Risk"** | means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment, including but not limited to, risks stemming from climate change, natural resource depletion, environmental degradation, human rights abuses, bribery, corruption and social and employee matters; |
| **"Taxonomy Regulation"** | means the Regulation on the Establishment of a Framework to Facilitate Sustainable Investment (Regulation EU/2020/852) as may be |

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| | supplemented, consolidated, substituted in any form or otherwise modified from time to time; |
| **"Terms and Conditions"** | means the terms and conditions of management and custody (*voorwaarden van beheer en bewaring*) of the FGR and each Sub-Fund between the Manager and the Legal Titleholder; |
| **"Total Return Swaps"** | means a derivative (and a transaction within the scope of SFTR) whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty; |
| **"Transferable Securities"** | means:<br><br>(a) shares in companies and other securities equivalent to shares in companies;<br><br>(b) bonds and other forms of securitised debt; and<br><br>(c) other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange. |
| **"UCITS"** | means an *icbe* as defined in section 1:1 of the AFS; |
| **"UCITS Requirements"** | means the legislative and regulatory framework for the authorisation and supervision of UCITS in place in the Netherlands from time to time, whether under the terms of UCITS V or otherwise; |
| **"UCITS V"** | means Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration and sanctions as amended from time to time and including any supplementing European Commission delegated regulations in force from time to time; |
| **"Unit"** | means one undivided beneficial interest in the Assets of a Sub-Fund and includes any fraction of a Unit which may be further divided into different Classes of Unit. Units in the FGR are not shares but serve to determine the proportion of underlying Assets of the FGR to which each Unitholder is beneficially entitled; |
| **"UK"** | means the United Kingdom of Great Britain and Northern Ireland; |
| **"United States" and "U.S."** | means the United States of America, (including each of the states, the District of Columbia and the Commonwealth of Puerto Rico) its territories, possessions and all other areas subject to its jurisdiction; |
| **"Unitholders"** | means any person holding one or more Units of a Sub-Fund or, where appropriate, holding a particular Class of Units entered on the register maintained by the FGR as being the holder for the time being of Units and includes persons so entered as joint holders of a Unit, such holder or holders being legally entitled to an undivided co-ownership interest with the other holders in the Assets of the Sub-Fund and each a "Unitholder". For the avoidance of doubt, a Unitholder is absolutely |

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| | entitled to the income of the relevant Sub-Fund as it arises whether or not a Profit payment is made; |
| **"U.S. Dollars", "U.S.D.", "U.S.$" "Dollars"** and **"$"** | means the lawful currency of the United States or any replacement thereof as the case may be; |
| **"U.S. Person"** | means any person falling within the definition of the term "U.S. Person" under Regulation S promulgated under the US Securities Act 1933, as amended; |
| **"Valuation Point"** | means the point in time by reference to which the Net Asset Value of a Sub-Fund and the Net Asset Value per Unit are calculated as is specified in the Supplement for the relevant Sub-Fund; and |
| **"Website"** | means www.fgrinvesting.com. |

# 3 FGR

The FGR is an investment fund (*beleggingsfonds*) as referred to in Article 1:1 of the AFS. The FGR is an umbrella fund for joint account (*fonds voor gemene rekening*). The FGR is not a legal entity, but the aggregate of the Assets less an amount equal to all accrued debts, liabilities and obligations of the FGR, in which monies or other assets are called or received for the purpose of collective investment by the Unitholders, as governed by the Terms and Conditions and this Prospectus. The Terms and Conditions form the agreement entered into between the Manager and the Legal Titleholder and, by virtue of such agreement, apply to their legal relationship. The Terms and Conditions do not form an agreement between any or all Unitholders among themselves and are not (otherwise) aimed at any cooperation among or between any or all Unitholders. The Legal Titleholder is the legal owner (*juridisch eigenaar*) of all Assets. The Legal Titleholder will acquire and hold the Assets for the purpose of custody (*ten titel van bewaring*) on behalf and for the account of the Unitholders. Any interest of the Unitholders is represented by the Units held by each of them. A Unit of the same Class gives the Unitholder a contractual claim against the Legal Titleholder for payment of an amount equal to the value of a pro rata share of the relevant Net Asset Value subject to the Terms and Conditions. Unitholders have no proprietary rights with respect to the Assets but an economic interest in the Assets. Unitholders represent an identical interest in the Assets.

The FGR is structured as an open-ended umbrella fund with multiple Sub-Funds. Additional Sub-Funds may be established from time to time by the Manager. At the date of this Prospectus, the following Sub-Funds have been established:

- NT North America Screened Equity Index FGR Fund
- NT Europe Screened Equity Index FGR Fund
- Northern Trust Developed Real Estate Index UCITS FGR Fund
- NT Europe Screened Equity Index FGR Feeder Fund
- NT Europe Value Select Equity FGR Feeder Fund
- NT World Screened Equity Index FGR Feeder Fund
- NT World High Dividend Select Equity FGR Feeder Fund
- NT North America Screened Equity Index FGR Feeder Fund
- NT Emerging Markets Screened Equity Index FGR Fund
- NT Real Estate Climate Index FGR Fund
- NT Pacific Screened Equity Index FGR Fund
- NT World Small Cap Low Carbon Equity Index FGR Feeder Fund
- NTCM Europe Low Carbon Plus Equity Index FGR Feeder Fund
- NTCM World Low Carbon Plus Equity Index FGR Feeder Fund
- NTCM Emerging Markets Plus Equity Index FGR Fund

- NTCM Emerging Markets Low Carbon Plus Equity Index FGR Fund
- NT World PAB Plus Equity Select Index FGR Fund
- NT Emerging Markets Selection P-Series Equity Index FGR Fund
- NTCM North America Low Carbon Plus Equity Index FGR Fund
- NTCM Pacific Low Carbon Plus Equity Index FGR Fund
- NTCM World Journey Equity Index Fund
- NT Europe Selection P-Series Equity Index FGR Fund
- NT USA Selection P-Series Equity Index FGR Fund
- NTCM Emerging Markets Journey Equity Index Fund
- NT Pacific Selection P-Series Equity Index FGR Fund
- NTCM WMP World Core Equity Fund
- NTCM WMP World Sustainable Equity Fund
- NT Emerging Markets Paris-Aligned Plus Select Index FGR Fund

On the introduction of any new Sub-Fund, the Manager will issue a Supplement setting out the relevant details of each such Sub-Fund and any other documentation in relation to the establishment of the Sub-Fund. A separate portfolio of Assets will be maintained for each Sub-Fund. Separate records will also be maintained for each Sub-Fund with Assets and liabilities allocated to the relevant Sub-Fund and each Sub-Fund will be invested in accordance with the investment objective applicable to such Sub-Fund. The Legal Titleholder will only be used for long only equity or fixed income index tracking Sub-Funds and long only equity or fixed income smart-beta Sub-Funds.

Units may be issued in relation to each Sub-Fund. Different Classes of Units may also be issued in relation to any Sub-Fund in advance of the creation of each Class of Unit and the different Classes of Unit available for issue in each Sub-Fund will be set out in a Supplement for the relevant Sub-Fund. The different Classes of Units in a Sub-Fund may have different charging structures, distribution policies designation of Units in different currencies or gains/losses on and costs of different financial instruments employed for currency hedging between the Base Currency of a Sub-Fund and the designated currency of the relevant Class of Units and the Minimum Initial Investment Amount therefore may also differ. Details of such structures and amounts for each Sub-Fund shall be set out in a Supplement for the relevant Sub-Fund. The different Classes of Units within a Sub-Fund together represent interests in a single pool of Assets

All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Terms and Conditions, copies of which are available as mentioned herein.

### 3.1 Investment Objective and Policies

The Terms and Conditions provide that the investment objective and policies for each Sub-Fund will be formulated by the Directors at the time of the creation of that Sub-Fund. Details of the investment objective and policies for each Sub-Fund of the FGR appear in the relevant Supplement. Unless otherwise set out in the relevant Supplement, the investment objective of each Sub-Fund will be to (i) replicate an Index ("**Replicating Sub-Funds**"); or (ii) provide Unitholders with a return (either at the relevant scheduled maturity date or on each Dealing Day) linked to an Index ("**Non-Replicating Sub-Funds**").

The Terms and Conditions may be amended by the Manager and the Legal Titleholder, acting jointly. An amendment becomes effective at a date to be determined by the Manager and the Legal Titleholder. However, an amendment of the Terms and Conditions causing a reduction of a Unitholder's rights or security, imposing costs on a Unitholders or causing a change to the investment policy of the FGR, only becomes effective vis-à-vis the Unitholders after the lapse of a period of one month following the date of the notification thereof. Unitholders may redeem their Units in this period under the existing (i.e. un-amended) Terms and Conditions.

An amendment and a proposed amendment of the Terms and Conditions together with an explanation will be communicated to the Unitholders posted to the address of the Unitholders and on the Website.

*Replicating Sub-Funds*

Replicating Sub-Funds seek to replicate as closely as possible the constituents of the Index by holding all the securities comprising the Index in similar proportion to their weightings in the Index and, in doing so, are permitted to avail of the higher investment limits in accordance with Article 138 of the Decree. It may not, however, always be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to holders of Units in the relevant Sub-Fund (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Index, or in circumstances where a security in the Index becomes temporarily illiquid, unavailable or less liquid, or as a result of legal restrictions that apply to the Sub-Fund but not to the Index). In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Index, whose returns, individually or collectively, are considered by the Investment Manager to be well- correlated to the constituents of the Index.

Replicating Sub-Funds will state the intent to avail of the investment limits in accordance with Article 138 of the Decree in their investment policy. For the avoidance of doubt, where a Sub-Fund does not adopt an full replication strategy of its Index in accordance with the Decree, it will not be permitted to avail of the increased limits of 20%/35% of its Net Asset Value in a single issuer.

*Non-Replicating Sub-Funds*

Investors should note that it may not be possible or practicable for an index tracking Sub-Fund to purchase or gain exposure to all of the constituent securities of its Index in their proportionate weightings or to purchase them at all due to various factors, including the costs and expenses involved and the concentration limits described in the Decree.

In these circumstances, the Investment Manager of such a Non-Replicating Sub-Fund may, in tracking the Index, decide to hold a representative sample of the securities contained in the Index but will aim to track its Index as closely as possible.

In such circumstances, the Investment Manager may employ a range of techniques designed to select those securities which will create the representative sample that tracks the performance of the Index as closely as possible. To create the sample either optimisation and/or stratified sampling techniques are used. Optimisation is a sampling technique that seeks to minimize tracking error through proprietary quantitative portfolio analysis. This analysis may include consideration of matters such as: how a security's price changes in relation to another over time, scenario analysis (which involves estimating the change in a portfolio's value given a change in key risk factors) and stress testing. Stratified sampling is a technique that divides the constituents of the relevant Index into distinct, non-overlapping risk groups called strata and selects those securities in the Index which match the risk characteristic of these groups. Some of the strata could include, but are not limited to, the market capitalisation of the companies, currency, country, industry sectors, and credit quality. In the case of fixed income securities, strata may also include key rate duration, convexity (which is measure of how a change in interest rates affects the duration of a bond), capital structure, and bond specific covenants.

The level of sampling used by any index tracking Sub-Fund will be determined by the nature of the Index components – some such Sub-Funds may use sampling extensively whilst others may only use it infrequently.

Investors in such Non-Replicating Sub-Funds will be exposed to the performance of the underlying securities comprised in the relevant Sub-Fund's Index.

There may also be instances where an index tracking Sub-Fund holds securities which are not component securities in the Index, if the Investment Manager believes this to be appropriate.

Replicating Sub-Funds availing of the increased concentration limits of the Decree (as disclosed in their investment strategies) will not avail of these techniques, see Replicating Sub-Funds above.

Changes to the composition and/or weighting of the securities constituting the Index which is tracked or replicated by a Sub-Fund will ordinarily require that Sub-Fund to make corresponding adjustments or re-balancing to its holdings in order to seek to track or replicate the Index. The Investment Manager will in a timely manner and as efficiently as possible, but subject to its overall discretion in accordance with the investment strategies of the relevant Sub-Fund, seek to rebalance the composition and/or weighting of the investments held by a Sub-Fund from time to time and, to the extent practicable and possible, to conform its exposure to the changes in the composition and/or weighting of securities constituting the relevant Index. Other rebalancing measures may be taken from time to time to seek to maintain the correspondence between the performance of a Sub-Fund and the performance of the Index. Unless otherwise discussed in the relevant Supplement, the rebalancing frequency of the Index is not expected to have a material impact on the transaction costs associated with a Sub-Fund.

The Investment Manager may seek to gain exposure to the component securities of the Index through the use of FDI which will enable the relevant Sub-Fund to receive, from a counterparty, the return of the particular Index in exchange for periodic cash payments.

The extent to which a Non-Replicating Sub-Fund uses the optimisation techniques or stratified sampling will depend on the nature of the constituents of its Index, the practicalities and cost of tracking the relevant Index, and such use is at the discretion of the Investment Manager. For example, a Sub-Fund may use optimisation techniques or stratified sampling extensively and may be able to provide a return similar to that of its Index by investing only in a relatively small number of the constituents of its Index. The Sub-Fund may also hold some securities which provide similar performance (with matching risk profile) to certain securities that make up the relevant Index even if such securities are not themselves constituents of the Index and the Sub-Fund's holdings may exceed the number of constituents of the Index

**Details of the investment objectives and policies of each Sub-Fund appear in the Supplement for the relevant Sub-Fund. There can be no assurance that each Sub-Fund will achieve its investment objective.**

### 3.2 Investment Restrictions

The FGR will at all times act in accordance with rules regarding cluster munitions laid down in the Decree on Market Abuse (*Besluit marktmisbruik Wft*) as amended from time to time, including, for the avoidance of doubt, any applicable exemptions. For the definition of "cluster munition", please see to article 2(2) of the Convention on Cluster Munitions.

The particular investment restrictions for each Sub-Fund will be formulated by the Manager at the time of the creation of the Sub-Fund and will appear in the relevant Supplement. These investment restrictions may be amended. If such amendment constitutes an amendment to the investment policy, this will be communicated as set out under paragraph 3.1 "**Investment Objective and Policies**".

The investment restrictions applying to each Sub-Fund are set out in paragraph 2 of the relevant Supplement. The investment restrictions permitted under the laws of the Netherlands are laid down in the AFS and the Decree, which can be found via www.overheid.nl.

With the exception of permitted investment in unlisted investments and forward currency contracts which may not be listed or traded on Regulated Markets, investments by a Sub-Fund will be restricted to securities and FDI listed or traded on Regulated Markets.

Any changes to the investment or borrowing restrictions will be disclosed in the relevant Supplement.

### 3.3 Pooling

The Investments may be pooled by the Depositary with investments of other investment funds (*beleggingsinstellingen*) or UCITS, provided that the Depositary will be able to evidence at all times which of the Investments are held for a specific Sub-Fund. The Sub-Funds do not constitute each a separate estate (*afgescheiden vermogen*). Consequently, all Assets held by the Legal Titleholder would be subject to recourse by all creditors of the Legal Titleholder. The sole statutory purpose of the Legal Titleholder is to fulfil the function of title holder of assets of CIS. The Manager is authorised to give instructions to the Depositary to enable the pooling of the Investments with the investments of other investment funds managed by the Manager.

### 3.4 Borrowing and Leverage

The borrowing restrictions applying to each Sub-Fund are set out in paragraph 3 of the relevant Supplement. The borrowing restrictions permitted under the laws of the Netherlands are laid down in the AFS and the Decree, which can be found via www.overheid.nl.

The Manager may only borrow on a temporary basis for the account of a Sub-Fund for liquidity reasons relating to the subscription and redemption of Units and the aggregate amount of such borrowings may not exceed ten (10) per cent of the Net Asset Value of such Sub-Fund. The securities may be lent to pre-selected financial undertakings. The Manager may receive security in case of securities lending, which security can consist of cash and cash equivalent assets, bonds and equity securities. The Manager may make and, vary arrangements for the account of any Sub-Fund to acquire foreign currency by means of a back-to-back loan. Any agreements in relation to borrowings (with the exception of granting security) shall be entered into by the Manager. The debt present in the FGR shall never exceed the limits of article 28, paragraph 2 (a) Dutch Corporate Income Tax act 1969 (*Wet op de Vennootschapsbelasting 1969*).

The Manager may charge the Assets of a Sub-Fund as security for borrowings of that Sub-Fund. While leverage presents opportunities for increasing total return, it has the effect of potentially increasing losses as well. If income and appreciation on investments made with borrowed funds are higher than the cost of the leverage, the Net Asset Value will increase. If income and appreciation on investments made with borrowed funds are less than the cost of leverage, the value of the Net Asset Value will decrease. Accordingly, any event, which adversely affects the value of an investment by the FGR will be multiplied by an extent closely related to the leverage employed. Repayment obligations to funding parties (including but not necessarily limited to the Depositary) will be secured upon the Assets. This means that funding parties will be preferred creditors of the FGR. The FGR will be subject to increased risks in case of borrowing and leverage, such as market and liquidity risk, counterparty and settlement risk as set out in Chapter 4 "**Risk Factors**".

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.

### 3.5 Voting policy

The Manager will vote in accordance with the voting policy of the Investment Manager, which will be published on the Website.

*Proxy Voting and Engagement*

Proxy voting and engagement activities in respect of securities held by the Sub-Funds are conducted pursuant to the terms of the Northern Trust's Proxy Voting Policies & Procedures, unless otherwise listed under the heading "ISS SRI Voting Policy" below and Northern Trust's Engagement Policy Statement.pdf.

*ISS SRI Voting Policy*

The following Sub-Funds will follow the ISS SRI Voting Policies:

- NTCM Emerging Markets Plus Equity Index FGR Fund;
- NTCM Emerging Markets Low Carbon Plus Equity Index FGR Fund;
- NTCM North America Low Carbon Plus Equity Index FGR Fund;
- NTCM Pacific Low Carbon Plus Equity Index FGR Fund;
- NTCM Europe Low Carbon Plus Equity Index FGR Feeder Fund;
- NTCM World Low Carbon Plus Equity Index FGR Feeder Fund; and
- NTCM WMP World Sustainable Equity Fund.

*Master Fund Voting Policy*

The following Sub-Funds are Feeder Funds and will follow the ISS SRI Voting Policies of their Master Fund:

- NTCM Europe Low Carbon Plus Equity Index FGR Feeder Fund; and
- NTCM World Low Carbon Plus Equity Index FGR Feeder Fund.

Copies of the ISS SRI Voting Policies are available via the following websites

- https://www.issgovernance.com/file/policy/active/specialty/SRI-US-Voting-Guidelines.pdf; and
- https://www.issgovernance.com/file/policy/active/specialty/SRI-International-Voting-Guidelines.pdf.

### 3.6 Tracking Difference

Tracking difference is simply the difference between a Sub-Fund's actual return and its Index return over a specific period of time. While each index-tracking Sub-Fund is expected to track its Index as closely as possible, it typically will not match the performance of the Index exactly. Tracking difference can be positive or negative. An index's performance is theoretical – meaning that it simply reflects the increase or decrease in the value of the securities within that index. As such, an index's performance does not take into account the costs of buying and selling securities such as brokerage fees, commissions, stamp duty, custody fees, regulatory fees, exchange fees and spreads. Each index-tracking Sub-Fund incurs all of these expenses in tracking an index. These expenses will have a negative impact on Sub-Fund's performance, relative to its Index.

Additionally potential taxation of market returns in some markets and the liquidity impact of the Sub-Fund's index tracking/replication strategy will impact return. Furthermore, exposure to the Index may be affected by rebalancing costs, in particular where the Index undergoes significant rebalancing or where constituents are not very liquid or have restrictions in terms of accessibility. Rebalancing costs are a factor of the rebalancing frequency of the underlying Index, the constituents' weighting adjustments and/or the number of constituents being replaced on each rebalancing day, and the transaction costs incurred to implement such changes. High rebalancing costs will generally deteriorate the relative performance between the Sub-Fund and the Index. The rebalancing frequency and any rebalancing costs are detailed for each Sub-Fund in the relevant Supplement

### 3.7 Tracking Error

The measure of variability of a Sub-Fund's tracking difference is called the tracking error, i.e. the volatility of the difference in returns between a Sub-Fund and its Index (the "**Tracking Error**"). The Tracking Error of each Sub-Fund will be set out in the Supplement for the relevant Sub-Fund.

The annual and half-yearly reports will state the size of the Tracking Error at the end of the period under review. The annual report will provide an explanation of any divergence between the anticipated and realised Tracking Error for the relevant period.

### 3.8 Hedging

A Sub-Fund may (but is not obliged to) enter into certain currency-related transactions in order to seek to hedge out currency risk. The presence of any Currency Hedged Classes, as well as details of any particular features, shall be clearly disclosed in the Supplement for the relevant Sub-Fund.

Unless otherwise disclosed in the relevant Supplement, this will involve a Class being hedged against (i) exchange rate fluctuation risks between the designated currency of the Class and the Base Currency of the relevant Sub-Fund; and/or (ii) exchange rate fluctuation risks between the designated currency of the Class and some or all of the other denominated currencies of the Sub-Fund's assets.

To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move in line with the performance of the underlying assets.

Any financial instruments used to implement such currency hedging strategies with respect to one or more Classes shall be assets/liabilities of the Sub-Fund but will be attributable to the relevant Class(es) and the gains and losses (realised and unrealised) on, and the costs of the currency hedging transactions (including any administrative costs arising from additional risk management) will accrue solely to the relevant Class. However, investors should note that there is no segregation of liability between Classes. Although the costs, gains and losses of the currency hedging transactions will accrue solely to the relevant Class, Unitholders are nonetheless exposed to the risk that hedging transactions undertaken in one Class may impact negatively on the Net Asset Value of another Class. Please refer to the section of this Prospectus entitled "**Currency Hedging at Class Level Risk**" for more details.

Any additional risk introduced to the Sub-Fund through the use of currency hedging for a given Class should be mitigated and monitored appropriately. Accordingly, in accordance with the AFS and the Decree, the following operational provisions will apply to any currency hedging transactions:

(a) Counterparty exposure should be managed in accordance with the limits in the AFS and the Decree.

(b) Over-hedged positions should not exceed 105 per cent. of the Net Asset Value of the relevant Class which is to be hedged against the currency risk.

(c) Under-hedged positions should not fall short of 95 per cent. of the portion of the Net Asset Value of the relevant Class which is to be hedged against currency risk.

(d) Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the Sub-Fund, to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels disclosed above.

(e) Such review will incorporate a procedure to rebalance the hedging arrangements on a regular basis to ensure that positions materially in excess of 100 per cent or under-hedged positions will not be carried forward from month to month.

(f) The currency exposures of different currency Classes may not be combined or offset and currency exposures of assets of the Sub-Fund may not be allocated to separate Classes.

(g) Notwithstanding the above, there can be no guarantee that the hedging techniques will be successful and, while not intended, this activity could result in over-hedged or under-hedged positions due to external factors outside the control of the Manager. Further, these hedging techniques are designed to reduce a Unitholder's exposure to currency risk. The use of such class hedging techniques may therefore substantially limit holders of Units in the relevant Classes from benefiting if the currency of that Class falls against that of the Base Currency of the relevant Sub-Fund and/or the currency in which the assets of the relevant Sub-Fund are denominated. Please refer to the sections of this Prospectus entitled "**Currency Risk**" and "**Currency Hedging at Class Level Risk**" for more details.

(h) Investors in unhedged Classes should note that that the value of their Units expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency of the relevant Sub-Fund.

### 3.9 Profit Payments

The Manager shall determine the amount of Profit of a Class of Units within a Sub-Fund, if any, to be distributed in respect of each Profit Period (subject as hereinafter provided). Distribution of such Profits shall be made to Unitholders of a Class who are registered in the register of Unitholders at the Profit Distribution Date on a pro rata basis. Profit is distributed to Unitholders in proportion to the duration of their ownership of the Units in the relevant Profit Period. A single income distribution rate per Unit will be calculated for distributions of Profit for each Class of Units. Profit shall be paid by means of electronic transfer at least on an annual basis. The amount of Profit payable in respect of any Profit Period shall be a sum equal to the Profit (if any) received by the Sub-Fund which may be adjusted by the Manager as it deems appropriate as follows:

(a) addition or deduction of a sum by way of adjustments to allow for the effect of sales or purchases cum or ex-dividend;

(b) addition of a sum representing any interest or dividends or other income accrued but not received by the Manager at the end of the Profit Period and deduction of a sum representing (to the extent that an adjustment by way of addition has been made in respect of any previous Profit Period) interest or dividends or other income accrued at the end of the previous Profit Period;

(c) addition of the amount (if any) available for payment in respect of the last preceding Profit Period but not distributed in respect thereof;

(d) addition of a sum representing the estimated or actual repayment or rebate (*afdrachtsvermindering*) of tax resulting from any claims in respect of income tax relief or double taxation relief or otherwise applicable to the Unitholders participating in the relevant Class of Units;

(e) deduction of the amount of any tax or other estimated or actual liability properly payable out of the Profit of the relevant Class of Units of the Sub-Fund;

(f) deduction of an amount representing participation in income paid upon the cancellation of Units during the Profit Period; and

(g) deduction of such amount as the Manager or its delegate may certify necessary in respect of all fees, reasonable expenses, remuneration or other payments (including without limitation, the fees and expenses payable to the Manager, the Depositary, the Administrator, the Investment Manager, administration expenses and disbursements) accrued during the Profit Period and properly payable out of the Profit of the relevant Class of Units of the Sub-Fund;

provided always that in the absence of negligence, fraud or wilful default, the Manager shall not be responsible for any error in any estimates of tax repayments or double taxation relief expected to be obtained or of any

sums payable by way of taxation or receivable as income. However, if that is not correct in all respects, the Manager shall ensure that any consequent deficiency or surplus shall be provided for by adjustment of the relevant amounts in the Profit Period. In the Profit Period in which a further or final settlement or determination is made of such tax repayment or relief or amount payable or receivable, no adjustment shall be made to any payment previously made.

The Manager shall calculate the amount of Profit payable to each Unitholder in respect of Profit derived from "manufactured" dividends paid by borrowers of a Sub-Fund's securities, which are the subject of a securities lending transaction, on the same basis as if such Profit has been derived from dividends paid by the issuer of the relevant securities as if such securities had not been on loan at the time of payment of such dividend.

The Manager shall ensure that there are sufficient funds upon completion of the sale of the Investments agreed to be sold where they agree to be sold will include cash sufficient to pay any Profit.

Any Profit payment not claimed within six (6) years from their due date will lapse and revert to the relevant Sub-Fund. No Profit payment or other amount payable to any Unitholder shall bear interest against the FGR or the relevant Sub-Fund.

Within eight (8) months following the financial year end, the FGR will make a dividend distribution to the Unitholders in accordance with the provision of article 28, paragraph 2, sub b of the Dutch Corporate Income Tax Act 1969. The Profit Distribution Dates per Sub-Fund will be set out in the relevant Supplement. All Dutch dividend withholding tax due on such distribution, is withheld. The distributions shall be made pro rata to the number of Units held by a Unitholder.

Unitholders should note that any dividend income being paid out by a Sub-Fund and held in the Subscriptions/Redemptions Account shall remain an asset of the relevant Sub-Fund until such time as the income is released to the unitholder and that during this time the unitholder will rank as a general unsecured creditor of the Sub-Fund. See "Use of a Subscriptions/Redemptions Account" below for further information.

### 3.10 Use of Subscriptions/Redemptions Account

The Manager operates a single, omnibus Subscriptions/Redemptions Account for all of the Sub-Funds. Accordingly, monies in the Subscriptions/Redemptions Account are deemed assets of the respective Sub-Funds. It should be noted, however, that the Depositary will monitor the Subscriptions/Redemptions Account in performing its cash monitoring obligations and ensuring effective and proper monitoring of the Manager's cash flows in accordance with its obligations as prescribed under UCITS V. There nonetheless remains a risk for prospective investors to the extent that monies are held by the Manager in the Subscriptions/Redemptions Account for the account of a Sub-Fund at a point where such Sub-Fund (or another Sub-Fund) becomes insolvent. In respect of any claim by a prospective investor in relation to monies held in the Subscriptions/Redemptions Account, the unitholder shall rank as an unsecured creditor.

The Manager in conjunction with the Depositary shall establish a policy to govern the operation of the Subscriptions/Redemptions. This policy shall be reviewed by the Manager and the Depositary at least annually.

### 3.11 Efficient Portfolio Management, Financial Derivative Instruments and Securities Financing Transactions

*Efficient Portfolio Management and Financial Derivative Instruments*

The FGR may employ techniques and instruments relating to Transferable Securities, Money Market Instruments and/or other financial instruments (including financial derivative instruments) in which it invests for efficient portfolio management and/or hedging purposes. Such techniques and instruments include futures,

options, swaps, forwards and repurchase and reverse repurchase agreements and securities lending agreements (details of which are outlined below):

(a) Use of such techniques and instruments should be in line with the best interests of Unitholders and will generally be made for one or more of the following reasons:

(b) the reduction of risk;

(c) the reduction of cost; or

(d) the generation of additional capital or income for the relevant Sub-Fund with an appropriate level of risk, taking into account the risk profile of the Sub-Fund and the risk diversification rules set out in the Regulations.

In addition, the use of such techniques and instruments must be realised in a cost-effective way and must not result in a change to the investment objective of the Sub-Fund or add substantial supplementary risks not covered in this Prospectus. It is therefore the intention of the FGR, in employing such efficient portfolio management techniques and instruments for these reasons, that their impact on the performance of the relevant Sub-Fund will be positive.

Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of assets held by the relevant Sub-Fund.

Assets of a Sub-Fund may be denominated in a currency other than the Base Currency of the Sub-Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Sub-Fund's assets as expressed in the Base Currency. The FGR may (but is not obliged) to seek to mitigate this exchange rate risk by using FDI. Please refer to the section of this Prospectus entitled "Risk Factors" (sections entitled "**Risk Factors**", "**Currency Risk**", and "**Currency Hedging at Class Level Risk**") for more details. The risks arising from the use of such techniques and instruments shall be adequately captured in the FGR's risk management process.

Details of any additional techniques and instruments used for a Sub-Fund may be set out in the relevant Supplement.

*Securities Financing Transactions*

A Sub-Fund may use Securities Financing Transactions in accordance with normal market practice and subject to the conditions and limits of the SFTR where provided for in the relevant Supplement. Such Securities Financing Transactions may only be entered into for the purposes of efficient portfolio management.

Any type of assets that may be held by each Sub-Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions. Where provided for in the relevant Supplement, the Sub-Fund may also use Total Return Swaps. Subject to each Sub-Fund's investment objective and polices, there is no limit on the proportion of assets that may be subject to Securities Financing Transactions and Total Return Swaps and therefore the maximum and expected proportion of a Sub-Fund's assets that can be subject to Securities Financing Transactions or Total Return Swaps can be as much as 100%, i.e. all of the assets of the relevant Sub-Fund. In any case the most recent semi-annual and annual reports of each Sub-Fund will express the amount of the Sub-Fund's assets subject to Securities Financing Transactions and Total Return Swaps.

Securities lending means transactions by which one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities. Repurchase agreements are a type of securities lending transaction in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse

repurchase agreement is a transaction whereby a Sub-Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.

The Sub-Funds may engage in securities lending. Any Sub-Fund that seeks to engage in securities lending should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

The Manager shall ensure that all the revenues arising from Securities Financing Transactions and any other efficient portfolio management techniques shall be returned to the relevant Sub-Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the FGR from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the FGR, which will be at normal commercial rates together with value added tax or similar if applicable thereon, will be borne by the FGR or the Sub-Fund in respect of which the relevant party has been engaged. Details of Sub-Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreements counterparties and/ or securities lending agents engaged by the FGR from time to time (including whether they are related to the Manager or the Depositary) shall be included in the FGR's semi-annual and annual reports.

While the FGR will ensure that appropriate due diligence in the selection of counterparties in conducted, including consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), it does not prescribe any pre trade eligibility criteria for counterparties to a Sub-Fund's Securities Financing Transactions. Counterparties to such transactions shall: (1) be entities regulated, approved, registered or supervised in their home jurisdiction; and (2) be located in an OECD Member State, which together will constitute the FGR's criteria to select counterparties. Counterparties need not have a minimum credit rating. In accordance with the Credit Ratings Agencies Directive (2013/14/EU), the Investment Manager shall not solely or mechanistically rely on credit ratings in determining the credit quality of an issuer or counterparty. However, where a counterparty is downgraded to A-2 or below (or comparable rating) this shall result in a new credit assessment being conducted of the counterparty without delay.

From time to time, a Sub-Fund may engage repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Depositary or other service providers of the FGR. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the FGR. Please refer to the section of this Prospectus entitled "**Conflicts of Interest**" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the FGR's semi-annual and annual reports.

Any Sub-Fund that enters into a reverse repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark- to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the Sub-Fund.

A Sub-Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Sub-Fund.

Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending.

Please refer to the section of this Prospectus entitled "**Risk Factors**" in respect of the risks related to Securities Financing Transactions. The risks arising from the use of Securities Financing Transactions shall be adequately captured in the FGR's risk management process.



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### 3.12 Use of FDI

(a) **Details of FDI used with a Summary of their Commercial Purpose**

As detailed above, where provided for in the relevant Supplement, a Sub-Fund may also engage in transactions in FDI including futures transactions, swaps, forward settled transactions, convertible securities, warrants, share purchase rights and/or spot foreign exchange transactions for direct investment, where appropriate, to assist in achieving its objective and for reasons such as generating efficiencies in gaining exposure to the constituents of the Index or to the Index itself, to produce a return similar to the return of the Index, to reduce transaction costs or taxes or allow exposure in the case of securities which are unavailable for market reasons or to minimise tracking errors or for such other reasons as the Directors deem of benefit to a Sub-Fund.

The below list may be supplemented by additional FDI for a specific Sub-Fund as may be provided for in the relevant Supplement:

**Futures contracts**. Traded on a regulated exchange, a future is a standardised agreement between two parties to transact in an instrument at a specific price or rate at a future date. A purchased futures contract commits the buyer to purchase the underlying instrument at the specified price on the specified date. A sold futures contract commits the seller to sell the underlying instrument at the specified price on the specified date. In practice, most futures positions are closed prior to contract maturity by dealing an opposite trade which cancels out the commitment. Exchange-traded futures may be used to "equitise" or hedge cash contributions and redemptions into the Sub- Sub-Fund so as to gain exposure to the underlying assets in which the Sub-Fund may invest pending direct investment. They may also be used to hedge index or other exposures such as interest rate or duration risk on fixed income portfolios. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash position. A Sub-Fund may use an optimised basket of index futures to equitise accrued dividends and other unsettled transactions.

**Forwards**. A forward is an OTC contract to purchase or sell one or more specific underlying assets at a future date at a price set at the time of the contract. A forward typically involves the exchange of the underlying asset for the proceeds, but may for example, as in the case of a forward rate agreement ("**FRA**"), be cash settled.

A forward currency contract may be used to hedge against currency risk that has resulted from assets held by a Sub-Fund that are not in the base currency of the Sub-Fund. The Sub-Fund may, for example, use forward currency contracts by selling forward a foreign currency against the base currency of the Sub-Fund to protect the Sub-Fund from foreign exchange rate risk that has risen from holding assets in that currency. Non-deliverable forward currency contracts may be used for the same reasons. They differ from standard forward currency contracts in that at least one of the currencies in the transaction is not permitted to be delivered in settlement of any profit or loss resulting from the transaction. Typically, profit or loss in this case will be delivered in US Dollar, Euro or Sterling.

**TBAs**. TBAs or "To Be Announced" securities are forward settling contracts on mortgage pass-through securities issued by government agencies. A Sub-Fund may use TBAs to gain or reduce exposure to mortgage backed securities through the TBAs securities market. At the time of purchase, the exact securities are not known, but their main characteristics are specified. Although the price has been established at the time of purchase, the principal value and net money settlement have not been finalised. Purchasing TBAs involves a risk of loss if the value of the securities to be purchased declines prior to the settlement date.

**Options**. An option is an agreement between two parties where the option buyer has the right but not the obligation to buy (call option) or sell (put option) an instrument at a specified date and price. An option buyer pays a premium representing the value of the option and if, at the option expiry, it is economically advantageous may exercise a call option to buy the underlying instrument, or in the case of a put option, sell the underlying instrument. The option writer receives and keeps the option premium and at the choice of the option buyer has to buy or sell the underlying instrument at the time and price specified. The reference instrument for an option may be a security, another derivative such as a swap, future, CDS or may specify an interest or inflation rate, index, basket of

instruments, currency or any instrument which the Sub-Fund is authorised to own. Standard options are exchange traded and other options are traded OTC.

**Swaps**. A swap is an OTC agreement between two parties to exchange a series of cash flows or returns on an underlying financial instrument for a set period of time.

Typical cash flow and return series exchanged in a swap include: fixed interest rate, inflation rate, total return of an instrument or index and floating interest rates. Swap legs can be denominated in the same or a different currency.

Specifically the use of Total Return Swaps by a Sub-Fund shall be subject to the requirements of the SFTR.

**Forward Settled Transactions**. A forward settled transaction delays settlement of a transaction to a forward date. Delaying settlement allows the Sub-Fund to change the economic exposure without changing the physical asset exposure until the transaction settles. A forward foreign exchange transaction is an obligation to purchase or sell a specified currency pair at a future date, at a price set at the time the contract is made. Sub-Funds use these forward foreign exchange transactions to change the currency profile of a Sub-Fund without changing the profile of the invested assets.

**Convertible securities**. The convertible securities in which a Sub-Fund may invest consist of bonds, notes, debentures and preferred stocks which may be converted or exchanged at a stated or determinable exchange ratio into underlying shares. Convertible securities may offer higher income than the shares into which they are convertible. A Sub-Fund may be required to permit the issuer of a convertible security to redeem the security, convert it into the underlying shares or sell it to a third party. To the extent that any convertible securities in which a Sub-Fund may invest are leveraged or contain embedded derivatives, they will be managed by the Sub-Fund as FDI.

**Warrants**. The Sub-Fund may acquire warrants either as a result of corporate actions or by purchasing warrants, subject to the above conditions. A warrant is a similar instrument to an option in that the holder of the warrant has the option but not the obligation to either purchase or sell the underlying for a specified price or before a specified date. The underlying of the warrant can be an equity, bond or an index.

**Share Purchase Rights**. Share purchase rights, which give the Sub-Fund the ability but not the obligation to purchase more shares, may be issued to the Sub-Fund pursuant to its investment in a particular security and, in such cases, may be retained for the purposes of efficient portfolio management and exercised when considered appropriate.

(b) Investment in Financial Indices through the use of Financial Derivative Instruments

Where provided for in the relevant Supplement(s), a Sub-Fund may gain exposure to financial indices through the use of financial derivative instruments where considered appropriate to the investment objective and investment policies of the relevant Sub-Fund.

Where the composition of financial index does not meet with the UCITS criteria for financial indices but the index is composed of UCITS eligible assets, investment by a Sub-Fund in a financial derivative instrument giving exposure to such a financial index may be permitted and shall in such cases be regarded as a financial derivative instrument on a combination of UCITS eligible assets.

It may not be possible to comprehensively list the actual financial indices to which exposure may be taken as they have not, as of the date of this Prospectus, been selected and they may change from time to time. A list of the indices which a Sub-Fund takes exposure to will be included in the annual financial statements of the Sub-Fund. Details of any financial indices used by any Sub-Fund will also be provided to Unitholders of that Sub-Fund by the Investment Manager on request.

Where the weighting of a particular constituent in the financial index exceeds the investment restrictions set down in the Regulations the Investment Manager will as a priority objective look to remedy the situation taking into account the interests of Unitholders and the relevant Sub-Fund.

(c) Risk Management Process

The Manager on behalf of each Sub-Fund has its risk management process which enables it to accurately measure, monitor and manage the various risks associated with the use of FDI and Securities Financing Transactions where appropriate.

Any FDI not included in the risk management process will not be utilised until such time as the risk management process has been updated. 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.

(d) Eligible Counterparties

A Sub-Fund may invest in OTC derivatives and provided that the counterparties to the OTC derivatives are Eligible Counterparties.

### 3.13 References to Benchmarks

Certain Sub-Funds may refer to indices within the Supplement of the relevant Sub-Funds. These indices may be referenced for various purposes including, but not limited to:

(a) operating as a reference benchmark which the Fund seeks to outperform;

(b) relative VaR measurement; and

(c) calculating performance fees (if any).

The particular purpose of the relevant index shall be clearly disclosed in the relevant Supplement. Where an index is used for the purposes of (a) above this will not constitute use of an index within the meaning of Article 3(1)(7)(e) of the Benchmark Regulation unless the relevant Supplement (in particular as part of its investment policy or strategy) defines constraints on the asset allocation of the portfolio in relation to the index (e.g. an investment restriction that the Sub-Fund must invest only in components of the index or must be partially invested in line with index composition). Other references to indices, including for example for the purposes of relative VaR measurement as outlined at (b) above, may not constitute use of an index within the meaning of Article 3 (1)(7)(e) of the Benchmark Regulation.

Unitholders should note that the Manager and/or the Investment Manager may from time to time refer to other indices in marketing literature or other communications purely for financial or risk comparison purposes. However, unless such indices are referred to as such in the Supplement of the Sub-Fund, they are not formal benchmarks against which the Sub-Fund is managed.

The Benchmark Regulation requires the Manager to produce and maintain a robust contingency plan detailing the actions it will take in the event that a benchmark (as defined by the Benchmark Regulation) it uses for any Sub-Fund materially changes or ceases to be provided.

The indices used by the Sub-Funds are each provided by an administrator (as defined in the Benchmark Regulation) which is either included on the ESMA register that is maintained in accordance with Article 36 of the Benchmark Regulation, or is in the process applying for inclusion on the ESMA register.

In case a Sub-Fund invests substantially all of its assets in another fund (the "**Master Fund**"), the above also applies to indices used by the Master Fund.

### 3.14 Sustainable Finance Disclosures

The European Union has introduced a series of legal measures (the primary one being SFDR) requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage.

This section of the Prospectus and the Annexes has been prepared for the purpose of meeting the specific financial product level disclosure requirements contained in SFDR.

Please refer to the relevant Annex for SFDR product level disclosure applicable to an Article 8 Fund and an Article 9 Fund.

It is noted that the regulatory technical standards to specify the details of the content and presentation of the information to be disclosed pursuant to SFDR were delayed and were not issued when the relevant disclosure obligations in SFDR became effective. It is further noted, that some matters of interpretation of SFDR remain open (subject to ongoing exchanges between the European Supervisory Authorities and the European Commission). It is likely that the Annexes will need to be reviewed and updated once further clarification is provided on the open matters of interpretation of SFDR. Such clarifications could require a revised approach to how the relevant Article 8 Fund or Article 9 Fund seeks to meet the SFDR disclosure obligations.

Disclosures in the Annexes may also develop and be subject to change due to ongoing improvements in the data provided to, and obtained by, financial market participants and financial advisers to achieve the objectives of SFDR in order to make sustainability-related information available.

Compliance with the SFDR pre-contractual disclosure obligations is therefore made on a best-efforts basis and the Annexes are issued as a means of meeting these obligations.

*Sub-Fund Classification*

For SFDR purposes each Sub-Fund is classified as either (i) an Article 6 Fund; (ii) an Article 8 Fund; or (iii) an Article 9 Fund.

If a Sub-Fund is classified as either an Article 8 Fund or an Article 9 Fund, a clear indication of this classification (along with additional SFDR-related disclosure) will be made in the Supplement or the Annex for the relevant Sub-Fund.

As a default, and in the absence of such clear indication, each Sub-Fund will be classified as an Article 6 Fund.

*Consideration of Principal Adverse Impacts (PAI) of Investment Decisions on Sustainability Factors*

The Manager does not consider principal adverse impacts ("**PAI**") of investment decisions on sustainability factors at the entity level. Please refer to the relevant Annex for further details on whether and how the relevant Article 8 Fund or Article 9 Fund considers PAI. Where an Article 6 Fund considers PAI, further details on same shall be included in the relevant Supplement.

**Integration of Sustainability Risk and Consideration of Principal Adverse Impacts into the investment decision-making process**

*Article 6 Funds*

Article 6 Funds do not promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 SFDR or have sustainable investment as their objective as per the requirements of Article 9 SFDR. Accordingly, and for reasons further explained in the following paragraph, principal adverse impacts ("PAI") of investment decisions are not typically considered by the Investment Manager as part of the investment decision-making process in respect of Article 6 Funds. However, the Investment Manager may consider PAI in the

ongoing management of Article 6 Funds via its stewardship, corporate engagement and voting practices with relevant companies held within the Funds aimed at reducing adverse impacts and seeking to influence more sustainable business models over the long-term.

Notwithstanding the Article 6 classification, consistent with the requirements applicable to it under the UCITS Regulations, the Manager is required to take Sustainability Risks into account in the process of selection and ongoing monitoring of investments and the Investment Manager will evaluate and integrate Sustainability Risks where relevant throughout the investment process. However, due to the fact that the Article 6 Funds are often passive in nature and designed to replicate a designated index that may not have any material ESG characteristics, Sustainability Risk considerations may not be a primary consideration for an investment decision and the Investment Manager does not expect that the assessment of likely impacts of Sustainability Risks will materially impact the expected risk or return characteristics of the Article 6 Funds.

*Article 8 Funds and Article 9 Funds*

Article 8 Funds and Article 9 Funds will include specific and binding environmental or social criteria that is monitored and assessed so that Sustainability Risks are considered throughout the life cycle of the relevant Sub-Fund. The Investment Manager integrates a Sustainability Risk assessment into its investment decision-making and portfolio construction both initially and on an ongoing basis for the duration of the period the relevant Sub-Fund holds an investment or pursues a particular investment strategy. Relevant Sustainability Risks which are financially material and industry specific are identified by the Investment Manager using a range of ESG datasets, scores and frameworks and integrated into the overall assessment in a number of ways across the relevant Sub-Fund dependent upon asset class, approach and level of ESG integration. The Investment Manager considers that factoring an assessment of the likely impact of Sustainability Risk into the investment design and decision-making process has the potential to impact the returns of the Sub-Fund. Accordingly, an Article 8 Fund or Article 9 Fund may perform differently relative to other comparable funds that do not promote environmental and/or social characteristics. Please refer to the relevant Annex for details on whether and how the relevant Article 8 Fund or Article 9 Fund considers PAI.

*Integration of Sustainability Risk*

The Investment Manager may use a number of different tools and data sets to embed sustainability considerations into the asset selection and portfolio construction of the Sub-Fund which may include:

- using third-party data providers to screen the relevant investment against Sustainability Risk by applying an exclusion policy (whereby potential investments do not meet certain sustainability criteria);
- leveraging proprietary frameworks of measurable ESG targets;
- integrating ESG approaches such as tilting Sub-Funds towards ESG factors and selecting companies that are likely to be less exposed to Sustainability Risks;
- selecting investments with the intention to generate a measurable, positive social or environmental impact along with financial return, with a view to mitigating the impact of Sustainability Risks within the portfolio construction.

During the life of the investment, Sustainability Risk is monitored through the review of ESG data published by the issuer or selected data provider to determine whether the level of Sustainability Risk has changed since the initial assessment has been conducted and has increased beyond the ESG risk appetite for the relevant Fund.

For more details on how Sustainability Risks are integrated into the investment process please refer to https://cdn.northerntrust.com/pws/nt/documents/funds/intl/sfdr/sfdr-article-3-information-statement.pdf.

*Risk Factors*

Please refer to the section, entitled "**Risk Factors**" and the section entitled "**Sustainable Finance Disclosures Risks**" in respect of the risks related to sustainable finance disclosures.

### 3.15 Taxonomy Regulation

The Taxonomy Regulation is a piece of directly effective EU legislation that is applicable to the FGR. Its purpose is to establish a framework to facilitate sustainable investment. It sets out harmonised criteria for determining whether an economic activity qualifies as environmentally sustainable and outlines a range of disclosure obligations to enhance transparency and to provide for objective comparison of financial products regarding the proportion of their investments that contribute to environmentally sustainable economic activities. It is notable that the scope of environmentally sustainable economic activities, as prescribed in the Taxonomy Regulation, is narrower than the scope of sustainable investments under SFDR. Therefore although there are disclosure requirements for both, these two concepts should be considered and assessed separately. This below section addresses only the specific disclosure requirements of the Taxonomy Regulation.

*Article 6 Funds*

The Investment Manager does not integrate a consideration of environmentally sustainable economic activities into the investment process for the Article 6 Funds. Therefore, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Article 6 Funds do not take into account the EU criteria for environmentally sustainable economic activities.

*Article 8 Funds and Article 9 Funds*

Please see the relevant Annex for details on how and to what extent each Article 8 Fund and Article 9 Fund's investments are in economic activities that qualify as environmentally sustainable in accordance with the Taxonomy Regulation.

# 4 RISK FACTORS

Investors in the Sub-Funds should understand that all investments involve risks. The following are some of the risks of investing in the Sub-Funds, but the list does not purport to be exhaustive.

## 4.1 General

The value of the Investments and the income from them, and therefore the value of and income from Units relating to each Sub-Fund, can fall as well as rise and an investor may not get back the amount it invests.

The Sub-Funds will be investing in accordance with the respective investment objectives and policies. The value of Investments and the income from them, and therefore the value of and income from Units relating to each Sub-Fund, will therefore be closely linked to the performance of such Investments. Investments made by the Investment Manager will be speculative and an Investment in a Sub-Fund, therefore, involves a degree of risk. There is no guarantee that the investment objective of a Sub-Fund, or its risk monitoring, will be achieved and results may vary substantially over time. A Sub-Fund's investment strategy may carry considerable risks.

The Sub-Funds do not constitute each a separate estate (*afgescheiden vermogen*). Consequently, all Assets held by the Legal Titleholder would be subject to recourse by all creditors of the Legal Titleholder. The sole statutory purpose of the Legal Titleholder is to fulfil the function of title holder of assets of CIS.

## 4.2 Risk of Loss

In the case of all Sub-Funds, an investment in a Sub-Fund is neither insured nor guaranteed by any bank, government, government agency or instrumentality, guarantee scheme or any bank guarantee fund which may protect the holders of a bank deposit. Units of the FGR are not bank deposits or obligations of, or guaranteed or endorsed or otherwise supported by the FGR, the Investment Manager, distributors or any of their affiliates.

## 4.3 Unquoted Investments

Subject to the investment restrictions applicable to the relevant Sub-Fund, the Sub-Fund may invest a portion of its assets in unquoted investments. Such investments will be valued at the probable realisation value as determined in accordance with the provisions set out in the Determination of Net Asset Value and Valuation of Assets sections. Estimates of the probable realisation value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. The FGR may consult the Investment Manager with respect to the valuation of unquoted investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of a Sub-Fund's investments and the Investment Manager's other responsibilities.

The income and gains of a Sub-Fund from its assets may suffer withholding tax which may not be reclaimable in the countries where such income and gains arise. If this position changes in the future and the application of a lower rate results in a repayment to the relevant Sub-Fund, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Unitholders of the relevant Sub-Fund rateably at the time of repayment.

## 4.4 Currency Risk

The Net Asset Value per Unit will be computed in the Base Currency of the relevant Sub-Fund, whereas each Sub-Fund's investments may be acquired in a wide range of currencies, some of which may be affected by currency movements of a more volatile nature than those of developed countries and some of which may not be freely convertible. It may not be possible or practical to hedge against the consequent currency risk exposure and in certain instances the Investment Manager may consider it desirable not to hedge against such risk. The Investment Manager may enter into cross currency hedging transactions solely for the purpose of efficient portfolio

management. Where a Class is denominated in a currency other than the Base Currency, the value of those Units expressed in the currency of the Class will be subject to exchange rate risk in relation to the Base Currency.

### 4.5 Currency Hedging at Class Level Risk

Hedging activity at Class level may expose the Sub-Fund to cross contamination risk as it may not be possible to ensure (contractually or otherwise) that a counterparty's recourse in any such arrangements is limited to the assets of the relevant Class. Although the costs, gains and losses of the currency hedging transactions will accrue solely to the relevant Class, investors are nonetheless exposed to the risk that currency hedging transactions undertaken in one Class may impact negatively on another Class, particularly where (pursuant to EMIR) such currency hedging transactions require the Sub-Fund to post collateral (i.e. initial or variation margin). Any such collateral is posted by a Sub-Fund and at the Sub-Fund's risk (rather than by the Class and at the risk of the Class only because the Class does not represent a segregated portion of the Sub-Fund's assets) thus exposing investors in other Classes to a proportion of this risk.

### 4.6 Market Risk

Some of the recognised exchanges on which each Sub-Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which each Sub-Fund may liquidate positions to meet repurchase requests or other funding requirements. Potential investors should also note that the securities of small capitalisation companies are less liquid and this may result in fluctuations in the price of the Units of the relevant Sub-Fund.

### 4.7 Liquidity Risk

Liquidity risk exists when particular investments are difficult to purchase or sell.

A Sub-Fund's investments in such securities may reduce the returns of the Sub-Fund because it may be unable to sell the illiquid securities at an advantageous time or price which could prevent the Sub-Fund from taking advantage of other investment opportunities.

### 4.8 Valuation Risk

A Sub-Fund may invest a limited proportion of its assets in unquoted securities. Such investment will be valued at the probable realisation value as determined in accordance with the valuation provisions set out in the Determination of Net Asset Value and Valuation of Assets sections herein. Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. Each Sub-Fund may, for the purpose of efficient portfolio management, engage in derivative instruments in which case there can be no assurance that the valuation as determined in accordance with the valuation provisions set out in the Determination of Net Asset Value and Valuation of Assets sections herein reflects the exact amount at which the instrument may be "closed out".

### 4.9 Concentration Risks

To the extent that a Sub-Fund invests in a greater amount in any one financial instrument, sector or industry, the performance of that Sub-Fund will depend to a greater extent on the overall condition of that financial instrument, sector or industry, and there is increased risk to the Sub-Fund if conditions adversely affect that financial instrument, sector or industry.

### 4.10 Redemption Risks

The FGR is an open-ended fund and Units may be redeemed in accordance with the Terms and Conditions. The redemption of Units is subject to restrictions and may in circumstances be suspended, please see chapter 6 "Units". Redemptions may cause the FGR to dispose of Investments in order to meet its redemption obligations earlier than anticipated or under less favourable market conditions than the FGR would otherwise have disposed

of such Investments. This may result in a lower Net Asset Value, generating lower or negative returns for the non-redeeming Unitholders. Significant redemptions may lead to significant losses to Unitholders, which remain invested in the FGR.

### 4.11 Reliance on the Investment Manager

The Unitholders will have no right to participate in the management of a Sub-Fund or in the control of its business. Accordingly no person should purchase any Units unless he is willing to entrust all aspects of management of the Sub-Fund to the Manager and all aspects of selection and management of the Sub-Fund's investments to the Investment Manager. The Sub-Fund's success will therefore depend substantially on the efforts of the Manager and the Investment Manager.

### 4.12 Paying Agent Risk

Unitholders who choose or are obliged under local regulations to pay or receive subscription or repurchase monies or dividends via an intermediate entity rather than directly to the FGR or the relevant Sub-Fund (e.g. a paying agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the FGR or the relevant Sub-Fund and (b) repurchase monies payable by such intermediate entity to the relevant Unitholder.

### 4.13 Risks association with FDI

While the prudent use of FDI can be beneficial, FDI also involve risks different from, and in certain cases greater than, the risks presented by more traditional investments. Each Sub-Fund which uses FDI may as a result have a higher volatility than Sub-Funds which do not use FDI. Each Sub-Fund may enter transactions in OTC markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where the Sub-Funds enter into swap arrangements and derivative techniques, they will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Funds could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the Manager, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the Manager's policy to net exposures of each Sub-Fund against its counterparties.

Since many FDIs have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain FDIs have the potential for unlimited loss regardless of the size of the initial investment. If there is a default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total Investments being less than if the transaction had not been entered. Within the swap market a large number of banks and investment banking firms act both as principals and as agents utilising standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the Investment Manager's use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, the relevant Sub-Fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the Investment Manager that might in turn require, if there is insufficient cash available in the portfolio, the sale of the relevant Sub-Fund's Investments under disadvantageous conditions.

### 4.14 Risks associated with Futures and Options

The Sub-Funds may from time to time use both exchange-traded and OTC futures and options as part of their investment policy, for efficient portfolio management or for hedging purposes. These instruments are volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally

required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. When used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in OTC derivatives may involve additional risk as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess or value a position or to assess the exposure to risk. Further, due to the nature of futures, cash to meet margin monies will be held by a broker with whom the Sub-Fund has an open position. In the event of the insolvency or bankruptcy of the broker, there can be no guarantee that such monies will be returned to the Sub-Fund. On execution of an option, a Sub-Fund may pay a premium to counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

### 4.15 Credit Risk and Counterparty Risk

Funds will be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in derivative instruments. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

### 4.16 Risks associated with investing in other CI Collective Investment Schemes ("CIS")

A Sub-Fund may invest in one or more CIS selected by the Investment Manager in accordance with the respective investment objectives and policies, including schemes managed by the Manager, the Investment Manager or their affiliates. The value of Investments and the income from them, and the value of and income from Units relating to each Sub-Fund, will therefore be closely linked to the performance of such underlying CIS. The investment programmes of these underlying CIS may be speculative and an investment in a Sub-Fund, consequently, involves a high degree of risk. In particular, non-Netherlands domiciled CIS may not provide a level of investor protection equivalent to that provided by a CIS authorised by the AFM.

There is no guarantee that the investment objective of an underlying CIS, or its risk monitoring will be achieved and results may vary substantially over time. The FGR or the relevant Investment Manager will not have control over the activities of any underlying CIS invested in by a Sub-Fund. Managers of underlying funds in which a Sub-Fund may invest may manage such funds in a manner not anticipated by the FGR or the relevant Investment Manager.

Investments in which the Sub-Fund invests may be valued on a less frequent basis than a Sub-Fund. Further, a CIS in which a Sub-Fund invests may be subject to suspension of calculation of net asset value for various reasons. Accordingly there is a risk that:

(a) the valuations of a Sub-Fund may not reflect the true value of Assets held by a Sub-Fund at a specific time which could result in losses or inaccurate pricing for a Sub-Fund; and/or

(b) the valuations may not be available at the relevant Valuation Point so that some of the Assets of the Sub-Fund may be valued at their probable realisation value as set out in the Prospectus.

As a unitholder of another CIS, a Sub-Fund would bear, along with other unitholders, its pro rata portion of the expenses of the other CIS, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Sub-Fund bears directly in connection with its own operations.

### 4.17 Distribution of Investments in specie

Underlying funds may be subject to special provisions where a redemption request received from a Sub-Fund would result in interests representing a relatively significant part of that fund's net asset value. Such special provisions may provide that the respective fund may satisfy the redemption request by a redemption of investments of the relevant fund in specie. In this event, the relevant Sub-Fund may become holder of in specie investments of such underlying funds or may, under the Terms and Conditions, be conferred the option of satisfying the redemption request by redeeming those investments in specie.

Please see "**Limitations on Redemption**" within the Redemption of Units section of the Prospectus below.

### 4.18 Master/Feeder Risks

Where provided for in the relevant Supplement, a Sub-Fund may invest substantially all of its assets in another fund (the "**Master Fund**"), excluding any holding of ancillary liquid assets and, accordingly, will not be diversified. There is no assurance that the Master Fund or the Sub-Fund will achieve their objective.

### 4.19 Feeder Fund Risks

Where a Sub-Fund operates in a master-feeder structure, the fees and expenses of the Sub-Fund, including fees and expenses payable by the Master Fund may, in aggregate be greater than for a Sub-Fund that engages in direct trading activities.

### 4.20 Legal and Regulatory Risks

Legal and regulatory (including taxation) changes could adversely affect the FGR. Regulation (including taxation) of investment vehicles such as the FGR is still evolving and therefore subject to change. In addition, many governmental agencies, self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future legal or regulatory (including taxation) change on the FGR is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Unitholders.

### 4.21 OTC Market Risks

Where any Sub-Fund acquires securities on OTC markets, there is no guarantee that the Sub-Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

### 4.22 Political and/or Regulatory Risks

The performance of a Sub-Fund may be adversely affected by developments in the countries that such Sub-Fund may invest in, or by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. A Sub-Fund may also be exposed to risks of expropriation, nationalisation and confiscation of Assets and changes in legislation relating to the level of foreign ownership. Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed countries and there may be less publicly available information on the issuers than is published by or about issuers in such developed countries. Consequently some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of Unitholder protection or information to investors as would generally apply in many developed countries. In particular, greater reliance may be placed by the auditors on representations from the management of a company and there may be less independent verification of information than would apply in many developed countries. The valuation of Assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

### 4.23 Taxation Risk

Potential investors' attention is drawn to the taxation risk associated with investing in any Sub- Fund of the FGR. See chapter 8 "**Taxation**".

For Dutch corporate income tax purposes, the FGR is a "fiscal investment fund" (*fiscale beleggingsinstelling*, "**FBI**") pursuant to article 28 of the Dutch Corporate income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*). Due to the status of fiscal investment fund, the FGR is subject to corporate income tax in the Netherlands at a rate of 0%, if certain conditions are met. If the FGR does not meet such conditions at all times, the FGR may lose the status of fiscal investment fund. In the event of such a loss of status as a fiscal investment fund, the FGR could be subject to corporate income tax at the prevailing statutory rates.

The Manager monitors the conditions that need to be met in order for the FGR to be able to remain an FBI and to benefit from tax treaties that have been concluded between the Netherlands and jurisdictions of the entity paying the dividends or interest. If certain Unitholder tests are not met, the current rates of withholding tax on foreign income may be negatively impacted. Unitholders shall provide the Fund, the Manager and the Administrator with any documents or information as they shall request (including but not limited to details of beneficial owners) in connection with tax regulations, withholding tax claims, reporting requirements or other similar requirements (including, but not limited to responding to requests made by any tax or other legal or regulatory competent authority) in order to substantiate any representations made by Unitholder or otherwise. Unitholders hereby authorise the Fund, the Manager, the Administrator or their agents to disclose such information relating to this application to such persons as they consider appropriate. If it shall come to the notice of the Manager, or if the Manager shall have reason to believe that the FGR is or will no longer be able to remain an FBI and/or does or will not meet the conditions of a certain tax treaty, the Manager shall use its best efforts to take necessary corrective action. For this purpose, the Manager shall, among other things, be entitled to (i) give notice (in such form as the Manager deems appropriate) to such Unitholders requiring it to request in writing the redemption of Units in accordance with Clause 6.10 and/or (ii) as appropriate, compulsorily redeem and/or cancel such number of Units held by such person and/or (iii) move Unitholders who have not provided information requested from them to another Class of Units as is required to ensure that the FGR is able to remain an FBI and/or benefit from the relevant tax treaty.

### 4.24 Depositary Risk

If a Sub-Fund invests in assets that are financial instruments that can be held in custody ("**Custody Assets**"), the Depositary is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depositary is required to return identical assets to those lost or a corresponding amount to the Sub-Fund without undue delay.

If a Sub-Fund invests in assets that are not financial instruments that can be held in custody ("**Non-Custody Assets**"), the Depositary is only required to verify the Sub-Fund's ownership of such assets and to maintain a record of those assets which the Depositary is satisfied that the Sub-Fund holds ownership of. In the event of any loss of such assets, the Depositary will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary Agreement.

As it is likely that the Sub-Funds may each invest in both Custody Assets and Non-Custody Assets, it should be noted that the safekeeping functions of the Depositary in relation to the respective categories of assets and the corresponding standard of liability of the Depositary applicable to such functions differs significantly.

The Sub-Funds enjoy a strong level of protection in terms of Depositary liability for the safekeeping of Custody Assets. However, the level of protection for Non-Custody Assets is significantly lower. Accordingly, the greater the proportion of a Sub-Fund invested in categories of Non-Custody Assets, the greater the risk that any loss of such assets that may occur may not be recoverable. While it will be determined on a case-by-case whether a specific

investment by the Sub-Fund is a Custody Asset or a Non-Custody Asset, generally it should be noted that derivatives traded by a Sub-Fund over-the-counter will be Non-Custody Assets. There may also be other asset types that a Sub-Fund invests in from time to time that would be treated similarly. Given the framework of Depositary liability under UCITS V, these Non-Custody Assets, from a safekeeping perspective, expose the Sub-Fund to a greater degree of risk than Custody Assets, such as publicly traded equities and bonds.

### 4.25 Subscriptions/Redemptions Account Risk

The Manager operates a Subscriptions/Redemptions Account for all of the Sub-Funds. Monies in the Subscriptions/Redemptions Account are deemed assets of the respective Sub-Funds. There is a risk for investors to the extent that monies are held by the Manager in the Subscriptions/Redemptions Account for the account of a Sub-Fund at a point where such Sub-Fund (or another Sub-Fund) becomes insolvent. In respect of any claim by an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor.

### 4.26 U.S. Tax Risks/FATCA

FATCA generally imposes a reporting regime designed to require Specified U.S. persons as described under FATCA direct and indirect ownership of non-US accounts and certain non-US entities to be reported to the US Internal Revenue Service ("**IRS**"). If there is a failure by the FGR to provide required information regarding US ownership or otherwise comply with the requirements of FATCA, a 30% withholding tax would apply with respect to certain US source income and gross proceeds from the sale or other disposition of property that can produce US source interest or dividends. The United States and the Netherlands have entered into the Intergovernmental Agreement ("**IGA**") to implement FATCA. Under the IGA, an investment entity classified as a Foreign Financial Institution (an "**FFI**") that is treated as resident in the Netherlands is expected to provide the Dutch tax authorities with certain information on its investors. The IGA further provides for the automatic reporting and exchange of information between the Dutch tax authorities and the IRS in relation to accounts held in Dutch FFIs by Specified U.S. persons as described under FATCA, and the reciprocal exchange of information regarding US financial accounts held by Dutch residents. Provided the FGR complies with the requirements of the Intergovernmental Agreement and the Dutch legislation, it should not be subject to FATCA withholding on any payments it receives and may not be required to withhold on payments which it makes.

Although the FGR will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the FGR will be able to satisfy these obligations. In order to satisfy its FATCA obligations, the FGR will require certain information from Unitholders in respect of their FATCA status.

To mitigate the impact of FATCA for the FGR, its Sub-Funds and the Unitholders, participation in the FGR is not open to Unitholders that are considered a Specified U.S. person as described under FATCA, Unitholders that refuse to cooperate with an increased identification of their FATCA Status or Unitholders that are considered as a Non-Participating Foreign Financial Institution under the IGA.

If the FGR becomes subject to a withholding tax as a result of the FATCA regime, the value of the Units held by all Unitholders may be materially affected. All prospective investors and Unitholders should consult with their own tax advisors regarding the possible FATCA implications on an investment in a Sub-Fund.

### 4.27 CRS

The Netherlands has provided for the implementation of CRS by amending its laws on the international assistance with the levy of taxes (Wet op de internationale bijstandsverlening bij de heffing van belastingen) (the "**CRS Regulations**").

The CRS, which applies in the Netherlands, is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

The FGR is a Reporting Financial Institution for CRS purposes and will be required to comply with the Dutch CRS obligations. In order to satisfy its CRS obligations, the FGR will require its investors to provide certain information in respect of their tax residence and may, in some cases, require information in relation to the tax residence of the beneficial owners of the Unitholder. The FGR, or a person appointed by the FGR, will report the information required to the Dutch tax authorities. The Dutch tax authorities will share the appropriate information with the relevant tax authorities in participating jurisdictions.

All prospective investors should consult with their own tax advisors regarding the possible CRS implications of an investment in the FGR.

### 4.28 Changes in the UK Political Environment

Changes in the UK political environment following the UK's decision by referendum to exit from the EU may lead to political, legal, tax and economic uncertainty. This could impact general economic conditions in the UK. It is not yet clear whether and to what extent EU regulations generally would apply with respect to the Investment Manager following a UK exit from the EU, but it is possible that investors would be subject to fewer regulatory protections than would otherwise be the case. A UK exit could adversely affect the Investment Manager's ability to access markets, make investments, attract and retain employees or enter into agreements (on its own behalf or on behalf of the FGR) or continue to work with non-UK counterparties and service providers, all of which could result in increased costs to the FGR.

### 4.29 Operational Risks (including Cyber Security and Identity Theft)

An investment in a Sub-Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorised persons and errors caused by service providers such as the Investment Manager or the Administrator. While the FGR and Sub-Funds seek to minimise such events through controls and oversight, there may still be failures that could cause losses to a Sub-Fund.

The Investment Manager, Administrator and Depositary (and their respective groups) each maintain appropriate information technology systems. However, like any other system, these systems could be subject to cyber security attacks or similar threats resulting in data security breaches, theft, a disruption in the Investment Manager's, Administrator's and/or Depositary's service or ability to close out positions and the disclosure or corruption of sensitive and confidential information. Notwithstanding the existence of policies and procedures designed to detect and prevent such breaches and ensure the security, integrity and confidentiality of such information as well as the existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption at the level of the FGR and its delegates, such security breaches may potentially also result in loss of assets and could create significant financial and or legal exposure for the FGR.

### 4.30 Securities Financing Transactions

Securities Financing Transactions create several risks for the Fund and its investors, including counterparty risk if the counterparty to a Securities Financing Transaction defaults on its obligation to return assets equivalent to the ones provided to it by the relevant Sub-Fund and liquidity risk if a Sub-Fund is unable to liquidate collateral provided to it to cover a counterparty default.

### 4.31 Efficient Portfolio Management

The FGR on behalf of a Sub-Fund may employ techniques and instruments relating to Transferable Securities, Money Market Instruments and/or other financial instruments (including FDI) in which it invests for efficient portfolio management purposes. Many of the risks attendant in realizing derivatives, as disclosed in the section entitled "**Risks association with FDI**" above, will be equally relevant when employing such efficient portfolio management techniques. In addition to the sub-section entitled "**General**", particular attention is drawn to the sub-sections entitled "**Credit Risk and Counterparty Risk**" and "**Collateral Risk**". Investors should also be aware that from time to time, a Sub-Fund may engage with repurchase/reverse repurchase agreements counterparties and/or

securities lending agents that are related parties to the Depositary or other service providers of the FGR. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the FGR. Please refer to the section of the Prospectus entitled "**Portfolio Transactions and Conflicts of Interest**" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the FGR's semi-annual and annual reports.

### 4.32 Collateral Risk

Collateral or margin may be passed by the Sub-Fund to a counterparty or broker in respect of OTC FDI transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

### 4.33 Reinvestment of Cash Collateral Risk

As a Sub-Fund may reinvest cash collateral received, a Sub-Fund reinvesting cash collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

### 4.34 Repurchase Agreements

A Sub-Fund may enter into repurchase arrangements. Accordingly, the Sub-Fund will bear a risk of loss in the event that the other party to the transaction defaults on its obligation and the Sub-Fund is delayed or prevented from exercising its rights to dispose of the underlying securities. The Sub-Fund will, in particular, be subject to the risk of a possible decline in the value of the underlying securities during the period in which the Sub-Fund seeks to assert its right to them, the risk of incurring expenses associated with asserting those rights and the risk of losing all or a part of the income from the agreement.

### 4.35 Emerging Markets Risk

In the case of certain Sub-Funds there may be limited exposure to emerging markets and investors should be aware of risks attached to investing in such markets which could have a limited impact on the performance of such relevant Sub-Funds. In particular, the following risks should be noted:

(a) Settlement and Credit Risks

The trading and settlement practices of some of the stock exchanges or markets on which a relevant Sub-Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realizing investments made by a Sub-Fund. In addition, a Sub-Fund will be exposed to credit risk on parties with whom it trades and will bear the risk of settlement default. The Depositary may be instructed by the Investment Manager to settle transactions on a delivery free of payment basis where the Investment Manager believes and the Depositary agrees that this form of settlement is common market practice. Unitholders should be aware, however, that this may result in a loss to a relevant Sub-Fund if a transaction fails to settle and the Depositary will not be liable to the relevant Sub-Fund or to the Unitholders for such a loss.

(b) Regulatory Risks and Accounting Standards

Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed countries and there may be less publicly available information on the issuers than is published by or about issuers in such developed countries. Consequently some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of unitholder protection or information to investors as would generally apply in many developed countries. In particular, greater reliance may be placed by the auditors on representations from the management of a company and there may be less independent verification of information than would apply in many developed countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

(c) Political Risks

The performance of a Sub-Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. A Sub-Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.

(d) Custody Risks

Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances a Sub-Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Such circumstances may include uncertainty relating to, or the retroactive application of legislation, the imposition of exchange controls or improper registration of title. In some emerging market countries evidence of title to shares is maintained in "book-entry" form by an independent registrar who may not be subject to effective government supervision, which increases the risk of the registration of a Sub-Fund's holdings of shares in such markets being lost through fraud, negligence or mere oversight on the part of such independent registrars. The costs borne by a Sub-Fund in investing and holding investments in such markets will generally be higher than in organised securities markets. Additional risk factors (if any) in respect of each Sub-Fund are set out in the Supplement for the relevant Sub-Fund.

(e) Currency Risk

The value of a Sub-Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

(f) Legal

The legal infrastructure and accounting, custodial, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Risks associated with many emerging market legal systems (for example the Russian legal system) include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, presidential decrees and governmental and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms; and (vii) the unpredictability of enforcement of foreign judgements and foreign arbitration awards. There is no guarantee that further judicial reform aimed at balancing the rights of private and governmental authorities in courts and reducing grounds for re-litigation of decided cases will be implemented and succeed in building a reliable and independent judicial system.

(g) Market Characteristics/ Liquidity

In general, emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and many emerging markets are not highly regulated. When seeking to sell emerging market securities, little or no market may exist for the securities. The combination of price volatility and the less liquid nature of securities markets in emerging markets may, in certain cases, affect a Sub-Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Sub-Fund.

(h) Economic Factors

Despite improvement in the long-term prospects of certain emerging market economies, these economies in general differ from the economies of western countries in many respects, including, for example, the general level of economic development, unemployment, wealth distribution, rate of inflation, volatility of the rate of growth and inflation, level of capital reinvestment, resource self-sufficiency, dependency on foreign trade and balance of

payments position. In particular, many of these countries have high levels of external debt, and their economies have historically experienced sustained periods of extremely high inflation, and some economies continue to do so. Many emerging market countries are currently experiencing severe economic dislocation, including high real interest rates and unemployment, declining equity values, illiquid capital markets, declining GDP, and capital flight. Although such dislocations may be short-term, there can be no assurance that emerging market economies will improve, or that historical rates of inflation will not return. Moreover, while emerging market countries have made substantial progress in implementing economic reforms, including privisation, trade liberalisation and lifting restrictions on capital flows, the reform process is not complete. In the past, emerging market governments have imposed wage and price controls, exchange controls, and have nationalized or strictly regulated key industries, and such governments may take similar actions in the future, which could adversely affect the Sub-Fund. Emerging market companies are experiencing a more competitive environment, and a process of consolidation, downsizing and modernisation is underway, all of which are contributing to significant increases in unemployment and levels of bankruptcies

**4.36 Investing through Bond Connect**

Where provided for in the relevant Supplement, a Sub-Fund may invest through Bond Connect. Investing in China is subject to the risks of investing in emerging markets (outlined above) and may expose investors to the following risks:

(a) CIBM Risk

The China Interbank Bond Market ("**CIBM**") is an OTC market separate to the main stock exchanges in China. On the CIBM institutional investors trade sovereign and corporate bonds on a one-to-one quote-driven basis. The CIBM accounts for more than 95% of outstanding bond values of total trading volume in China. The CIBM is regulated and supervised by the PRC. Investors should be aware that China's bond market is still in development and trading on the CIBM may expose the Sub-Fund to increased risk.

(b) Liquidity risk

The bid and offer spread of fixed income securities trading on the CIBM may be high. The Sub-Fund may therefore incur significant trading costs and may even suffer losses when selling such investments. In the absence of a regular and active secondary market, the Sub-Fund may not be able to sell its bond holdings at prices the Investment Manager considers advantageous and may need to hold the bonds until their maturity date.

(c) Settlement risk

The transaction settlement method in the CIBM is for delivery versus payment of security by the counterparty. Where the counterparty does not perform its obligations under a transaction, the Sub-Fund may sustain losses.

(d) Bond Connect risk

Bond Connect is a novel trading program in China. Because these laws, regulations and rules governing the Bond Connect program are recent, their interpretation and enforcement involve significant uncertainty. Any changes in laws, regulations and policies of the China bond market or rules in relation to Bond Connect may affect prices and liquidity of the relevant CIBM bonds and there is no assurance that the change will not be made in a way prejudicing the interests of the Sub-Fund. Moreover, Bond Connect and its technology and risk management capability have only a short operating history. There is no assurance that the systems and controls of the Bond Connect program will function as intended or whether they will be stable or adequate.

Investment in the CIBM under the Bond Connect programme is subject to different regulatory requirements and procedures from investment in the CIBM via a direct access. For example, unlike the investment via a direct access to the CIBM, the Sub-Fund's investment in the CIBM bonds under the Bond Connect will not involve an onshore settlement agent and will be held by the Central Money markets Unit of the Hong Kong Monetary Authority ("**CMU**") as the nominee holder, opening nominee account(s) with the China Central Depository & Clearing Co., Ltd

("**CCDC**") and the Shanghai Clearing House ("**SHCH**") respectively. While the distinct concepts of "nominee holder" and "beneficial owner" are generally ecognize under the relevant PRC laws and regulations, the application of such rules is untested, and there is no assurance that PRC courts will ecognize such rules, e.g. in liquidation proceedings of PRC companies or other legal proceedings. In addition, CIBM bonds are uncertificated and are held by CMU for its account holders.

### 4.37 Stock Connect Risks

Where provided for in the relevant Supplement, a Sub-Fund may invest through Stock Connect. Investing in China is subject to the risks of investing in emerging markets (outlined above) and may expose investors to certain additional risks as detailed further below.

The Shanghai-Hong Kong Stock Connect and Shenzhen- Hong Kong Stock Connect are securities trading and clearing linked programs developed by Hong Kong Securities Clearing Company Limited ("**HKSCC**"), The Stock Exchange of Hong Kong Limited ("SEHK"), Shanghai Stock Exchange ("**SSE**"), Shenzhen Stock Exchange ("**SZSE**") and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**") with an aim to achieve mutual stock market access between mainland China and Hong Kong. The SSE, SZSE and SEHK will enable investors to trade eligible shares listed on the other's market through local securities firms or brokers ("**Stock Connect Securities**"), with those programs hereafter referred to as "**Stock Connect**"). Stock Connect comprises a "Northbound Trading Link" (for investment in People's Republic of China ("**PRC**") shares) and a "Southbound Trading Link" (for investment in Hong Kong shares). Under the Northbound Trading Link, investors, through their Hong Kong brokers and the securities trading service company established by SEHK, may be able to place orders to trade eligible shares listed on SSE and SZSE by routing orders to SSE and SZSE.

Stock Connect is subject to quota limitations. In particular, once the remaining balance of the northbound daily quota drops to zero or the northbound daily quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict a Sub-Fund's ability to invest in China A-Shares through Stock Connect on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategies. It is contemplated that SEHK, SSE and SZSE would reserve the right to suspend northbound and/or southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the northbound trading through Stock Connect is effected, the Sub-Fund's ability to access the PRC market will be adversely affected. The "connectivity" in the Stock Connect program requires routing of orders across the border. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Sub-Fund's ability to access the China A-Share market (and hence to pursue its investment strategy) could be adversely affected.

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e. the stockbrokers) to ensure there is no over-selling. If the Sub-Fund wishes to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its brokers before the market opens on the day of selling. If it fails to meet this deadline, it will not be able to sell those shares. Because of this requirement, the Sub-Fund may not be able to dispose of holdings of China A-Shares in a timely manner.

HKSCC is the "nominee holder" of the Stock Connect Securities acquired by Hong Kong and overseas investors through the Stock Connect. Foreign investors like the Sub-Fund investing through the Stock Connect holding the Stock Connect Securities through HKSCC are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee. Stock Connect Securities are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of Stock Connect Securities are not available currently for the Sub-Fund. Hong Kong and overseas investors such as the Sub-Fund can only hold Stock Connect Securities through their brokers/custodians. Their ownership of such is reflected in their brokers/custodians' own records such as client statements.

A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect Securities and/or monies in connection with them and the Sub-Fund and its investors may suffer losses as a result. Neither the Sub-Fund nor the Manager shall be responsible or liable for any such losses.

Because HKSCC is only a nominee holder and not the beneficial owner of Stock Connect Securities, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that Stock Connect Securities will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under mainland China law.

Stock Connect is relatively new, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect. It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that Stock Connect will not be abolished. The Sub-Fund, which may invest in the PRC markets through Stock Connect, may be adversely affected as a result of such changes.

### 4.38 Russian Markets

There are significant risks inherent in investing in Russia. There is no history of stability in the Russian market and no guarantee of future stability. The economic infrastructure of Russia is relatively underdeveloped and the country maintains a high level of external and internal debt. Tax regulations are ambiguous and unclear and there is a risk of imposition of arbitrary and onerous taxes. Banks and other financial systems are not well developed or regulated and as a result tend to be untested and have low credit ratings. Bankruptcy and insolvency are a commonplace feature of the business environment. Foreign investment is affected by restrictions in terms of repatriation and convertibility of currency. The concept of fiduciary duty on the part of a company's management is generally non-existent. Local laws and regulations may not prohibit or restrict a company's management from materially changing the company's structure without shareholder consent. Foreign investors cannot be guaranteed redress in a court of law for breach of local laws, regulations or contracts. Regulations governing securities investment may not exist or may be applied in an arbitrary and inconsistent manner. Equity securities in Russia are issued only in book entry form and the Russian sub-custodian will maintain copies of the extracts. The extract is considered to be proof of an entry appearing on the share register but cannot be considered ultimate proof of a holding at a later date since shares are held in a nominee name and the balance will change, so the reconciliation of the holding will take place on the books of the sub-custodian. Therefore, the extract will not prove that an investor is the owner since they will not be known to the Administrator.

### 4.39 Frontier Markets

The risks associated with investing in the securities of issuers operating in emerging market countries are magnified when investing in frontier emerging market countries. There are also additional risks specific to frontier markets. Investing in the securities of issuers operating in frontier emerging markets carries a high degree of risk and special considerations not typically associated with investing in more traditional developed markets. Frontier market securities could be affected by factors not usually associated with investments in more traditional developed markets, including risks associated with expropriation and/or nationalization, political or social instability, pervasiveness of corruption and crime, armed conflict, the impact on the economy of civil war, religious or ethnic unrest and the withdrawal or non-renewal of any licence enabling a Sub-Fund to trade in securities of a particular country, confiscatory taxation, restrictions on transfers of assets, lack of uniform accounting, auditing and financial reporting standards, less publicly available financial and other information, diplomatic development which could affect investment in those countries and potential difficulties in enforcing contractual obligations. These risks and special considerations make investments in securities in frontier emerging market countries highly speculative in nature and, accordingly, an investment in the Sub-Fund's units must be viewed as highly speculative in nature and may not be suitable for an investor who is not able to afford the loss of their entire investment.

## 4.40 Sustainable Finance Disclosures Risks

(a) SFDR - Legal risk

The series of legal measures (including SFDR) requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage (the EU Action Plan on Sustainable Finance) is being introduced in the European Union on a phased basis and some elements (for example supporting regulatory technical standards) have been subject to implementation delays.

The FGR seeks to comply with all legal obligations applicable to it but notes there may be challenges in meeting all the requirements of these legal measures as they are introduced. The FGR may be required to incur costs in order to comply with these new requirements as part of the initial implementation phase and to incur further costs as the requirements change and further elements are introduced. This could be the case in particular if there are adverse political developments or changes in government policies as the implementation phase progresses. These elements could impact on the viability of the Sub-Funds and their returns.

(b) ESG Data reliance

The scope of SFDR is extremely broad, covering a very wide range of financial products and financial market participants. It seeks to achieve more transparency regarding how financial market participants integrate Sustainability Risks into their investment decisions and consideration of adverse sustainability impacts in the investment process. Data constraint is one of the biggest challenges when it comes to sustainability related information to end-investors, especially in the case of principal adverse impacts of investment decisions, and there are limitations on sustainability and ESG-related data provided by market participants in relation to comparability. Disclosures in this Prospectus may develop and be subject to change due to ongoing improvements in the data provided to, and obtained from, financial market participants and financial advisers to achieve the objectives of SFDR in order to make sustainability-related information available.

(c) Relative performance

An Article 8 Fund or an Article 9 Fund may underperform or perform differently relative to other comparable funds that do not promote environmental and/or social characteristics or pursue a sustainable investment objective.

## 4.41 ESG Considerations

Save as may otherwise be set out in the relevant Supplement or Annex, the Sub-Funds will generally act in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

Consequently, the Sub-Funds will take adequate measures to restrict them from:

(a) acquiring financial instruments issued by a company involved in the production, sale or distribution of cluster munition ("**Cluster Munition Companies**"); or

(b) acquiring transferable shares in Cluster Munition Companies.

In addition, the Sub-Funds are restricted from:

(a) acquiring financial instruments issued by a company which holds more than fifty (50) per cent of the share capital of Cluster Munition Companies; or

(b) acquiring transferable shares in such parent companies.

However, the Sub-Funds are not restricted from:

(a) entering into transactions based on an index that consists of less than five per cent of Cluster Munitions Companies;

(b) investing in AIFs provided that the relevant AIF consists of less than five (5) per cent of Cluster Munition Companies; and

(c) investing in specifically described projects of Cluster Munition Companies, provided that the invested funds will not be used for the production, sale or distribution of cluster munition.

For the definition of "cluster munition", please refer to article 2(2) of the Convention on Cluster Munitions which was adopted on 30 May 2008 in Dublin, Ireland and entered into force on 1 August 2010.

**4.42 Index Tracking Risks**

*Index Provider Liability*

The Investment Manager and the Manager cannot guarantee the accuracy or the completeness of the index or any data included therein and, subject to the terms of the management agreement and the investment management agreement respectively, shall have no liability for any errors, omissions or interruptions therein. Neither the Manager nor the Investment Manager makes any warranty, express or implied, to Unitholders as to results to be obtained by the Fund from the use of the underlying index or any data included therein. Without limiting any of the foregoing, in no event shall the Investment Manager have any liability for any special, punitive, direct, indirect or consequential damages regarding the relevant index or its data, even if notified of the possibility of such damages. The coverage and quality of ESG-related data on issuers and issuances may vary based on asset class, market exposure or instrument types. Therefore gains, losses or costs associated with index provider errors in the administration of the Index or the data relied upon by the index provider, including as a result of the Fund holding constituents that do not meet the ESG requirements, will be borne by the Funds and their investors. For example, during a period where the relevant Index contains incorrect constituents, a Fund tracking such published Index would have market exposure to such constituents and would be underexposed to the constituents that should have been included in the Index.

*Index Tracking Risks*

The Funds are not actively managed and may be affected by a general decline in market segments related to their respective Indices.

The Funds invest in securities included in, or representative of, their respective Indices, and the Funds do not attempt to take defensive positions under any market conditions, including declining markets. While the index-tracking Funds, in accordance with their investment objectives, seek to track the performance of their respective Indices, whether through a replication or optimising strategy, there is no guarantee that they will achieve perfect tracking and the Funds may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of their respective Indices, from time to time.

In addition, a Fund which tracks an Index with ESG objectives or characteristics may experience a deviation from the ESG performance or risk of its Index. For liquidity purposes, the Funds may hold a portion of their net assets in cash and such cash holdings will not rise and fall in line with movements in their respective Indices.

**4.43 Exclusionary Screens**

While exclusionary screens are used within their Index construction, investors should note that they may not always operate to entirely exclude all constituents in a particular category (e.g. because an exclusionary screen has certain revenue thresholds and/or other criteria that must be met before a constituent is excluded from their

Index or because of error on the part of their Index provider). Where this occurs, their Index and hence the Sub-Funds may still have exposure to constituents who do not satisfy those criteria.

### 4.44 Sustainability Risks – General

A Sustainability Risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment, including but not limited to, risks stemming from climate change, natural resource depletion, environmental degradation, human rights abuses, bribery, corruption and social and employee matters. Sustainability Risks that could negatively affect the value of a particular investment might include the following:

(a) Environmental: extreme weather events such as flooding or earthquakes; pollution incidents; damage to biodiversity;

(b) Social: labour strikes; health and safety incidents; product safety issues; and/or

(c) Governance: audit finding; discrimination within a workforce; inappropriate remuneration practices; failure to protect personal data.

The relevance, severity, materiality and time horizon of Sustainability Risk factors and other risks can differ significantly by Sub-Funds. Sustainability Risk can occur through different existing risk types (for example through market, liquidity, credit or counterparty risk). An example of this could be that a Sub-Fund invests in an issuer that could face potentially reduced revenues or increased expenditures from physical climate risk or transition risk through a decreased demand for carbon-intensive products and services or increased production costs due to regulatory changes.

As a result, Sustainability Risk factors may have a material impact on an investment, may increase the volatility, affect liquidity and may result in a loss to the value of a Fund. The impact of those risks may be higher where the Sub-Funds have particular investment concentrations e.g. instrument type, sector or country concentrations exposed to either physical or transitional risks. Under normal market conditions such events could have a material impact on the value of a Sub-Fund.

The impacts of sustainability risk are likely to develop over time and new sustainability risks may be identified as further data and information regarding sustainability factors and impacts becomes available.

### 4.45 Additional Risks

Additional risk factors (if any) in respect of each Sub-Fund are set out in the Supplement for the relevant Sub-Fund.

### 4.46 Risk Factors Not Exhaustive

The risks set out in this Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the FGR or any Sub-Fund may be exposed to risks of an exceptional nature from time to time.

# 5 MANAGEMENT OF THE FGR

## 5.1 The Manager

Northern Trust Fund Managers (Ireland) Limited has been appointed as Manager of the FGR and each Sub-Fund pursuant to the Terms and Conditions. The Manager will be responsible for the investment management of the Assets of the FGR and each Sub-Fund, the general administration of the FGR and each Sub-Fund and the distribution of the Units of each Sub-Fund of the FGR. The Manager, a limited liability company incorporated in Ireland on 9th February 1996, is ultimately a wholly-owned subsidiary of Northern Trust Corporation, a bank holding company based in Chicago, Illinois. The Manager is authorised to provide its services in the Netherlands and is included in the register of the AFM.

The Manager's main business is the provision of fund management services to CISs such as the FGR. The Manager currently acts as manager to the following Irish domiciled CISs namely: Northern Trust Investment Funds plc; Northern Trust Global plc; and Northern Trust UCITS Common Contractual Fund.

## 5.2 Directors of the Manager

The Directors of the Manager are described below:

**Bimal Shah**

Bimal Shah is Chief Administration Officer of Northern Trust Asset Management's International Client Group. He was previously Head of Relationship Management, NTAM EMEA. Mr Shah is a Director of Northern Trust Global Investments Limited and a member of the leadership team for Northern Trust Asset Management's business outside of North America. Mr Shah has more than 25 years of experience across a wide spectrum of financial services primarily in investment management. Mr Shah holds a degree in Economics from Sheffield University in England.

**Ton Daniels**

Ton Daniels is an independent, non-executive director and a senior policy advisor to the Dutch Banking Association. Mr Daniels has over 20 years' experience in the financial services industry as a senior consultant and university professor. Mr Daniels was a Partner at Ernst Young Netherlands, country leader Tax for Financial Services. Mr Daniels has lectured as a professor of Tax of Law in a number of Dutch Universities, was the Chairman of the Dutch Association of Depositories and was a Board member for the Institute for Financial Crime. Mr Daniels has extensive academic credentials including a Masters degree in Business Administration and Tax Law and a Ph.D in International Law.

**Claire Cawley**

Ms. Cawley, FCA, is an independent investment fund director with over 20 years' experience in the asset management and investment funds industry, having held senior executive and board positions in UBS, Mercer and KB Associates. Her previous executive roles entailed coverage of a wide range of investment management, structuring, governance, business development and regulatory responsibilities. Her most recent executive role included divisional responsibility for the development and management of the global UBS Asset Management Alternative product shelf including representation of UBS on investment fund boards.

Prior to her position at UBS, Ms. Cawley held positions at Mercer Global Investments where she worked on the Products team with responsibility for product management, solutions and the implementation of key compliance initiatives and at KB Associates, a consulting firm which specialised in providing services to the investment

management sector with a particular focus on fund support. Ms. Cawley trained as a Chartered Accountant in the financial services assurance division of KPMG in Dublin.

Ms. Cawley has a Bachelor of Arts (Economics & Finance) from University of Dublin, Trinity College and she is a fellow of the Institute of Chartered Accountants in Ireland.

**Alan Keating**

Alan Keating is Head of Management and executive director of the Manager with responsibility for the day-to-day management of the company.

Prior to joining Northern Trust in 2021, he was Managing Director of the Compliance and Regulatory Consulting Practice for Duff & Phelps in Ireland. In 2020 he established an Irish AIFM and UCITS management company for Duff & Phelps and held the role of CEO. Before Duff & Phelps, Alan was CEO of MUFG's Irish MiFID entity. Prior to the purchase of UBS Fund Services by MUFG in 2015, he was head of Fund Accounting and Transfer Agency for UBS in Ireland since 2004. Alan has over 23 years' experience in the financial services industry and has served on the board of several Irish AIF and UCITS funds since 2005. He has experience in a number of new license applications with the CBI and has fulfilled a range of PCF roles. Alan is a Fellow of the Association of Chartered Certified Accountants and an AITI Chartered Tax Adviser.

**Feargal Dempsey**

Feargal Dempsey is a provider of independent directorship services with over 25 years' experience in legal and financial services. He serves on the boards of several investment funds and management companies. Mr Dempsey has held senior positions at Barclays Global Investors/BlackRock including Head of Product Governance, Head of Product Strategy iShares EMEA and Head of Product Structuring EMEA. Previously he has also served as Group Legal Counsel, Eagle Star Life Ireland (now Zurich Financial Services), Head of Legal to ETF Securities and as a senior lawyer in Pioneer Amundi.

Mr. Dempsey holds a BA(Hons) and an LLB(Hons) from University College Galway and a Diploma in Financial Services Law from University College Dublin. He was admitted to the Roll of Solicitors in Ireland in 1996 and to the England and Wales Law Society in 2005. He has served on the Legal and Regulatory committee of Irish Funds and the ETF Working Group at the European Fund Asset Management Association.

**Ann-Marie Garry**

Ann-Marie Garry is head of EMEA Relationship Management for Northern Trust Asset Management. Ms. Garry is responsible for the overall delivery of client service and relationship management across the EMEA region. She has over 17 years of industry experience, including senior roles in client servicing and relationship management in Europe and Asia-Pacific. Prior to her current role, Ann-Marie managed client relationships for the UK, Ireland, and Nordics and previously worked in Melbourne overseeing client service for Australia and New Zealand for Northern Trust Asset Management. Ann-Marie holds a Bachelor of Corporate Law and a Postgraduate Bachelor of Laws from the National University of Ireland, Galway.

## 5.3 Legal Titleholder

Stichting Bewaarder Anchor NL Beleggingsfondsen is the legal owner (juridisch eigenaar) of all Assets. The Legal Titleholder has its statutory seat in Amsterdam and is registered with the chamber of commerce (kamer van koophandel) under number 61529389. The Legal Titleholder is a Dutch foundation and as a consequence it has no shareholders.

The Legal Titleholder's sole statutory purpose is to fulfil the function of title holder of assets of collective investment funds. The Legal Titleholder is liable towards the FGR and the Unitholders for damages to the extent such damages are the direct result of culpable non-performance or improper performance of its obligations. The Legal Titleholder has entered into the depositary and custody agreement with the Depositary.

The Depositary may register, or procure the registration of, legal title to the Investments in an account in the name of the Legal Titleholder, a nominee company, the Depositary, an agent, a settlement system or such other name as the Depositary considers appropriate, taking into account the FGR's best interest in respect to registering or recording the Investments in the name of a third party, having regard to local law, regulation and market practice, for the risk and account of the Unitholders. The Legal Titleholder will, at all times, act in the best interests of the Unitholders.

Obligations that are, or will be, part of the FGR will be entered into in the name of the Legal Titleholder but on the behalf and for the account of the FGR. The Legal Titleholder cannot represent the Unitholders. Any accounts opened to administer the Assets will be in the name of the Legal Titleholder for the account of the relevant Sub-Fund.

## 5.4 Directors of the Legal titleholder

The Directors of the Legal Titleholder is described below:

**Rutger Maenen**

Rutger Maenen, based in Amsterdam, as head of sales EMEA for Northern Trust Asset Management, is responsible for business development and sales within EMEA for Northern Trust Asset Management. Prior to joining Northern Trust, Mr Maenen was head of institutional sales Netherlands at Amundi. Mr Maenen also worked at Goldman Sachs Asset Management and BlackRock. Mr Maenen is certified by the VBA & EFFAS (Dutch and European Association of Financial Analysts) as RBA and CEFA Charter-holder.

**Herman Prummel**

Herman Prummel, based in Amsterdam, as country head for the Netherlands since October 2017, is responsible for business development, sales and client activities for Northern Trust in the Netherlands. Prior to joining Northern Trust, Mr Prummel was chief operating officer (COO) at Blackrock for the Benelux, Nordics, the Middle East and Africa, and the Isle of Man. Mr Prummel earned a Master of Science degree (MSc) in Business Economics from Maastricht University, the Netherlands. He is also certified by the VBA & EFFAS (Dutch and European Association of Financial Analysts) as RBA and CEFA Charter-holder.

## 5.5 Depositary

Northern Trust Global Services Societas Europaea, Amsterdam branch has been appointed by the Manager to act as Depositary of all of the Assets of the FGR and each Sub-Fund under the terms of the Depositary Agreement which is entered into on an arm's length basis.

The Depositary Agreement provides that the appointment of the Depositary will continue unless and until terminated by the Manager or the Depositary giving to the other parties not less than six months written notice although in certain circumstances the Agreement may be terminated immediately by the Manager or the Depositary provided that the appointment of the Depositary shall continue in force until a replacement has been appointed. The Depositary shall be liable to the FGR, or to the Unitholders, for all losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations as set out in the Depositary Agreement and UCITS V. The Depositary shall be liable to the FGR and to the Unitholders, for the loss by the Depositary or a duly appointed third party of any financial instruments held in custody (determined in accordance with UCITS V) and shall be responsible for the return of financial instruments or corresponding amount to the Manager without undue delay. The Depositary Agreement shall be governed by the laws of Netherlands and the courts of Netherlands shall have non-exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary Agreement.

The Depositary Agreement may be requested free of charge from the Manager.

The Depositary is authorised to provide its services in the Netherlands and is included in the register of the AFM.

The Depositary is a Dutch branch office of Northern Trust Global Services Societas Europaea that is incorporated in Luxembourg. Its main activity is the provision of depositary and custodial services to CISs. The Depositary is ultimately (wholly) owned by Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. The Depositary shall carry out functions in respect of the FGR and each Sub-Fund including but not limited to the following:

(a) the Depositary shall hold in custody all financial instruments capable of being registered or held in a financial instruments account opened in the Depositary's books and all financial instruments capable of being physically delivered to the Depositary;

(b) the Depositary shall verify the FGR's ownership of all assets (other than those referred to in (i) above) and maintain and keep up-to-date a record of such assets it is satisfied are owned by the FGR and each Sub-Fund;

(c) the Depositary shall ensure effective and proper monitoring of the cash flows of the FGR and each Sub-Fund; and

(d) the Depositary shall be responsible for certain oversight obligations in respect of the FGR and each Sub-Fund.

Duties and functions in relation to (c) and (d) above may not be delegated by the Depositary.

In discharging its role, the Depositary shall act honestly, fairly, professionally, independently and in the interest of the FGR and each Sub-Fund and the Unitholders.

The Depositary has delegated Northern Trust Global Services Societas Europaea responsibility for the safekeeping of the FGRs and each Sub-Funds financial instruments and cash. On an annual basis, the Depositary performs due diligence reviews on Northern Trust Global Services Societas Europaea. The global sub-custodian further appoints these responsibilities to a network of local sub-custodians.

### 5.6 Investment Managers

The Manager shall in general directly appoint one or more Investment Manager(s) to each Sub-Fund, to provide discretionary investment management services to that Sub-Fund. Unless otherwise disclosed in the relevant Supplement, the Manager has appointed Northern Trust Global Investments Limited as investment manager and distributor for all of the Sub-Funds. Where the Manager appoints an entity other than Northern Trust Global Investments Limited to act as investment manager, this will be disclosed in the Supplement for the relevant Sub-Fund.

The Investment Manager is a private limited company organised under the laws of England and Wales having its registered office at 50 Bank Street, Canary Wharf, London E14 5NT, United Kingdom. The principal activity of the Investment Manager is in providing international and European investment management services. The Investment Manager does not act as a broker fund advisor. The Investment Manager is authorised to carry on regulated activities in the UK and is authorised and regulated by the Financial Conduct Authority in the conduct of its investment business. The Investment Manager is a group company of the Manager and the Depositary. The Manager shall enter into investment management agreement(s) with the appointed Investment Manager(s) on an arm's length basis.

## 5.7 Administrator

Northern Trust International Fund Administration Services (Ireland) Limited has been appointed by the Manager to act as administrator, registrar and transfer agent under the terms of an administration agreement which has been entered into at an arm's length basis.

The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and is an indirect wholly owned subsidiary of the Northern Trust Corporation. The principal business activity of Northern Trust International Fund Administration Services (Ireland) Limited is the administrator of CISs.

The administration duties and functions of the Administrator will include, inter alia, the calculation of the Net Asset Value, the provision of facilities for the confirmation and registration of Units, the keeping of all relevant records and accounts of the FGR and assisting with compliance by the FGR with the applicable reporting requirements.

## 5.8 Distributors

Northern Trust Global Investments Limited has been appointed as distributor of the Units. The distributor 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. It 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 distributor will distribute/sell the Units. The distribution agreement has been entered into on an arm's length basis. The Manager may from time to time appoint other distributors of the Units.

## 5.9 Securities Financing Transactions

Securities Financing Transactions may be entered into by a Sub-Fund for any purpose that is consistent with the investment objective of the relevant Sub-Fund, including to generate income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks, if permitted in the relevant Supplement. In these transactions, collateral may move between the Fund and the relevant counterparty in order to mitigate any counterparty risk.

While the Fund will conduct appropriate due diligence of the counterparty, including consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), it is noted that the AFS does not prescribe any pre trade eligibility criteria for counterparties (a "Counterparty") to a Sub-Fund's Securities Financing Transactions. Any such Securities Financing Transactions will be subject to the conditions, limits and requirements of the AFS, SFTR and the provisions of the Prospectus.

Securities lending means transactions by which one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities. Repurchase agreements are a type of securities lending transaction in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities.

A reverse repurchase agreement is a transaction whereby a Sub-Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. Any Sub-Fund that seeks to engage in securities lending should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered. Please refer to the section entitled "Risk Factors" of this Prospectus in respect of the risks related to Securities Financing Transactions. The risks arising from the use of Securities Financing Transactions shall be adequately captured in the Fund's risk management process.

All the revenues arising from Securities Financing Transactions and any other efficient portfolio management techniques shall be returned to the relevant Sub-Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to repurchase and reverse repurchase transactions Counterparties and/or securities lending agents engaged by the Fund from time to time. Such fees and expenses of any repurchase and reverse repurchase transactions Counterparties engaged by the Fund, which will be at normal commercial rates together with value added tax or similar if applicable thereon, will be borne by the Fund or the Sub-Fund in respect of which the relevant party has been engaged. Details of Sub-Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase and reverse repurchase transactions Counterparties and/or securities lending agents engaged by the Fund from time to time shall be included in the Fund's semi-annual and annual reports.

Any Sub-Fund that enters into a reverse repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the Sub-Fund.

A Sub-Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Sub-Fund.

From time to time, a Sub-Fund may engage repurchase and reverse repurchase transactions counterparties and/or securities lending agents that are related parties to the Depositary or other service providers of the Fund. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the Fund. Please refer to the section entitled "Portfolio Transactions and Conflicts of Interest" of this Prospectus below for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the Fund's and each Sub-Fund's semi-annual and annual reports.

### 5.10 Collateral policy

In the context of efficient portfolio management techniques, Securities Financing Transactions and/or the use of FDIs for hedging or investment purposes, collateral may be received from a counterparty for the benefit of a Sub-Fund or posted to a counterparty by or on behalf of a Sub-Fund. Any receipt or posting of collateral by a Sub-Fund will be conducted in accordance with the requirements of the AFS and the terms of the Fund's collateral policy outlined below.

Collateral posted by a counterparty for the benefit of a Sub-Fund may be taken into account as reducing the exposure to such counterparty. Each Sub-Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the value of the collateral received corresponds with the value of the amount exposed to a counterparty risk at any given time.

The Investment Manager will liaise with the Depositary in order to manage all aspects of the counterparty collateral process.

Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the Fund's risk management process. A Sub-Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Sub-Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the following:

(a) Design of stress test scenario analysis including calibration, certification and sensitivity analysis;

(b) Empirical approach to impact assessment, including back-testing of liquidity risk estimates;

(c) Reporting frequency and limit/loss tolerance threshold/s; and

(d) Mitigation actions to reduce loss including haircut policy and gap risk protection.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Sub-Fund may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of the Sub-Fund in accordance with normal market practice and any applicable statutory requirements.

All assets received by a Sub-Fund in the context of Securities Financing Transactions shall be considered as collateral and must comply with the terms of the Fund's collateral policy.

Assets provided by a Sub-Fund on a title transfer basis shall no longer belong to the Sub-Fund and shall pass outside the custodial network. The counterparty may use those assets at its absolute discretion. Assets provided to a counterparty other than on a title transfer basis shall be held by the Depositary or its duly appointed agents.

Collateral received must, at all times, meet with the specific criteria in respect of the following:

(a) Liquidity

(b) Valuation

(c) Issuer credit quality

(d) Correlation

(e) Diversification (asset concentration)

(f) Immediately available

(g) Safe-keeping: Collateral received on a title transfer basis (whether in respect of a Securities Financing Transaction, an OTC derivative transaction or otherwise) should be held by the Depositary or its agent. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

(h) Haircuts: The Investment Manager, on behalf of each Sub-Fund, shall apply suitably conservative haircuts to assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests performed as referred to above. The Investment Manager has determined that generally if issuer or issue credit quality of the collateral is not of the necessary quality or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut must be applied in accordance with more specific guidelines as will be maintained in writing by the Investment Manager on an ongoing basis. However, the application of such a haircut will be determined on a case by case basis, depending on the exact details of the assessment of the collateral. The Investment Manager, in its discretion, may consider it appropriate in certain circumstances to resolve to accept certain collateral with more conservative, less conservative or no haircuts applied if it so determines, on an objectively justifiable basis. Any extenuating circumstances that warrant the acceptance of relevant collateral with haircut provisions other than the guideline levels must be outlined in writing, documenting the rationale for the acceptance.

Regarding (b) valuation, collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts (as referred to above) are in place.

Where appropriate, non-cash collateral held for the benefit of a Sub-Fund shall be valued in accordance with the valuation policies and principles applicable to the Fund. Subject to any agreement on valuation made with the counterparty, collateral posted to a recipient counterparty will be valued daily at mark-to-market value.

Non-cash collateral cannot be sold, pledged or re-invested.

Cash collateral may not be invested other than in the following:

(a) deposits with Relevant Institutions;

(b) high-quality government bonds;

(c) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Sub-Fund is able to recall at any time the full amount of cash on an accrued basis;

(d) short-term money market funds as defined in the Regulation (EU) 2017/1131 on money market funds (the Money Market Fund Regulation).

Re-invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Cash collateral may not be placed on deposit with the relevant counterparty or a related entity. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to a counterparty. Re-investment of cash collateral in accordance with the provisions above can still present additional risk for a Sub-Fund. Please refer to the section of this Prospectus entitled "**Risk Factors**" for more details.

Collateral posted to a counterparty by or on behalf of the Sub-Fund must be taken into account when calculating counterparty risk exposure. Collateral posted to a counterparty and collateral received by such counterparty may be taken into account on a net basis provided the Sub-Fund is able to legally enforce netting arrangements with the counterparty.

### 5.11 Complaints

If Unitholders have a complaint regarding the FGR or any Sub-Fund, they may submit a written complaint to the Manager or the Administrator at the address set out in Chapter 10. The Manager or the Administrator will acknowledge receipt of the complaint and indicate how the complaint will be handled, including the expected timeline, in accordance with its internal complaints procedure.

### 5.12 Portfolio Transactions and Conflicts of Interest

Certain Sub-Funds may invest some or all of their Assets in one or other funds which may or may not be managed by the Investment Manager or one of their respective affiliates.

Subject to the provisions of this section, the Manager, the Legal Titleholder, the Investment Manager, the Administrator, the Depositary, any Unitholder and any of their respective subsidiaries, affiliates, associates, agents or delegates (each a "**Connected Person**") may contract or enter into any financial, banking or other transaction with one another or with the Manager. This includes, without limitation, investment by the Manager in securities of any Connected Person or investment by any Connected Person in any company or bodies any of whose investments form part of the Assets comprised in any Sub-Fund or be interested in any such contract or transactions. In addition, any Connected Person may invest in and deal in Units relating to any Sub-Fund or any property of the kind included in the property of any Sub-Fund for their respective individual accounts or for the account of someone else. The appointment of the Investment Manager, the Administrator and the Depositary in their primary capacity as service providers to the FGR and each Sub-Fund are excluded from the scope of these Connected Person requirements.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments to or from the Manager. There will be no obligation on the part of any Connected Person to account to the relevant Sub-Fund or to Unitholders for any benefits so arising, and any such benefits may be retained by the relevant party, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length, is in the best interests of the Unitholders of that Sub-Fund and:

(a) a certified valuation of such transaction by a person appointed by the Directors and approved by the Depositary (or in the case of any such transaction entered into by the Depositary, the Directors) as independent and competent has been obtained; or

(b) such transaction has been executed on best terms reasonably obtainable on an organised investment exchange under its rules; or

(c) where (a) and (b) are not practical, such transaction has been executed on terms which the Depositary is (or in the case of any such transaction entered into by the Depositary, the Manager is) satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length and in the best interests of Unitholders.

The Depositary (or in the case of a transaction involving the Depositary, the Directors) shall document how it complied with paragraphs (a), (b) and (c) above and where transactions are conducted in accordance with paragraph (c), the Depositary (or in the case of a transaction involving the Depositary, the Directors), must document the rationale for being satisfied that the transaction conformed to the principles outlined above.

Potential conflicts of interest may arise from time to time from the provision by the Depositary and/or its affiliates of other services to the FGR and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, trustee, custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the FGR and/or other funds for which the Depositary (or any of its affiliates) act.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the FGR and will treat the FGR and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the FGR than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary's functions from its other potentially conflicting tasks and by the Depositary adhering to its "**Conflicts of Interest Policy**" (a copy of which can be obtained on request from the head of compliance for the Depositary).

Any Connected Person may be involved in other financial, investment and professional activities which may on occasion create conflicts of interest with the management of the Sub-Funds and/or its roles with respect to the Sub-Funds. Any Connected Person will use its reasonable endeavours to ensure that the performance of its duties will not be impaired by any such other involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of the Unitholders.

The Investment Manager may also, in the course of its business, have potential conflicts of interest with the FGR in circumstances other than those referred to above. The Investment Manager will, however, have regard in such event to its obligations under the relevant Investment Management Agreement and, in particular, to its obligations to act in the best interests of the FGR so far as practicable, having regard to its obligations to other clients when undertaking any Investments where conflicts of interest may arise and will ensure that such conflicts are resolved fairly as between the Manager, the relevant Sub-Fund and other clients. The Investment Manager will ensure that investment opportunities are allocated on a fair and equitable basis between the FGR and its other clients. In the event that a conflict of interest does arise the Manager and the Investment Manager will endeavour to resolve such conflicts fairly.

Also, a conflict of interest may arise where the competent person valuing unlisted securities and/or OTC derivatives held by a Sub-Fund is the Investment Manager or any other related party to the FGR. For example,

because the Investment Manager's fees are calculated on the basis of a percentage of a Sub-Fund's Net Asset Value, such fees increase as the Net Asset Value of the Sub-Fund increases. When valuing securities owned or purchased by a Sub-Fund, the Investment Manager (or any other related party to the FGR) will, at all times, have regard to its obligations to the FGR and the Sub-Fund and will ensure that such conflicts are resolved fairly.

A potential conflict of interest exists due to the fact that the Manager may estimate the probable realisation value of unlisted securities.

As the fees of the Investment Manager will be based on the Net Asset Value of a Sub-Fund, if the Net Asset Value of the Sub-Fund increases so do the fees payable to the Investment Manager and accordingly there is a conflict of interest for the Investment Manager in cases where the Investment Manager is responsible for determining the valuation price of a Sub-Fund's Investments.

The Depositary has been appointed to provide the FGR with a credit/overdraft facility and such affiliate is entitled to retain for its own use and benefit all profits and advantages which may be derived from such facility. Such facilities are negotiated on an arm's length basis. Uninvested cash may be invested overnight into a money-market investment fund managed by the Investment Manager.

The provisions of this section shall apply to all Sub-Funds unless otherwise stated in the relevant Supplement.

### 5.13 Remuneration Policy

The Manager has a remuneration policy in place to ensure compliance with UCITS V. This remuneration policy imposes remuneration rules on staff and senior management within the Manager whose activities have a material impact on the risk profile of the FGR and each of the Sub-Funds. The Directors will ensure that its remuneration policies and practices are consistent with sound and effective risk management, will not encourage risk-taking which is inconsistent with the risk profile of the FGR and each of the Sub-Fund, the Terms and Conditions and will be consistent with UCITS V. The Directors will ensure that the remuneration policy is at all times consistent with the business strategy, objectives, values and interests of the FGR, the Sub-Funds and Unitholders, and includes measures to ensure that all relevant conflicts of interest may be managed appropriately at all times. Further details with regard to the remuneration policy are available at the Website. The remuneration policy may be obtained free of charge on request from the Manager.

### 5.14 Northern Trust Entities Investment in the FGR

The Manager, the Investment Manager and other members of the Northern Trust Group may provide seed capital in respect of Sub-Funds, thereby giving the investing entity a proprietary interest in the Sub-Fund.

# 6 UNITS

## 6.1 Form of Units

If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the FGR or the suitability for you. The FGR has an open-ended status, which means that the Units are freely transferable subject to this Prospectus and the Terms and Conditions.

Units will be in non-certificated form. Confirmations of ownership evidencing entry in the register will be issued within fifteen (15) Business Days of the relevant Dealing Day upon receipt of all documentation required by the Administrator. Unit certificates shall not be issued.

The FGR and its Sub-Funds are "investment entities" as described in the Intergovernmental Agreement and are required to comply with laws and regulations of the Netherlands that implement the Intergovernmental Agreement. To mitigate the impact of FATCA for the FGR, its Sub-Funds and the Unitholders, participation in the FGR is not open to Unitholders that are considered a Specified U.S. person as described under FATCA, Unitholders that refuse to cooperate with an increased identification of their FATCA Status or Unitholders that are considered as a Non-Participating Foreign Financial Institution under the Intergovernmental Agreement. FATCA generally imposes a reporting regime designed to require certain Specified U.S. persons as described under FATCA direct and indirect ownership of non-US accounts and certain non-US entities to be reported to the IRS. If there is a failure by the FGR or a Sub-Fund to provide required information regarding U.S. ownership or otherwise comply with the requirements of FATCA, a 30% withholding tax would apply with respect to certain U.S. source income and gross proceeds from the sale or other disposition of property that can produce U.S. source interest or dividends. The United States and the Netherlands have entered into the Intergovernmental Agreement to implement FATCA. Under the Intergovernmental Agreement, an entity classified as a FFI that is treated as resident in the Netherlands is expected to provide the Dutch tax authorities with certain information on Unitholders. The Intergovernmental Agreement provides for the automatic reporting and exchange of information in relation to accounts held in Dutch "financial institutions" by Specified U.S. persons as described under FATCA, and the reciprocal exchange of information regarding U.S. financial accounts held by Dutch residents. Applicants are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on their defined investment in the FGR.

In addition, the Manager reserves the right to impose restrictions on the holding of Units directly or indirectly by (and consequently to redeem Units held by) a person or entity who breached or falsified representations on subscription documents or who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such entity is not qualified to hold Units including without limitation any exchange control regulations, or if the holding of the Units by any entity is unlawful or is less than the minimum holding set for that Class of Units by the Directors, or in circumstances which (whether directly or indirectly affecting such entity or entities, and whether taken alone or in conjunction with any other entity or entities, connected or not, or any other circumstances appearing to the Manager to be relevant), in the opinion of the Manager, may result in the FGR suffering any regulatory, pecuniary, legal, taxation or material administrative disadvantage which the FGR or the relevant Sub-Funds or its Unitholders might not otherwise have incurred or suffered or might result in the FGR being required to comply with registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply or is otherwise prohibited by the Terms and Conditions.

The Manager may reject in its discretion any application for Units by any persons who are so excluded from purchasing or holding Units and pursuant to the terms of the Terms and Conditions at any time repurchase Units held by Unitholders who are so excluded from purchasing or holding Units.

If it shall come to the notice of the Manager or if the Manager shall have reason to believe that any Units are owned directly or beneficially by any person or persons in breach of any restrictions imposed by the Manager, the

Manager shall be entitled to (i) give notice (in such form as the Manager deems appropriate) to such person requiring him to request in writing the redemption of such Units in accordance with the Terms and Conditions and/or (ii) as appropriate, compulsorily redeem and/or cancel such number of Units held by such person and may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Units by such person including any interest or penalties payable thereon.

### 6.2 Purchases of Units

Issues of Units will normally be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. Dealing Days and Dealing Deadline relating to each Sub-Fund are specified in the relevant Supplement. The Manager may at its sole and absolute discretion nominate additional Dealing Days and Valuation Points for subscriptions for Units and Unitholders shall be notified in advance.

Applications for the initial issue of Units should be submitted by completing the Subscription Agreement in writing in the manner prescribed by the Manager from time to time or sending the same by facsimile provided that all relevant account opening and supporting documentation in relation to any anti-money laundering prevention has been received and verification of the applicant's identity has been completed by the Administrator on or prior to the Dealing Deadline. Applications received after the Dealing Deadline for the relevant Dealing Day shall be deemed to have been received by the next Dealing Deadline. The Manager, in consultation with the Administrator, may however in its sole and absolute discretion accept applications received subsequent to the deadline in exceptional circumstances provided they are received prior to the Valuation Point for the relevant Dealing Day.

The Manager and Administrator will not process any subscriptions for Units until the relevant account opening process has been completed and an account number confirmation has been issued by the Administrator. The account number must be specified on all subscription instructions. Subscription instructions and proceeds must not be forwarded by the Unitholder to the Administrator until the account number confirmation is issued by the Administrator. Any subscription order received as part of the account opening forms will be rejected. In respect of initial subscriptions, all relevant account opening and supporting documentation in relation to money laundering prevention checks, together with all necessary tax documentation, including any tax certificates, W8 forms or similar documentation, must be provided to the Administrator prior to the relevant Dealing Day, in order to enable account opening and verification checks to be completed by the Administrator.

The Administrator reserves the right to request such information as is necessary to verify the identity of the applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator or the Manager may refuse to accept the application. Applications will be irrevocable unless the Manager otherwise agrees. Any changes to a Unitholder's registration details, from the relevant Unitholder's payment details or payment instructions will only be made on receipt of an instruction and evidence as may be required by the Administrator. There will be no discretion for the Manager to accept applications in any circumstances after the close of business in the relevant market that closes first on the relevant Dealing Day.

Subsequent subscriptions (i.e. subsequent to an initial purchase of Units within a Sub-Fund) should be made by contacting the Manager c/o the Administrator in writing, by telephone, by facsimile or by electronic means provided such means are accepted by the Manager.

Subsequent subscription requests will only be processed where the Unitholder name and account number, and the name, address and/or fax number to which the contract note is to be sent corresponds to that listed as the Unitholder of record registered with the Administrator. Should the Unitholder request that the contract note be sent to a name and/or address which differs from that registered with the Administrator, confirmation of this change must be submitted by the Unitholder and a copy of this confirmation must be received by the Administrator before the order will be processed.

Applications for the subscription of Units may also be made by electronic means (such as the use of a third party portal), provided that the Manager has agreed the procedures in advance and that investors are not obliged to use such electronic means.

If a Minimum Initial Investment Amount is set for Units of each Sub-Fund that may be subscribed for by each investor on initial application and the Minimum Holding for Units of each Sub-Fund, this will be set out in the relevant Supplement.

Fractions of not less than four (4) decimal places of a Unit may be issued. Subscription monies representing smaller fractions of Units will not be returned to the applicant but will be retained as part of the Assets of the relevant Sub-Fund.

Under the Terms and Conditions, the Manager has absolute discretion to accept or reject in whole or in part any applications for Units without assigning any reason therefor.

In no event shall any application for initial issuance of Units be processed or redemption payment take place until all of the necessary account opening and supporting documentation have been received and all relevant anti-money laundering and know-your-customer checks have been carried out and completed by the Administrator.

If investor due diligence and minimum investor registration requirements have not been completed, the Administrator at the cost and risk of the applicant will, subject to any applicable laws, will reject the application and return application monies or the balance thereof, without interest, by telegraphic transfer to the account from which it was paid normally within five (5) Business Days of receipt of such monies. All applications are subject to rejection by the Manager in its discretion.

### 6.3 Issue Price

The Initial Issue Price for Units in the relevant Sub-Fund shall be the issue price as set out in the relevant Supplement.

After the expiry of the relevant Initial Offer Period, Units of any Class of any Sub-Fund may be issued on a Dealing Day at the Issue Price.

In addition, in calculating the Issue Price for the FGR, the Manager will calculate the Net Asset Value per Unit and adjust the outcome by adding a dilution levy in the manner set out below in the section entitled "Dilution Adjustment". Further details of which may also be set out in the relevant Supplement.

### 6.4 Anti-Dilution Levy

The purpose of the Anti-Dilution Levy is to reduce the impact of transaction dealing costs and maintain the value of the relevant Sub-Fund for existing unitholders. The application of an Anti-Dilution Levy negates the effect of transaction dealing costs on the relevant Sub-Fund by apportioning those costs to the subscription/redemption transactions that triggered the portfolio changes. Such transaction dealing costs shall include the estimated explicit and implicit costs of subscriptions or redemptions, including any estimated significant market impact of asset purchases or sales to meet those subscriptions or redemptions. Implicit costs are considered costs incurred indirectly upon acquisition or disposal of assets by a Sub-Fund with the bid-ask spread and market impact as key components. These costs may vary depending on, among other things, the type of underlying asset and the market conditions.

The FGR operates the Anti-Dilution Levy mechanisms described below, only one of which will be applied to a relevant transaction.

The Directors or the Manager (or their duly appointed delegate) may:

(a) impose a swing pricing adjustment which may result in the Net Asset Value per Units being adjusted upwards or downwards to account for the market dealing costs which would be payable on the acquisition or disposal of assets directly arising from the net subscriptions and redemptions on that Dealing Day; and/or

(b) impose an anti-dilution adjustment on a transaction basis as an additional charge to the subscription amount payable by an investor or a charge that would be deducted from the redemption amount payable to the investor.

In each case, the level of adjustment made would typically be a proxy amount, calculated on the basis of an assessment of transaction costs based on historical reference data, but in relevant cases (for example, in cases of more volatile markets where transaction dealing costs and duties and charges are more variable and therefore less predictable), this may be calculated with reference to the specific transaction costs for the actual subscriptions/redemptions for the relevant Dealing Day.

In addition to circumstances where there are net subscriptions/redemptions for the relevant Sub-Fund on a given Dealing Day, the Directors or the Manager (or their duly appointed delegate) reserve the right to apply the swing pricing adjustment or the anti-dilution adjustment to subscriptions and/or redemptions in a Sub-Fund where, in the opinion of the Directors or the Manager, it is in the interests of the existing/remaining Unitholders and potential Unitholders that either (i) the Net Asset Value per Unit be adjusted; or (ii) an additional charge be applied to the subscription amount payable by a Unitholder or a charge be deducted from the redemption amount payable to a Unitholder.

Any adjustment is subject to a maximum of 1% of the Net Asset Value per Unit (except where the Directors believe that it is necessary to protect the interests of Unitholders, the Directors may increase the adjustment above the 1% maximum level only to the extent necessary to offset the actual dealing costs incurred by the relevant Sub-Fund). Depending on the dealing and duties and charges on a Dealing Day, the application of the swing pricing adjustment and/or the anti-dilution adjustment may have a material impact on the price an investor pays for Units and/or the repurchase proceeds received by a Unitholder.

The Directors or the Manager (or their duly appointed delegate) may consider it appropriate not to apply the Anti-Dilution Levy mechanisms, including, but not limited to, where the Investment Manager is seeking to raise assets in order for a Sub-Fund to reach a certain size. If the Sub-Fund is seeking to raise assets in order to reach a certain size, the Directors or the Manager (or their duly appointed delegate) may, at their discretion, (i) bear the market dealing and other costs relating to the trades to avoid the Sub-Fund suffering the dilution of the Net Asset Value such that the investor shall subscribe at the unswung Net Asset Value; or (ii) bear the charge that would have either been applied on a transaction basis to the subscription amount or deducted from the redemption amount payable to the investor.

Further details on the application of either method of Anti-Dilution Levy by a Sub-Fund will be set out in the relevant Supplement.

### 6.5 Payment for Units

Payment in respect of the issue of Units must be made by the relevant Settlement Date by electronic transfer in cleared funds in the currency of denomination of the relevant Unit Class. Cheques will only be accepted in exceptional circumstances at the discretion of the Administrator and by advance agreement. The Administrator may, at its discretion, accept payment in other currencies, but such payments will be converted into the currency of denomination of the relevant Unit Class at the then prevailing exchange rate available to the Administrator and only the net proceeds (after deducting the conversion expenses) will be applied towards payment of the subscription moneys. This may result in a delay in processing the application.

If payment in full has not been received by the Settlement Date, or in the event of non-clearance of funds, the allotment of Units made in respect of such application may, at the discretion of the Directors in consultation with the Administrator, be cancelled, or, alternatively, the Directors in consultation with the Administrator may treat the application as an application for such number of Units as may be purchased with such payment on the Dealing Day next following receipt of payment in full or of cleared funds. In such cases the FGR may charge the applicant for any resulting bank charges or market losses incurred by the relevant Fund including but not limited to transaction costs and/or losses incurred by the FGR making investments in relation to the Units from the relevant Dealing Day that may then need to be sold in order to give effect to the cancellation of the Units. The Manager

reserves the right to charge interest at a reasonable commercial rate on subscriptions which are settled late or which are cancelled in the manner set out above. Upon receipt subscriptions monies will become the property of the relevant Fund and accordingly an investor will be treated as a general creditor of the relevant Fund during the period between receipt of subscription monies and the issue of Units.

In the case of Classes that are denominated in a currency other than the Base Currency and are identified as unhedged, a currency conversion will take place on subscription at prevailing exchange rates.

Upon receipt into the Subscriptions/Redemptions Account, subscriptions monies will become the property of the relevant Sub-Fund and accordingly an investor will be treated as a general creditor of the relevant Sub-Fund during the period between receipt of subscription monies into the Subscriptions/Redemptions Account and the issue of Units.

Please refer to the section of this Prospectus entitled "**Risk Factors: Subscriptions/Redemptions Account Risk**" for more details.

### 6.6 In Specie Issues

The Manager may at its absolute discretion in consultation with the Investment Manager, provided that the Depositary is satisfied that no material prejudice would result to any existing Unitholder in any Sub-Fund, allot Units in any Sub-Fund against the vesting in the Depositary on behalf of the FGR of investments which would form part of the Assets of the relevant Sub-Fund provided such investments would qualify as an investment of the relevant Sub-Fund in accordance with its investment objective, policies and restrictions. The number of Units to be issued in this way shall be the number which would on the day the Assets be vested in the Depositary on behalf of the FGR have been issued for cash against the payment of a sum equal to the value of the Assets less any transaction, tax and other incidental costs.

The value of the Assets to be vested shall be calculated by applying the valuation methods described under the section entitled "**Calculation of Net Asset Value/ Valuation of Assets**" below.

### 6.7 Anti-Money Laundering Provisions

Measures provided for in the Act on prevention of money-laundering and financing of terrorism (*Wet ter voorkoming van witwassen en financieren van terrorisme*), together with any guidance notes pursuant thereto which are aimed towards the prevention of money laundering, require detailed verification of each applicant's identity, address and source of funds (and where applicable the beneficial owner on a risk sensitive basis) and ongoing monitoring of the business relationship. Politically exposed persons ("**PEPs**"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, an immediate family member, or persons known to close associates of such persons, must also be identified. By way of example an individual may be required to produce an certified copy of a passport or identification card together with evidence of his/her address such as copies of evidence of his/her address, i.e. utility bills or bank statements, date of birth and tax residence. In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and resident and business address of all directors of the company and details of persons with substantial beneficial ownership of the corporate applicant and other documents deemed necessary by the Administrator.

Simplified customer due diligence measures may be applied depending on the circumstances of each application and the associated degree of risk. In determining whether an application presents a lower degree of risk, among other things, the non-exhaustive list of factors set out in Annex II to the 4MLD will be taken into account. Applicants may contact the Administrator in order to determine whether their application is eligible a simplified customer due diligence investigation.

The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant and, where applicable, its beneficial owner(s). In the event of delay or failure by the applicant to produce

any information required for verification purposes, the Administrator may refuse to accept the application and all subscription monies may be returned without interest to the account from which the monies were originally debited.

Alternatively, the Directors may compulsorily redeem such Unitholder's Units and/or payment of Redemption Proceeds may be delayed and none of the Sub-Fund, the Directors, Investment Manager, the Depositary or the Administrator shall be liable to the subscriber or Unitholder where an application for Units is not processed or Units are compulsorily redeemed in such circumstances.

If an application is rejected, the Administrator will return application monies or the balance thereof by telegraphic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Administrator will refuse to pay Redemption Proceeds where the requisite information for verification purposes has not been produced by a Unitholder.

### 6.8 Limitations on Purchases

Units may not be issued by the Manager during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described under "**Suspension of Calculation of Net Asset Value**" below. Applicants for Units will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

### 6.9 Redemption of Units

The Manager shall at any time during the term of a Sub-Fund on receipt by it or by its duly authorised agent of a request from a Unitholder redeem on any Dealing Day all or any part of his holding of Units in the relevant Sub-Fund or Class at the Net Asset Value per Unit of that Sub-Fund or Class as of the relevant Valuation Point less a Redemption Charge and a dilution adjustment (an adjustment because the actual costs of purchasing or selling the Investment may be higher or lower than the value used in the calculation of the Net Asset Value) if applicable.

All requests for the redemption of Units should be made to the Fund c/o the Administrator and must quote the relevant Unitholder's registered account number, the relevant Sub-Fund(s) and Class of Unit, and be signed by or on behalf of the Unitholder by a person with the ability to bind the Unitholder before payment of Redemption Proceeds can be made. Redemption requests will be treated as definite orders. No redemption payment may be made to a Unitholder until the Subscription Agreement in respect of the Unitholder's initial subscription has been received from the Unitholder 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.

Redemption requests will only be processed where the Unitholder`s name and account number, and the address and/or fax number to which the contract note is to be sent corresponds to that listed as the Unitholder of record registered with the Administrator. Should the Unitholder request that the contract note be sent to a name and/or address which differs from that registered with the Administrator, written confirmation of this change must be submitted by the Unitholder and the copy of this confirmation must be received by the Administrator before the order will be processed. Requests received on or prior to the relevant Dealing Deadline will, subject as mentioned in this section and in the relevant Supplement, normally be dealt with on the relevant Dealing Day. Redemption requests received after the Dealing Deadline shall, unless the Manager shall otherwise agree in exceptional circumstances and provided they are received before the relevant Valuation Point, be treated as having been received by the following Dealing Deadline.

A redemption request will not be capable of withdrawal after acceptance by the Manager. If requested, the Manager may, in its absolute discretion and subject to the prior approval of the Depositary and notification to all of the Unitholders, agree to designate additional Dealing Days and Valuation Points for the redemption of Units relating to any Sub-Fund.

The Manager may decline to effect a redemption request that would have the effect of reducing the value of any holding of Units relating to any Sub-Fund below the Minimum Holding for that Class of Units of that Sub-Fund. Any redemption request having such an effect may be treated by the Manager as a request to redeem the Unitholder's entire holding of that Class of Units.

The Administrator will not accept redemption requests, which are incomplete, until all the necessary information is obtained.

Redemptions that materially change the size, structure and viability of the relevant Class may, at the discretion of the Manager, be subject to Dutch dividend withholding tax (also known as deemed distribution). We refer to section 8.3 of this Prospectus for more information about deemed distributions.

### 6.10 Redemption Price

Units will be issued and redeemed at the Redemption Price which will be the Net Asset Value per Unit, which may be adjusted in the manner set out below. The Redemption Price at which Units will be redeemed on a Dealing Day is calculated by ascertaining the Net Asset Value per Unit of the relevant Class as of the relevant Valuation Point and adjust the outcome by applying any dilution adjustment (the "**Redemption Proceeds**") in the manner set out in the section entitled "**Dilution Adjustment**". Further details of which may also be set out in the relevant Supplement. The method of establishing the Net Asset Value of any Sub-Fund and the Net Asset Value per Unit of any Class of Units in a Sub-Fund is set out in the Terms and Conditions as described herein under the section entitled "**Calculation of Net Asset Value/Valuation of Assets**" below, which may be adjusted in the manner set out below.

### 6.11 Payment of Redemption Proceeds

The Redemption Proceeds will be paid at the Unitholder's risk and expense by telegraphic transfer to an account in the name of the Unitholder in the currency of the relevant Class of Units (or in such other currency as the Manager shall determine) by the Settlement Date and, in any event, within fourteen (14) calendar days from the relevant Dealing Deadline.

Payment of Redemption Proceeds will be made to the registered Unitholder. In the case of redemption requests submitted by fax, Redemption Proceeds shall only be remitted to the account of record of the relevant Unitholder. No redemption payment may be made to a Unitholder until the Subscription Agreement in respect of the Unitholder's initial subscription has been received from the Unitholder 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.

The Manager may, but shall not be obliged to, estimate the value of cash dividends and interest declared or accrued and not yet received by the relevant Sub-Fund as at the relevant Valuation Point, which amount the Manager shall be entitled to retain pending actual receipt and reconciliation of such cash dividends and interest. Upon actual receipt and reconciliation of such cash dividends and interest, the Manager will calculate the Unitholder's actual entitlement to such cash dividends and interest as of the Valuation Point applicable to the redemption and make a payment to the Unitholder taking into account the foreign exchange rate applied to such cash dividend or interest when it is received and after deducting any relevant fees, costs, charges and expenses payable by the Unitholder in relation to such cash dividends and interest.

In the case of Classes that are denominated in a currency other than the Base Currency and are identified as unhedged, a currency conversion will take place on redemption at prevailing exchange rates.

Please refer to the section of this Prospectus entitled "**Risk Factors: Redemption Risk**" for more details.

## 6.12 Limitations on Redemption

The Manager may not redeem Units of any Sub-Fund during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described under the section entitled "**Suspension of Calculation of Net Asset Value**" below. Applicants for redemption of Units will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

The Manager may at its discretion limit the number of Units of any Sub-Fund redeemed on any Dealing Day to Units representing ten (10) per cent of the total Net Asset Value of that Sub-Fund on that Dealing Day. In this event, the limitation will apply pro rata so that all Unitholders wishing to have Units of that Sub-Fund redeemed on that Dealing Day realise the same proportion of such Units. The foregoing will only apply to a Sub-Fund if this is expressly stated in the relevant Supplement of that relevant Sub-Fund. Units not redeemed, but which would otherwise have been redeemed, will be carried forward for redemption on the next Dealing Day and will be dealt with in priority (on a rateable basis) to redemption requests received subsequently. If requests for redemptions are so carried forward, the Administrator will inform the Unitholders affected.

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 distribution of Investments of the relevant Sub-Fund in specie provided that such a distribution would not be prejudicial to the interests of the remaining Unitholders of that Sub-Fund and provided that the asset allocation is subject to the approval of the Depositary.

The Terms and Conditions also contains special provisions where a redemption request received from any one Unitholder would result in Units representing more than five (5) per cent of the Net Asset Value of any Sub-Fund being redeemed on any Dealing Day. In such a case, the Manager may satisfy the redemption request by a distribution of investments of the relevant Sub-Fund in specie provided that such a distribution would not be prejudicial to the interests of the remaining Unitholders of that Sub-Fund. Where the Unitholder requesting such redemption receives notice of the Manager's intention to elect to satisfy the redemption request by such a distribution of Investments, that Unitholder may require the Manager instead of transferring those Investments to arrange for their sale and the payment of the proceeds of sale to that Unitholder less any costs incurred in connection with such sale.

The Manager may at its discretion suspend the redemption of Units if the conditions for the FBI status may be violated.

## 6.13 Mandatory Redemptions

The Manager may compulsorily redeem all of the Units of the FGR if at any time after the first anniversary of the date of the first issue of Units or on any Dealing Day thereafter the Net Asset Value of all of the Sub-Funds shall be less than € 50,000,000. The Manager may also compulsorily redeem all of the Units of any Sub-Fund if at any time after the first anniversary of the date of the first issue of Units or on any Dealing Day thereafter, the Net Asset Value of the relevant Sub-Fund is less than the Minimum Net Asset Value specified in the Supplement for the relevant Sub-Fund. The Manager may also compulsorily redeem Units of any Sub-Fund in the circumstances as set out in the third paragraph of Clause 4.13.

If the Manager decides to terminate a Sub-Fund, all of the Unitholders in the Sub-Fund will be so notified by the Manager and will be deemed to have requested that their Units be redeemed by the Manager in accordance with the redemption procedure set out in this Prospectus. The Manager may delay the payment of total Redemption Proceeds until all Assets and receivables are liquidated and may make adjustments to the amount of Redemption Proceeds payable to Unitholders in order to reflect the final value of such Assets and receivables upon termination.

## 6.14 Exchange of Units

Unless otherwise determined by the Manager, Unitholders will be able to apply to exchange on any Dealing Day all or part of their holding of Units of any Class in any Sub-Fund (the "**Original Class**") for Units in another Class in the same Sub-Fund or another Sub-Fund which are being offered at that time (the "**New Class**") (such Class being in the same Sub-Fund or in a separate Sub-Fund) and that all the criteria for applying for Units in the New Class have been met and by giving notice to the Manager on or prior to the Dealing Deadline for the relevant Dealing Day. The Manager may however at its discretion agree to accept requests for exchange received after the relevant Dealing Deadline provided they are received prior to the relevant Valuation Point. The general provisions and procedures relating to the issue and redemption of Units will apply equally to exchanges save in relation to charges payable details of which are set out below and in the relevant Supplement.

In case of exchange of Units of any Class in any Sub-Fund for Units in another Class in the same Sub-Fund, a dilution levy applies, but the net result of the exchange in Units is that no charges are payable by the Unitholder.

When requesting the exchange of Units as an initial investment in a Sub-Fund, Unitholders should ensure that the value of the Units exchanged is equal to or exceeds the Minimum Initial Investment Amount for the relevant New Class specified in the Supplement for the relevant Sub-Fund. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Holding for the Original Class.

The number of Units of the New Class to be issued will be calculated in accordance with the following formula:
**S = RP / SP**

where:

S = the number of Units of the New Class to be issued

RP = the Redemption Proceeds

SP = the Issue Price per Unit of the New Class as at the Valuation Point for the applicable Dealing Day.

## 6.15 Limitations on Exchanges

Units may not be exchanged for Units of a different Class during any period when the calculation of the Net Asset Value of the relevant Sub-Fund or Sub-Funds is suspended in the manner described under the section entitled "Suspension of Calculation of Net Asset Value". Applicants for exchange of Units will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

## 6.16 Notification of Prices

Except where the determination of the Net Asset Value per Unit has been temporarily suspended, the price at which each class of Unit in each Sub-Fund may be issued or redeemed will be available from the Administrator and will be published on each Dealing Day on the Website. Such prices will usually be the prices applicable to the previous Dealing Day's trades and are therefore only indicative.

## 6.17 Calculation of Net Asset Value / Valuation of Assets

The Net Asset Value of each Sub-Fund shall be calculated by the Administrator as at the Valuation Point for each Dealing Day by valuing the Assets of the Sub-Fund and deducting therefrom the liabilities of the Sub-Fund and published on the Website. The Net Asset Value will be calculated in the currency of the relevant Class.

The Net Asset Value of a Sub-Fund divided by the number of Units of the relevant Sub-Fund in issue as at the relevant Valuation Point (where the resulting sum is rounded to four (4) decimal places) is equal to the Net Asset Value of a Unit of the relevant Sub-Fund. Where there is more than one Class in issue in a Sub-Fund, the Net

Asset Value per Unit of the relevant Class is calculated by determining that proportion of the Net Asset Value of the relevant Sub-Fund which is attributable to the relevant Class at the Valuation Point, and adding thereto or deducting therefrom such sum (if any) as the Administrator may consider represents the appropriate provision for purchase or sales charges and by dividing this sum by the total number of Units of the relevant Class in issue at the relevant Valuation Point (which is set out in the Supplement for the relevant Sub-Fund). The price at which Units of any Class will be issued or redeemed on a Dealing Day, after the initial issue, is based on the Net Asset Value per Unit or Net Asset Value per Unit of a relevant Class (where there is more than one Class in issue in a Sub-Fund). The Net Asset Value per Unit is the resulting sum rounded to four (4) decimal places.

The Net Asset Value per Unit and the Net Asset Value of the Sub-Fund may be effected by the dilution adjustment which is set out in the section entitled "**Dilution Adjustment**" as a result that the actual cost of purchasing or selling an Asset may be higher or lower than the mid-market value used in calculating the price.

The Manager has delegated the calculation of the Net Asset Value to the Administrator. In calculating the Net Asset Value, the Administrator shall not be liable for any loss suffered by the FGR by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by any pricing service. The Administrator shall use reasonable endeavours to verify any pricing information supplied by the Investment Manager or any Connected Person thereof (including a Connected Person which is a broker, market maker or other intermediary). However, in certain circumstances it may not be possible or practicable for the Administrator to verify such information and, in such circumstances, the Administrator shall not be liable for any loss suffered by the FGR by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the Investment Manager or any connected person thereof (including a Connected Person which is a broker, market maker or other intermediary). In circumstances where the Administrator is directed by the Investment Manager or any connected person thereof (including a Connected Person which is a broker, market maker or other intermediary) to use particular pricing services, brokers, market makers or other intermediaries, neither the Administrator nor the Investment Manager shall be liable for any loss suffered by the FGR by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by such pricing services, brokers, market makers or other intermediaries not appointed or selected by the Administrator. In case of any errors in the calculation of the Net Asset Value of a Sub-Fund, the Manager will as soon as possible prepare a report on the errors that were made and which correction will need to be made to the Net Asset Value. If a correction is required of more than 0.5% of the Net Asset Value of a Sub-Fund, and one or more Unitholders in the Sub-Fund incurred losses by an allocation or redemption against the erroneously calculated Net Asset Value of the Sub-Fund, the Manager will provide compensation (in cash or in Units) out of the Sub-Fund's Assets for the relevant Unitholder(s) for the actual losses incurred unless the error is not attributable to the Manager, the Administrator or the Depositary, taking into account their liabilities as set out herein and in the Terms and Conditions. Any disputes between the Administrator and the Manager in this respect shall not affect the Manager's obligation to provide compensation out of the Sub-Fund's Assets. During a period, with a maximum of one (1) year, the Manager is authorised to recover the surplus of the Unitholder(s) that have received a redemption amount at a price that was too high.

The Assets and liabilities of a Sub-Fund will be valued as follows:

In general, the Terms and Conditions provide that the value of any Investments quoted, listed or dealt in on a Regulated Market shall be calculated by reference to the last traded price for the Investments determined in their primary market as at the relevant Valuation Point provided that the value of any Investments listed on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant Regulated Market may be valued taking into account the level of premium or discount as at the date of valuation of the Investment and the Depositary must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the relevant Investments. Such premia or discounts thereon above shall be provided by an independent broker or market maker or if such premia/discounts are unavailable, by the Investment Manager.

If for specific Investments, the last traded price does not in the opinion of the Manager or by a competent person appointed by the Manager and approved for such purpose by the Depositary, reflect their fair value or are not available, the value shall be the probable realisation value estimated with care and in good faith by the Manager or by a competent person (being approved by the Depositary as a competent person appointed by the Manager

for such purpose), in consultation with the Investment Manager with a view to establishing the probable realisation value for such Investments as at the Valuation Point for the relevant Dealing Day.

Where such Investments is quoted, listed or dealt in on more than one Regulated Market, the Manager shall, in its absolute discretion, select the Regulated Market which in its opinion constitutes the main market for such investment for the foregoing purposes. The value of any Investments which is not quoted, listed or dealt in on a Regulated Market or of any Investments which is normally quoted, listed or dealt in on a Regulated Market but in respect of which no price is currently available or the current price of which does not in the opinion of the Manager represent fair market value, the value thereof shall be the probable realisation value estimated with care and in good faith by the Manager or by a competent person appointed by the Manager, in each case approved, for such purpose, by the Depositary. In determining the probable realisation value of any such Investments, the Manager may accept a certified valuation from a competent independent person, or in the absence of any independent person, (notwithstanding that the Investment Manager has an interest in the valuation), the Investment Manager, who in each case shall be approved by the Depositary to value the relevant Investments and where each such valuation shall also be approved by the Depositary.

The Terms and Conditions further provide that cash in hand or on deposit shall be valued at its nominal value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.

Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable investments shall each be valued at each Valuation Point at the last traded price on the Regulated Market on which these Investments are traded or admitted for trading (being the Regulated Market which is the sole market or in the opinion of the Manager the principal market on which the Investments in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired. The value of any certificate of deposit or treasury bill which is not listed or admitted for trading shall be the probable realisation thereof estimated with care and good faith by the Manager or another competent person appointed by the Directors, provided that the Manager or such other competent person have been approved for such purpose by the Depositary.

The value of any OTC derivative contracts shall be valued daily on the basis of a quotation provided by the relevant counterparty (on the basis of a means of valuation that provides reasonable accuracy on a reliable basis) and such valuation will be approved or verified at least weekly by a party independent of the counterparty who has been approved for such purpose by the Depositary. Alternatively, an OTC contract may be valued daily on the basis of a quotation from an independent pricing vendor with adequate means to perform the valuation or other competent person, firm or corporation (which may include the Investment Manager) selected by the Manager and approved for the purpose by the Depositary. Where this alternative valuation is used, the Manager must follow international best practice and adhere to principles on such valuations established by bodies such as the International Organisation of Securities Commissions and the Alternative Investment Management Association. Any such alternative valuation must be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise, these must be promptly investigated and explained.

The value of any exchange traded futures contracts, share price index futures contracts and options shall be the settlement price as determined by the market in question as at the Valuation Point provided that where such settlement price is not available for any reason as at a Valuation Point, such value shall be the probable realisation thereof estimated with care and in good faith by the Manager or another competent person appointed by the Directors, provided that the Manager or such other competent person have been approved for such purpose by the Depositary.

Forward foreign exchange contracts shall be valued in the same manner as FDI which are not traded on a Regulated Market or by reference to freely available market quotations.

Units or shares in open-ended CISs will be valued at the closing net asset value as published by those CISs or, if unavailable, the bid price, share or class thereof as at the Valuation Point for the relevant Dealing Day and if a bid and an offer price are available, such units shall be valued by reference to the bid or offer price; units or shares in closed-ended CISs will, if listed or traded on a market, be valued at the closing bid price on the principal market for such investment as at the Valuation Point for the relevant Dealing Day or, if unavailable at the probable

realisation value, as estimated with care and in good faith and as may be recommended by a competent professional appointed by the Manager or by a competent person appointed by the Manager or the Investment Manager and, in each case, approved for the purpose by the Depositary.

Private equity securities will be valued in accordance with the applicable guidelines issued by the European Private Equity and Venture Capital Association. If in any case a particular value is not ascertainable as provided above or if the Manager shall consider that some other method of valuation better reflects the probable realisation value of the relevant Investments, then in such case the method of valuation of the relevant Investments shall be such as the Manager or another competent person appointed by the Manager shall determine, such method of valuation to be approved by the Depositary.

Notwithstanding the generality of the foregoing, the Manager may with the approval of the Depositary adjust the value of any such security if having regard to currency, anticipated rate of dividend, applicable rate of interest, maturity, liquidity, marketability and/or such other considerations as it may deem relevant, it considers that such adjustment is required to reflect the fair value thereof as at any Valuation Point.

In calculating the Net Asset Value, the Administrator shall not be liable for any loss suffered by the FGR by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by any pricing service. The Administrator shall use reasonable endeavours to verify any pricing information supplied by the Investment Manager or any Connected Person thereof (including a Connected Person which is a broker, market maker or other intermediary). However, in certain circumstances it may not be possible or practicable for the Administrator to verify such information and, in such circumstances, the Administrator shall not be liable for any loss suffered by the FGR by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the Investment Manager or any connected person thereof (including a Connected Person which is a broker, market maker or other intermediary). In circumstances where the Administrator is directed by the Investment Manager or any connected person thereof (including a Connected Person which is a broker, market maker or other intermediary) to use particular pricing services, brokers, market makers or other intermediaries, neither the Administrator nor the Investment Manager shall be liable for any loss suffered by the FGR by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by such pricing services, brokers, market makers or other intermediaries not appointed or selected by the Administrator.

### 6.18 Suspension of Calculation of Net Asset Value

The Manager or its delegate may at any time and without prior notice, temporarily suspend the calculation of the Net Asset Value of each or any Sub-Fund or the Net Asset Value attributable to a Class or the Net Asset Value per Unit and the issue, redemption or exchange of Units when:

(a) any period when dealing in the units/shares of any CIS in which a Sub-Fund may be invested are restricted or suspended; or

(b) a market which is the basis for the valuation of a substantial part of the Investments of the relevant Sub-Fund from time to time is closed (except for the purposes of a public holiday or bank holiday), or when trading or such a market therein is limited or suspended; or

(c) any period when, as a result of political, economic, military monetary, or other emergency beyond the control, responsibility and power of the Manager, disposal or valuation of a substantial portion of the Investments of the relevant Sub-Fund is impossible or impracticable under normal conditions or such disposal would be detrimental to the interests of Unitholders of the relevant Sub-Fund or if, in the opinion of the Directors, the Net Asset Value of the Sub-Fund cannot be fairly calculated; or

(d) the disruption of any relevant communications network or any other reason makes it impossible or impracticable to determine the value of a substantial portion of the Investment of the relevant Sub-Fund;

(e) the relevant Sub-Fund is unable to transfer funds in connection with the realisation or acquisition of Investment or when payments due on the redemption of Units from Unitholders cannot in the opinion of the Manager be effected at normal rates of exchange;

(f) any period when proceeds of any sale or repurchase of Units cannot be transmitted to or from the account of the relevant Sub-Fund;

(g) upon mutual agreement between the Manager and the Legal Titleholder for the purpose of terminating the FGR or any Sub-Fund;

(h) any other reason makes it impossible or impracticable to determine the value of a substantial portion of the Investments; or

(i) for any other reason where the Manager considers it is in the best interests of the Unitholders of the relevant Sub-Fund.

Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Unitholders who have requested issue or redemption of Units of any Class or exchanges of Units of one Class to another will be notified of any such suspension in such manner as may be directed by the Manager and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first relevant Dealing Day after the suspension is lifted.

# 7 FEES AND EXPENSES

## 7.1 General

The FGR is structured as an open-ended umbrella fund with multiple Sub-Funds. The generally applicable fees and expenses are outlined in this chapter and the specific fees and expenses for each Sub-Fund are set out in the relevant Supplements.

## 7.2 Incorporation Fees and Expenses

*FGR Establishment Fees and Expenses*

The cost of establishing the FGR, obtaining authorisation from any authority, filing fees, the preparation and printing of this Prospectus and the KIID or KIDs and the fees of all professionals relating thereto are being borne out of the Assets of the Sub-Funds on a pro rata basis and shall be amortised over the first five Accounting Periods of the FGR.

*Sub-Fund Establishment Fees and Expenses*

The costs of establishing each Sub-Fund are being borne out of the Assets of the relevant Sub-Fund and shall be amortised by the relevant Sub-Fund over the first five Accounting Periods of its operation (or such other period as may be determined by the Directors of the relevant Sub-Fund at their discretion) and shall be subject to such adjustment following the establishment of new Sub-Funds as the Directors of the relevant Sub-Fund may determine.

## 7.3 Manager, Investment Manager, Administrator and Depositary Fees and Expenses

*Fees and Expenses of the Manager*

The Manager of each Sub-Fund will be entitled to charge a fee out of the Assets of the relevant Sub-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 will be set out in the most recently published report and accounts of the relevant Sub-Fund, or pending publication of the initial report and accounts, will be available upon request from the Administrator of relevant Sub-Fund. 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 of each Sub-Fund will be entitled to receive out of the Assets of the Sub-Fund an annual fee. The latest figure will be set out in the most recently published reports and accounts of the relevant Sub-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 of each Sub-Fund will also be entitled to be reimbursed out of the Assets of the relevant Sub-Fund for its respective reasonable out of pocket costs and expenses incurred in the performance of its duties.

*Fees and Expenses of the Administrator and Depositary*

The Depositary and Administrator of each Sub-Fund will be entitled to receive out of the Assets of the relevant Sub-Fund a combined aggregate annual fee. The latest figure will be set out in the most recently published reports and accounts of the relevant Sub-Fund, or pending publication of the initial reports and accounts, will be available upon request from the Administrator of the relevant Sub-Fund. This fee will accrue and be calculated on each



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Dealing Day and shall be payable quarterly in arrears. The Depositary and Administrator of each Sub-Fund shall also be entitled to be reimbursed out of the Assets of the relevant Sub-Fund for all reasonable pre-approved out of pocket expenses incurred by them in the performance of their duties.

### 7.4 Ongoing Fees and Expenses

The following fees and expenses shall be paid out of the Assets of each Sub-Fund on behalf of the FGR:

(a) the fees and expenses of sub-custodians which will be at normal commercial rates;

(b) the fees and expenses of the Directors (as referred to below);

(c) the regulatory fees to the AFM (and the Dutch Central Bank) if any;

(d) any costs incurred in respect of meetings of Unitholders;

(e) the fees and expenses of the auditors, tax, compliance, fiduciary and legal advisers;

(f) stamp duties, taxes;

(g) any fees in respect of circulating details of the Net Asset Value; and

(h) any costs of printing and distributing this Prospectus, the KIID or KIDs, reports, accounts and any explanatory memoranda, any necessary translation fees, the costs of publishing prices and any costs incurred as a result of periodic updates of the Prospectus or KIID/KIDs, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law).

The aforementioned fees, duties and charges will be charged to the Sub-Fund in respect of which they were incurred or, where an expense is not considered by the Manager to be attributable to any one Sub-Fund, the expense will be allocated by the Manager in such manner and on such basis as the Manager in its discretion deems fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Manager may calculate such fees and expenses on an estimated figure for annual or other periods in advance and accrue the same in equal proportions over any period such fees being payable in accordance with the terms of the relevant agreement or management.

*Brokerage costs*

In terms of any brokerage costs, the Directors must (at least on an annual basis) formally review the directed brokerage arrangements and any associated costs. The FGR must be separately invoiced for these fees and expenses by the relevant Investment Manager. These costs will be borne by the relevant Sub-Fund.

*Paying agents*

Fees and expenses of any paying agents appointed by the FGR, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the FGR or the Sub-Fund in respect of which a paying agent has been appointed.

### 7.5 Rebalancing and Transaction Fees and Expenses

In order to closely match the risk and return of the specific market index of each Sub-Fund, the relevant Sub-Fund will need to rebalance its portfolio from time to time. Transaction fees and expenses relating to the rebalancing of the portfolio are not quantifiable because they depend on factors such as decisions made by the relevant market index provider, markets and government taxes which cannot be predicted. Transactions fees and

expenses related to the subscription and redemption of Units depend on trading volume and are therefore also not quantifiable.

These fees and expenses are not further specified and do not form part of the maximum total fees and expenses for each Sub-Fund.

### 7.6 Lending of financial instruments

The fees for borrowing and securities lending shall be paid out of the Assets of each Sub-Fund on behalf of the FGR.

### 7.7 Other Fees and Expenses

The following fees and expenses shall be paid out of the Assets of each Sub-Fund on behalf of the FGR:

(a) any amount payable under indemnity provisions contained in the Terms and Conditions or any agreement with any appointee of the Manager, only insofar as the Manager has acted on behalf of the FGR;

(b) all sums payable in respect of directors' and officers' liability insurance cover;

(c) fees connected with registering the FGR for sale in other jurisdictions; and

(d) fees connected with the termination and liquidation of the FGR or any Sub-Fund.

# 8 TAXATION

## 8.1 General

**The following summary outlines the principal Dutch tax consequences of the acquisition, holding, redemption and disposal of Units in the FGR and of the tax position of the FGR, but it does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant. This summary is intended as general information only and each prospective Unitholder should consult a professional tax adviser about the tax consequences of the acquisition, holding, redemption and disposal of Units in the FGR under the laws of their country of incorporation, establishment, citizenship, residence, ordinary residence or domicile.**

Furthermore, this summary is based on the tax laws of the Netherlands as in effect on the date of this Prospectus, as well as regulations, rulings and decisions of the Netherlands or of its taxing and other authorities available on or before such date and now in effect, and as applied and interpreted by Dutch courts, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect. All of the foregoing is subject to change, which change could apply retroactively and could affect the continued validity of this summary.

This summary does not address the Dutch tax consequences for:

(a) Dutch resident or non-resident Unitholders holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the FGR and Unitholders of whom a certain related person holds a substantial interest in the FGR. Generally speaking, a substantial interest in the FGR arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold:

  (i) an interest of 5% or more of the total paid in capital of the FGR or of 5% or more of the issued capital of a certain class of Units of the FGR;

  (ii) rights to acquire, directly or indirectly, such interest; or

  (iii) certain profit sharing rights in the FGR;

(b) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Dutch corporate income tax; and

(c) persons to whom the Units and the income from the Units are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Dutch Gift and Inheritance Tax Act (*Successiewet 1956*).

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

## 8.2 Taxation of the FGR

The FGR is an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) within the meaning of article 2(1)(f) Corporate Income Tax Act 1969 (*Wet vennootschapsbelasting 1969*) and has the status of fiscal investment institution (**"FBI"**) within the meaning of article 28 Corporate Income Tax Act 1969. As such the FGR is subject to a Dutch corporate income tax rate of 0%. To qualify for and to maintain FBI status, the FGR must,

amongst others, distribute its net income as dividends to its investors within eight months following the end of the financial year.

The FGR has opted to form a reinvestment reserve. The positive or negative balance of the unrealized capital gains on securities are added to, or charged against this reserve. The amounts added to, or charged against, the reinvestment reserve do not form part of the income of the FGR that need to be distributed within eight months following the end of the financial year.

Furthermore, the following requirements apply with regard to the Unitholders to maintain FBI status for the FGR:

(a) no individual may hold a direct or indirect interest (*belang*) of 25% or more in the FGR or a Sub-Fund of the FGR;

(b) no single entity that is subject to tax on its profits (or whose profits are subject to tax at the level of its investors/beneficiaries) may, alone or together with related entities, own 45% or more of the Units of the FGR or its Sub-Funds. For the purpose of this test, Units on which an entity may vote at the general Unitholders meeting, whether or not on the basis of an agreement with other Unitholders, are also taken into account when determining the 45% threshold. This restriction does not apply to Units in the FGR held by other FBIs that are listed on a stock exchange or have a permit under the AFS or which are not obliged to have such a permit under the AFS, as they are resident in and supervised by a supervisory authority of another EU Member State; and

(c) Netherlands resident entities may not hold an interest of 25% or more of the Units in the FGR or its Sub-Funds through a foreign (non-Netherlands resident) fund for joint account (*fonds voor gemene rekening*) or through a foreign entity with a capital divided into shares (*vennootschap met een in aandelen verdeeld kapitaal*).

**Dutch and foreign withholding tax on income received by the FGR**

Dividend distributions made by Netherlands resident entities to the FGR may be subject to 15% Dutch dividend withholding tax. In addition, withholding tax may be withheld on proceeds derived by the FGR from foreign investments, both on dividends as well as on interest payments made to the FGR. With respect to payments received from foreign investments, the FGR should in principle be able to benefit from tax treaties for the avoidance of double taxation ("tax treaty") that have been concluded between the Netherlands and the jurisdiction of the entity paying the dividends or interest. The application of these tax treaties may result in a lower withholding tax rate than the statutory foreign withholding tax rate on interest and dividends received by the FGR from foreign investments.

**Dutch dividend withholding tax on distributions made by the FGR**

Under the Dutch Dividend Tax Act 1965 (*Wet op de dividendbelasting 1965*), dividends distributed by the FGR are in principle subject to 15% Dutch dividend withholding tax. The FGR is required to remit to the Dutch tax authorities the 15% dividend withholding tax that it has withheld on dividend payments. However, since the FGR qualifies as an FBI, the FGR is entitled to the so-called tax rebate (*afdrachtsvermindering*) of article 11a Dividend Tax Act 1965. As a result of the tax rebate the amount of Dutch dividend withholding tax that the FGR is required to remit to the Dutch tax authorities is reduced, if the FGR itself has received dividends and interest that have been subject to a Dutch or foreign withholding tax.

The amount of the tax rebate is determined based on the withholding tax that has been withheld on income received by the FGR provided that the FGR qualifies as the beneficial owner of such income. The amount of tax rebate is equal to the aggregate amount of:

(a) the Dutch dividend withholding tax withheld in respect of dividends received by the FGR from its Dutch investments; and

(b) any foreign withholding taxes withheld in respect of dividends received by the FGR from its foreign investments.

The tax rebate in respect of the foreign withholding taxes is limited to 15% of the amount of the foreign income received. In addition, the tax rebate is reduced with the amount for which beneficial owners with an interest in the FGR would be eligible under article 10 Dividend Tax Act 1965, the Tax Arrangement for the Kingdom *(Belastingregeling voor het Koninkrijk*), the Tax Arrangement for the country the Netherlands (*Belastingregeling voor het land Nederland*) or a tax treaty for a reduction or refund of the Dutch withholding tax with respect to dividends distributed by the FGR that stem from the foreign dividends and interest.

Terminations and redemptions that materially change the size, structure and viability of the relevant Class may be treated, at the discretion of the Manager, as a deemed dividend distribution. As a consequence, the proceeds of the redemption will consist of capital and an income percentage at the Unitholder's ownership levels at the Dealing Day. Dutch dividend withholding tax will be withheld on the income component as a result of this being a deemed dividend distribution, resulting in a lower net payment.

**Reduction or refund of Dutch withholding tax on dividends paid to non-residents of the Netherlands**

If a Unitholder is a resident of a country other than the Netherlands and if a tax treaty is in force between the Netherlands and that country, and such Unitholder is the beneficial owner of the proceeds from the Unit(s), such Unitholder may, depending on the terms of that particular tax treaty, qualify for full or partial relief at source or for a refund in whole or in part of the Dutch dividend withholding tax.

Entities resident in another Member State or EEA member state may claim a partial refund of dividend withholding tax, if these entities are exempt from profit tax in their country of residence and would have been exempt from Dutch corporate income tax had they been resident in the Netherlands, except that no such refund is available to entities that perform a function comparable to a fiscal investment institution or an exempt investment institution.

The same applies to entities resident in a designated third country with which the Netherlands has concluded an agreement (either bilateral or multilateral) which includes certain exchange of information provisions. This only applies to portfolio investments, i.e. investments which qualify for the free movement of capital of article 63 of the Treaty on the Functioning of the European Union ("**TFEU**").

**Reinvestment Reserve**

Distributions from the reinvestment reserve to the Unitholders are not subject to Dutch dividend withholding tax, provided certain procedures are complied with.

## 8.3 Taxation of Unitholders in the FGR

**Individual and Corporate Income Tax**

***Residents of the Netherlands***

If a Unitholder is an individual who is a resident or deemed to be a resident of the Netherlands for Dutch tax purposes, income derived from the Units and gains realized upon the redemption or disposal of the Units are taxable at the prevailing progressive rates (at up to a maximum rate of 49.5%; 2024 rate) under the Dutch Income Tax Act 2001 if:

(a) the individual is an entrepreneur and has an enterprise to which the Units are attributable or the individual has, other than as an entrepreneur or shareholder, a co-entitlement to the net worth of an enterprise, to which enterprise the Units are attributable; or

(b) such income or gains qualify as income from miscellaneous activities, which include the performance by the individual of activities with respect to its interest in the FGR that exceed regular, active portfolio management.

If neither condition i. nor condition ii. is met, an individual holding the Units must determine its taxable income with regard to the Units on the basis of a deemed return on income from savings, debts and other possessions (*Box 3 inkomen*), rather than on the basis of income actually received or gains actually realized. This deemed return on income is calculated on a yield basis (*rendementsgrondslag*) which is based on the fair market value of net assets at the beginning of the calendar year (minus a tax-free amount). The percentages to calculate the deemed return are established annually. The deemed return is taxed at the prevailing Box 3 rate.

The Dutch government's aim is to implement a new Box 3 system based on actual returns as of 2027.

If a Unitholder is an entity that is a resident or deemed to be a resident of the Netherlands for Dutch tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Units are attributable, income derived from the Units and gains realized upon the redemption or disposal of the Units are generally taxable in the Netherlands (at up to the prevailing maximum corporate income tax rate).

The 15% Dutch dividend withholding tax withheld by the FGR on proceeds from the Units is, in principle, creditable against the corporate income tax payable or income tax payable by the Netherlands resident Unitholder, provided the Unitholder is considered the beneficial owner of these proceeds.

***Non-residents of the Netherlands***

If a person is not a resident nor deemed to be a resident of the Netherlands for Dutch tax purposes, such person is not subject to Dutch income tax in respect of income derived from the Units and gains realized upon the redemption or disposal of the Units, unless:

(a) such person is not an individual and such person has or is deemed to have an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the Units are attributable.

This income is subject to Dutch corporate income tax at up to the prevailing maximum rate with a credit for the Dutch dividend withholding tax that is withheld on the proceeds from the Units.

(b) person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Units are attributable, or (2) realizes income or gains with respect to the Units that qualify as income from miscellaneous activities in the Netherlands with respect to the Units which exceed regular, active portfolio management, or (3) is (other than by way of securities) entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the Units are attributable.

Income derived from the Units as referred to under (1) and (2) by an individual is subject to individual income tax at the prevailing progressive rates. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "Residents of the Netherlands"). The fair market value of the share in the profits of the enterprise (which includes the Units) will be part of the individual's Dutch yield basis.

Such non-resident individual may be entitled to credit the Dutch dividend withholding tax that is withheld on the proceeds from the Units against its Dutch income tax liability.

## 8.4 Gift and Inheritance Tax

### Residents of the Netherlands

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of the Units by way of a gift by, or on behalf of, or on the death of, a Unitholder that is a resident or deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance tax at the time of the gift or his or her death. A gift made under a condition precedent is deemed to be made at the time the condition precedent is fulfilled and is subject to Dutch gift and inheritance tax if the donor is, or is deemed to be a resident of the Netherlands at that time.

A Unitholder of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Dutch gift and inheritance tax if he or she has been resident in the Netherlands and dies or makes a gift within ten years after leaving the Netherlands. A Unitholder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Dutch gift tax if he or she has been resident in the Netherlands and makes a gift within a twelve months period after leaving the Netherlands. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

### Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Units by way of a gift by, or as a result of, the death of, a Unitholder that is neither a resident nor deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance tax, unless in the case of a gift of the Units by, or on behalf of, a Unitholder who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such Unitholder dies within 180 days after the date of the gift, and at the time of his or her death is a resident or deemed to be a resident of the Netherlands. A gift made under a condition precedent is deemed to be made at the time the condition precedent is fulfilled.

## 8.5 Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Units or in respect of a cash payment made under the Units, or in respect of a transfer of Units.

## 8.6 Other Taxes And Duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a Unitholder in respect of or in connection with the acquisition, ownership and disposition of the Units.

## 8.7 FATCA Implementation in the Netherlands

On 18 December 2013, the governments of the Netherlands and the U.S. signed the Intergovernmental Agreement to implement FATCA. The Intergovernmental Agreement will significantly increase the amount of tax information automatically exchanged between the Netherlands and the U.S. It provides for the automatic reporting and exchange of information in relation to accounts held in Dutch "financial institutions" by Specified U.S. persons as described under FATCA and the reciprocal exchange of information regarding U.S. financial accounts held by Dutch residents. The FGR is subject to these rules.

Complying with such requirements will require the FGR to request and obtain certain information and documentation from its Unitholders, other account holders and (where applicable) the beneficial owners of its Unitholders and to provide any information and documentation indicating direct or indirect ownership by Specified U.S. persons as described under FATCA to the competent authorities in the Netherlands. Unitholders and other account holders will be required to comply with these requirements, and non-complying Unitholders may be subject to compulsory redemption and/ or U.S withholding tax of 30% on withholdable payments and/or other monetary penalties. The Intergovernmental Agreement provides that Dutch financial institutions will report to the Dutch tax

authorities in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the IRS in respect of any Dutch- resident accountholders. The two tax authorities will then automatically exchange this information on an annual basis. The FGR (and/or any of its duly appointed agent) shall be entitled to require Unitholders to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the FGR may have as a result of the Intergovernmental Agreement or any legislation promulgated in connection with the agreement and Unitholders will be deemed, by their subscription for or holding of Units to have authorised the automatic disclosure of such information by the FGR or any other person to the relevant tax authorities.

### 8.8 OECD Common Reporting Standard

The Netherlands has provided for the implementation of CRS through the CRS Regulations.

The CRS, which applies in the Netherlands, is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

The Netherlands and a number of other jurisdictions have entered or will enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the OECD. The FGR is required to provide certain information to the Dutch tax authorities about investors resident or established in jurisdictions which are party to CRS arrangements.

The FGR, or a person appointed by the FGR, will request and obtain certain information in relation to the tax residence of its Unitholders or "account holders" for CRS purposes and (where applicable) will request information in relation to the beneficial owners of any such account holders. The FGR, or a person appointed by the FGR, will report the information required to the Dutch tax authorities. The Dutch tax authorities will share the appropriate information with the relevant tax authorities in participating jurisdictions.

### 8.9 German Taxation

As further specified in the Supplement for the respective Fund, certain Funds may qualify as so-called equity funds (Aktienfonds, "**Equity Funds**") or mixed funds (Mischfonds, "**Mixed Funds**") within the meaning of the German Investment Tax Act (Investmentsteuergesetz, "**GITA**").

Equity Funds are investment funds that, in accordance with their investment guidelines, invest, on a continuous basis, more than 50 percent of their assets (Aktivvermögen) in equity interests (Kapitalbeteiligungen) within the meaning of section 2 para. 8 GITA ("**Equity Fund Ratio**"). Mixed Funds are investment funds that, in accordance with their investment guidelines, invest, on a continuous basis, more than 25 percent of their assets (Aktivvermögen) in equity interests (Kapitalbeteiligungen) within the meaning of section 2 para. 8 GITA ("**Mixed Fund Ratio**"). If and when the investment fund materially violates the investment guidelines and thereby falls below the Equity Fund Ratio or Mixed Fund Ratio, respectively, such investment fund loses its status as an Equity Fund or Mixed Fund, respectively.

Equity interests (Kapitalbeteiligungen) within the meaning of section 2 para. 8 GITA ("**Qualifying Equity Interests**") are:

(a) shares in a corporation admitted to official trading on a stock exchange or listed on an organized market;

(b) shares in a corporation, other than a real estate company, which

  (i) is resident in a member state of the European Union or the European Economic Area and is subject to corporate income tax in such state and is not exempt therefrom, or

  (ii) is resident in any other state and is subject to corporate income tax in such state at a rate of at least 15 percent and is not exempt therefrom;

(c) fund interests in Equity Funds in the amount of 51 percent of the value of such fund interest; or

(d) fund interests in Mixed Funds in the amount of 25 percent of the value of such fund interest.

If the investment guidelines of an Equity Fund provide for a higher percentage than 51 percent of its assets to be invested, on a continuous basis, in Qualifying Equity Interests, the fund interests in such Equity Fund shall, notwithstanding paragraph (c) above, be deemed to be a Qualifying Equity Interest to the extent of such higher percentage.

If the investment guidelines of a Mixed Fund provide for a higher percentage than 25 percent of its assets to be invested, on a continuous basis, in Qualifying Equity Interests, the fund interests in such Mixed Fund shall, notwithstanding paragraph (d) above, be deemed to be a Qualifying Equity Interest to the extent of such higher percentage.

Other than in the circumstances mentioned above, fund interests are not considered to be Qualifying Equity Interests.

The following shall not be deemed to be Qualifying Equity Investments:

(a) Interests in partnerships (even if the partnerships hold shares in corporations);

(b) shares in corporations that qualify as real estate pursuant to section 2 para. 9 sentence 6 GITA, i.e. corporations:

  (i) at least 75 percent of the gross assets of which, pursuant to the statutory requirements or the investment guidelines, consist of immovable property; and

  (ii) which are subject to income tax at a rate of at least 15 percent and are not exempt therefrom or the distributions of which are subject to tax at a rate of at least 15 percent and the Equity Fund/ Mixed Fund is not exempt therefrom.

(c) shares in corporations that are exempt from income tax to the extent they make distributions, unless the distributions are subject to taxation of at least 15 percent and the Equity Fund/ Mixed Fund is not exempt therefrom; and

(d) shares in corporations:

  (i) more than 10 percent of the income of which is derived directly or indirectly from investments in corporations which do not meet the requirements within paragraph (b) above, or

  (ii) which directly or indirectly hold shares in corporations which do not meet the requirements within paragraph (b) above, if the fair market value of such participations amounts to more than 10 percent of the fair market value of the corporations.

If a Fund qualifies as an Equity Fund (or Mixed Fund), investors in such Fund can benefit from the partial tax-exemption (*Teilfreistellung*) pursuant to section 20 GITA. That means that, as a general rule, 30% (or 15%) of the income derived from such Equity Fund (or Mixed Fund) will be exempt for German income tax and corporate income tax purposes and 15% (or 7.5%) for purposes of German trade tax (if applicable). Higher tax-exemptions may apply for certain individual investors holding their interest in the Equity Fund (or Mixed Fund) as part of their business assets (*Betriebsvermögen*) and for certain investors subject to the German Income Tax Act. To the extent a partial tax-exemption applies, expenses associated with the income derived from the respective Fund may not be deducted (section 21 GITA).

**THE TAX AND OTHER MATTERS DESCRIBED IN THIS PROSPECTUS DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS LEGAL OR TAX ADVICE TO PROSPECTIVE UNITHOLDERS. EACH**



NTAC:3NS-20

**INVESTOR SHOULD SEEK ADVICE FROM ITS OWN TAX ADVISER BASED ON ITS INDIVIDUAL CIRCUMSTANCES.**

# 9 GENERAL INFORMATION

## 9.1 Reports and Accounts

The FGR's year end is 31 December in each year. The annual report and annual accounts of the FGR will be published within four (4) months after the conclusion of each Accounting Period (31 December in each year) and can be obtained from the Manager during normal business hours at the registered office of the Manager and will be published on the Website. The Manager will also prepare a semi-annual report and unaudited accounts to Unitholders which will be published on the Website within nine (9) weeks after 30 June in each year.

## 9.2 Meeting of Unitholders

The Manager may call a meeting of Unitholders each year within 4 months after the close of the financial year in order for the annual accounts of the FGR and the release (*décharge*) of the Manager and the Legal Titleholder to be considered for approval and, if approved, adopted. The convocation of a Unitholders' meeting will be published on the Website and communicated by means of an advertisement in a national Dutch daily newspaper or announced to each Unitholder individually. A meeting of Unitholders will be held either if such is deemed to be desirable by the Manager or upon request of one or more Unitholders owning together at least 75% percent of the outstanding Units. The Unitholders will be notified of a meeting through the Website at least 15 Business Days prior to the meeting. Such notice will indicate where the issues to be discussed will be listed. All decisions regarding the FGR are to be made by the meeting, unless otherwise prescribed by law or the Terms and Conditions. The Manager shall appoint a chairman and a secretary of meetings of Unitholders. Every Unitholder, as well as all other persons who have the right to do so pursuant to the law, has the right to attend the meeting and to speak at the meeting. Unitholders may attend by proxy. The meetings of Unitholders are informative. No initiative, veto or consensual rights are conferred upon the meeting of Unitholders.

## 9.3 Allocation of Assets and Liabilities

Legally, each of the Sub-Funds does not constitute a separate estate (*afgescheiden vermogen*). A negative equity in one Sub-Fund can be compensated with positive equity in the other Sub-Funds. The AFS does not require a segregated liability in relation to an umbrella fund with sub-funds. Section 4:45 of the AFS prescribes an order of distribution in case of a negative equity of one of the Sub-Funds.

However, the Terms and Conditions do require each of the Sub-Funds to be administratively segregated. The Manager is required to establish separate Sub-Funds (under which the liabilities of each Sub-Fund, including any liabilities to third parties, shall be segregated and liabilities which are attributable to one particular Sub-Fund shall not be applied or discharged by another Sub-Fund and the FGR as a whole is not liable to third parties) in the following manner:

(a) the records and accounts of each Sub-Fund shall be maintained separately for accounting purposes in the Base Currency of that Sub-Fund;

(b) the proceeds from the issue of each Class of Units shall be applied in the records and accounts of the relevant Sub-Fund and the Assets and liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund;

(c) where any Asset is derived from any other Asset (whether cash or otherwise), the derived Asset shall be applied in the records and accounts of the same Sub-Fund as the Asset from which it was derived and on each revaluation of an Asset the increase or diminution in value shall be applied to the relevant Sub-Fund;

(d) in the case of any Asset (or amount treated as notional Asset) which the Manager does not consider as attributable to a particular Sub-Fund or Sub-Funds, the Manager shall have discretion to determine (fairly and equitably) the basis upon which any Asset shall be allocated between Sub-Funds (including, without limitation, conditions as to the subsequent re-allocation thereof if circumstances so permit) and the Manager shall have the power at any time, and from time to time, subject to the prior approval of the Depositary, to vary such basis provided that the approval of the Depositary shall not be required in any case where the Asset is allocated between all Sub-Funds, pro rata to their Net Asset Value, at the time when the allocation is made;

(e) each Sub-Fund shall be charged with the liabilities, expenses, costs, charges or reserves in respect of, or attributable to, that Sub-Fund. In the case of any liability of the FGR (or amount treated as a notional liability) which the Manager does not consider as attributable to a particular Sub-Fund or Sub-Funds the Manager shall have discretion to determine (fairly and equitably) the basis upon which any liability shall be allocated between Sub-Funds (including, without limitation, conditions as to the subsequent re-allocation thereof if circumstances so permit) and shall have the power at any time and from time to time, subject to the prior approval of the Depositary, to vary such basis provided that the approval of the Depositary shall not be required in any case where the liability is allocated between all Sub-Funds pro rata to their Net Asset Value, at the time when the allocation is made;

(f) the Assets of each Sub-Fund shall belong exclusively to that Sub-Fund, shall be recorded in the books and records maintained for the Sub-Fund as being held for that Sub-Fund and separately from the Assets of other Sub-Funds, the Depositary or any of its agents, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Sub-Fund, undertaking or entity and shall not be available for any such purpose.

### 9.4 Duration and termination of the FGR

The FGR and each of the Sub-Funds have been established for an unlimited period. However, the FGR or any of its Sub-Funds may be terminated by the Manager and the Legal Titleholder upon the giving of notice in writing at any time.

Without limitation to the foregoing, the Legal Titleholder may by notice in writing to the Manager terminate the FGR or any of its Sub-Funds upon the occurrence of any of the following events, namely:

(a) if the Manager for the time being shall be subject to removal by notice in writing given by the Legal Titleholder to the Manager forthwith if (i) the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved by the Unitholders) (ii) a receiver is appointed in respect of any of the Assets of the Manager and is not discharged within sixty (60) days; or (iii) if an examiner is appointed to the Manager pursuant to the Companies (Amendment) Act, 1990 or if an event having equivalent effect occurs and the Legal Titleholder shall appoint some other corporation to be the Manager of the FGR;

(b) if in the reasonable opinion of the Legal Titleholder the Manager shall be incapable of performing its duties;

(c) if any law shall be passed which renders it illegal or in the reasonable opinion of the Legal Titleholder impracticable or inadvisable to continue the FGR or any of its Sub-Funds; or

(d) if within a period of six (6) months from the date of the Legal Titleholder expressing in writing to the Manager its desire to retire the Manager shall have failed to appoint a new Legal Titleholder.

Without limitation to the foregoing, the FGR or any of its Sub-Funds may be terminated by the Manager in its absolute discretion by notice in writing as hereinafter provided in any of the following events, namely:

(a) if at any time after the first anniversary of the date of the first issue of Units or on any Dealing Day thereafter the Net Asset Value of (i) all of the Sub-Funds shall be less than € 50,000,000 or (ii) any one Sub-Fund shall be less than any minimum Net Asset Value disclosed in the relevant Supplement; or such other amount as the Manager in its absolute discretion may determine and notify to the relevant Unitholders, or its foreign currency equivalent;

(b) if the Manager shall cease to be authorised by a competent authority;

(c) if any law shall be passed which renders it illegal or in the reasonable opinion of the Manager impracticable or inadvisable to continue the FGR or any of its Sub-Funds; or

(d) if within a period of three months from the date of the Manager expressing in writing to the Legal Titleholder its desire to retire, a replacement Manager shall not have been appointed.

The Manager shall give notice thereof to the Unitholders in the manner herein provided and by such notice fix the date on which such termination is to take effect which date shall not be less than thirty (30) days after the service of such notice unless a shorter period is accepted by all such remaining Unitholders or in the reasonable opinion of the Manager a shorter period is, in the best interests of the remaining Unitholders, required due to extreme or unusual market events or conditions.

### 9.5 Distribution on Termination

Not later than thirty (30) days (unless a shorter period of notice is accepted by all such remaining Unitholders or in the reasonable opinion of the Manager a shorter period is, in the best interests of the remaining Unitholders, required due to extreme or unusual market events or conditions) before the termination of a Sub-Fund, notice shall be given (if practically possible) to the Unitholders advising them of the impending distribution of the Assets.

Following the giving of notice of such termination, the Manager will procure the sale of all Investments then remaining in the hands of the Depositary or its nominee as part of the Investments and such sale shall be carried out and completed in such manner and within such period before or after the termination of the FGR or of the Sub-Fund as the Manager and the Depositary think desirable.

The Manager shall at its discretion procure the payment to the Unitholders of all net cash proceeds derived from the realisation of the Investments of the relevant Sub-Fund and any cash then forming part of the relevant Sub-Fund so far as the same are available for the purpose of such payment. Every such payment shall be made only after such form of request for payment and receipt as the Manager shall in its absolute discretion require, has been lodged with the Manager, provided that:

(a) the Manager may delay the payment of total Redemption Proceeds until all Investments and receivables are liquidated and may adjust the amount of Redemption Proceeds payable to Unitholders in order to reflect the final value of such Investments and receivables upon termination;

(b) the Manager shall be entitled to retain out of any moneys in the Depositary's hands full provision for all costs, charges, expenses, claims, liabilities and demands relating to the relevant Sub-Fund for which the Manager or the Depositary is or may become liable or incurred, made or expended by the Manager or the Depositary in connection with the termination of the FGR or of the Sub-Fund, as the case may be, and the Manager and the Depositary shall be entitled to be indemnified out of the monies so retained against any such costs, charges, expenses, claims and demands; and

(c) any unclaimed net proceeds or other cash held by the Depositary may, after twelve (12) months from the date on which the same were payable, be paid into court subject to the right of the Depositary to deduct any expenses it may incur in giving effect to this provision.

Redemptions may, at the discretion of the Manager, be subject to Dutch dividend withholding tax (also known as a deemed distribution). We refer to section 8.3 for more information about deemed distributions.

### 9.6 Directors' Interests

(a) At the date of this Prospectus, no Director has any interest, direct or indirect, in any Investments which have been or are proposed to be acquired or disposed of by, or issued to, the FGR and no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Manager.

(b) At the date of this Prospectus neither the Directors nor any Associated Person have any beneficial interest in the share capital of the Manager or any options in respect of such capital save as disclosed below.

(c) Bimal Shah is a Director of Northern Trust Global Investments Limited.

### 9.7 Termination of Sub-Funds

Any Sub-Fund may be terminated by the Directors, in their sole and absolute discretion, by notice in writing to the Depositary in any of the following events:

(a) if at any time the Net Asset Value of the relevant Sub-Fund shall be less than such amount as may be determined by the Directors in respect of that Sub-Fund; or

(b) if any Sub-Fund shall cease to be authorised or otherwise officially approved; or

(c) if any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the relevant Sub-Fund; or

(d) if there is a change in material aspects of the business, or in the economic or political situation relating to a Sub-Fund that the Directors consider would have material adverse consequences on the Investments of the Sub-Fund; or

(e) if the Directors or their delegate have resolved that it is impracticable or inadvisable for a Sub-Fund to continue to operate having regard to prevailing market conditions and the best interests of the unitholders.

The decision of the Directors in any of the events specified herein shall be final and binding on all the parties concerned but the Directors and the Manager shall be under no liability on account of any failure to terminate the relevant Sub-Fund pursuant to points (a) to (e) above or otherwise.

The Directors shall give notice of termination of a Sub-Fund to the Unitholders in the relevant Sub-Fund and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Directors shall in their sole and absolute discretion determine.

### 9.8 Access to Documents

(a) The following documents may be provided in a durable medium (which shall include in writing and/or by electronic mail) and in an electronic format on the Website. A copy in writing of such documents shall be provided to Unitholders on request from the Manager, free of charge:

(i) this Prospectus (which includes the Terms and Conditions);

(ii) once published, the latest annual and half yearly reports of the FGR; and

(iii) KIID(s) or KID(s).

(b) An up-to-date version of the KIID or KID shall be made available for access in an electronic format on a website designated by the FGR for this purpose. In the event that the Manager proposes to register one or more Sub-Funds for public offering in other EU Member States, it shall make the following additional documentation available on the Website:

(i) this Prospectus (which includes the Terms and Conditions);

(ii) once published, the latest annual and half yearly reports of the FGR; and

(iii) KIID(s) or KID(s).

The licence provided to the Manager by the Irish regulator is available for inspection at the office of the Manager. The Terms and Conditions may be requested free of charge from the Manager. A copy of the Manager's licence may be requested against cost price from the Manager. Information on the Manager, the Legal Titleholder and the FGR as required by law being available from the relevant commercial registers may be requested from the Manager against cost price. Any distribution of proceeds to the Unitholders decided on by the Manager, the composition of the distribution of the proceeds and the way in which distribution of proceeds will be payable shall be separately notified through an advertisement published in a nationally circulated newspaper or to the (email) address of the Unitholders as well as on the website of the Manager.

(c) To the extent not captured in this Prospectus or in the event such details have changed and have not been reflected in a revised version of the Prospectus, up-to-date information will be provided to Unitholders on request, free of charge regarding:

(i) the identity of the Depositary and a description of its duties and of conflicts of interest that may arise; and

(ii) a description of any safekeeping functions delegated by the Depositary, a list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation.

# 10 PARTIES DETAILS

| | |
|---|---|
| **FGR** | NORTHERN TRUST UCITS FGR FUND<br>CLAUDE DEBUSSYLAAN 18A<br>1082 MD AMSTERDAM<br>THE NETHERLANDS |
| **MANAGER** | NORTHERN TRUST FUND MANAGERS (IRELAND) LIMITED<br>GEORGE'S COURT<br>54-62 TOWNSEND STREET<br>DUBLIN 2<br>IRELAND |
| **LEGAL TITLEHOLDER** | STICHTING BEWAARDER ANCHOR NL BELEGGINGSFONDSEN,<br>CLAUDE DEBUSSYLAAN 18A<br>1082 MD AMSTERDAM<br>THE NETHERLANDS |
| **DEPOSITARY** | NORTHERN TRUST GLOBAL SERVICES SOCIETAS EUROPAEA<br>AMSTERDAM BRANCH<br>CLAUDE DEBUSSYLAAN 18A<br>1082 MD AMSTERDAM<br>THE NETHERLANDS |
| **ADMINISTRATOR** | NORTHERN TRUST INTERNATIONAL FUND ADMINISTRATION SERVICES (IRELAND) LIMITED<br>GEORGE'S COURT<br>54-62 TOWNSEND STREET<br>DUBLIN 2<br>IRELAND |

| | |
|---|---|
| **TAX ADVISERS** | ERNST & YOUNG BELASTINGADVISEURS LLP<br>ANTONIO VIVALDISTRAAT 150<br>1083 HP AMSTERDAM<br>THE NETHERLANDS |
| **DUTCH LEGAL ADVISERS TO THE FGR AND THE LEGAL TITLEHOLDER** | NORTON ROSE FULBRIGHT LLP<br>EDUARD VAN BEINUMSTRAAT 34<br>1077 CZ AMSTERDAM<br>THE NETHERLANDS |
| **SECRETARY OF THE MANAGER** | MATSACK TRUST LIMITED<br>70 SIR JOHN ROGERSON'S QUAY<br>DUBLIN 2<br>IRELAND |
| **AUDITORS** | KPMG ACCOUNTANTS N.V.<br>LAAN VAN LANGERHUIZE 1<br>1186 DS AMSTELVEEN<br>THE NETHERLANDS |

# 11 ASSURANCE REPORT

**Assurance report of the independent auditor (re Section 4:49, subsection 2, under c, of the Wft)**

To: the Directors of the Manager of the Northern Trust UCITS FGR Fund

***Our opinion***

In accordance with Section 4:49, subsection 2, under c, of the Wet op het financieel toezicht (Wft, Act on Financial Supervision), we have examined the prospectus of Northern Trust UCITS FGR Fund based in Amsterdam.

In our opinion the prospectus dated 2 March 2026 of Northern Trust UCITS FGR Fund contains, in all material respects, at least the information required by or pursuant to the Wft for a prospectus of an undertaking for collective investment in transferable securities.

***Basis for our opinion***

We performed our examination in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten) (assurance engagements other than audits or reviews of historical financial information (attestation engagements)). This engagement is aimed to obtain reasonable assurance. Our responsibilities in this regard are further described in the 'Our responsibilities for the examination of the prospectus' section of our report.

We are independent of (the manager of) Northern Trust UCITS FGR Fund in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in The Netherlands. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Relevant matters relating to the scope of our examination***

Our examination consists of verifying that the prospectus contains the required information, which means we did not examine the accuracy of the information included in the prospectus.

Article 4:49, subsection 2 under a of the Wft requires that the prospectus of an undertaking for collective investment in transferable securities contains the information which investors need in order to form an opinion on the undertaking for collective investment in transferable securities and the costs and risks attached to it.

Based on our knowledge and understanding, acquired through our examination of the prospectus or otherwise, we have considered whether material information is omitted from the prospectus. We did not perform additional assurance procedures with respect to Article 4:49, subsection 2 under a of the Wft.

Our opinion is not modified in respect of these matters.

***Responsibilities of the Directors of the manager for the prospectus***

The Directors of the Manager are responsible for the preparation of the prospectus that contains at least the information required by or pursuant to the Wft for a prospectus of an undertaking for collective investment in transferable securities.

Furthermore, the Directors of the Manager are responsible for such internal control as it determines is necessary to enable the preparation of the prospectus that is free from material omission, whether due to error or fraud.

***Our responsibilities for the examination of the prospectus***

Our responsibility is to plan and perform our examination in a manner that allows us to obtain sufficient and appropriate assurance evidence for our opinion.

Our examination has been performed with a high, but not absolute, level of assurance, which means we may not detect all material omissions, whether due to fraud or error, in the prospectus.

We apply the 'Nadere voorschriften kwaliteitsmanagement' (NVKM, regulations for quality management) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our examination included amongst others:

- identifying and assessing the risks of material omissions of information required by or pursuant to the Wft in the prospectus, whether due to errors or fraud, designing and performing assurance procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material omission resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtaining an understanding of internal control relevant to the examination in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the manager of the fund.

Utrecht, 2 March 2026

KPMG Accountants N.V.

M.H.T. Hamers-Bodifee RA



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# SCHEDULE I

# TERMS AND CONDITIONS OF MANAGEMENT AND DEPOSITARY (*VOORWAARDEN VAN BEHEER EN BEWARING*)

## 1 Definitions

Capitalised terms used in the Agreement shall have the following meanings with plural forms including singular forms and vice versa:

**Accounting Date** means the date by reference to which the annual accounts of each Sub-Fund shall be prepared and shall be 31 December in each year commencing on 31 December 2015 or such other date as the Manager may determine and (in the case of the termination of the FGR Period or of a Sub-Fund Period) the date on which the final payment or cash and/or Investments shall have been made to Unitholders.

**Administrator** means Northern Trust International Fund Administration Services (Ireland) Limited or any successor thereto.

**Administration Expenses** means the sums payable out of the Assets necessary to provide for all costs, charges and expenses, including without limitation courier's fees, telecommunication costs and expenses, out of pocket expenses, legal, marketing and professional expenses which the Manager incurs whether in litigation on behalf of the FGR or any of its Sub-Funds or in connection with the establishment of or ongoing administration of the FGR or any of its Sub-Funds or otherwise together with the costs, charges and expenses, including without limitation translation costs, of any notices including without limitation reports, prospecti, listing particulars and newspaper notices given to Unitholders in whatever manner and all properly vouched fees and reasonable out of pocket expenses of the Manager and/or any delegate of the Manager plus value added tax (if any) on any such costs, charges and expenses.

**AFM** means the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) or any successor regulatory authority with responsibility for supervising the FGR.

**AFS** means the Act on the Financial Supervision (*Wet op het financieel toezicht*) as amended from time to time.

**Assets** means the Investments and/or cash of each Sub-Fund from time to time.

**Associate** means in relation to a corporation a holding company or a subsidiary of such corporation or a subsidiary of the holding company of such corporation and means in relation to an individual or firm or other unincorporated body, any corporation directly or indirectly controlled by such person or firm or other unincorporated body.

**Auditor** means KPMG Accountants N.V. or any auditor within the meaning of section 2:293 (1) DCC appointed thereto.

**Annual Accounts** means the balance sheet, the profit and loss account and the notes thereto of the FGR and its Sub-Funds.

**Base Currency** means the base currency of a Sub-Fund.

**Benchmark** means the specific market index of a Sub-Fund with which the return of a Sub Fund will be compared.

**Business Day** means in relation to any Sub-Fund such day or days as is or are specified in the Supplement for the relevant Sub-Fund.

**Class** or **Class of Units** means any class of Unit issued by the Manager in respect of any Sub Fund.

**Clause** means a clause of these Terms and Conditions.

**DCC** means Dutch Civil Code.

**Dealing Day** means in respect of each Sub-Fund such Business Day or Business Days as is or are specified in the Supplement for the relevant Sub-Fund provided that there shall be at least one Dealing Day per fortnight.

**Dealing Deadline** means in relation to applications for subscription, redemption or exchange of Units in a Sub-Fund, the day and time specified in the Supplement for the relevant Sub-Fund provided always that the Dealing Deadline is no later than the Valuation Point.

**Depositary** means Northern Trust Global Services Societas Europaea, Amsterdam branch, or any successor appointed.

**Directors** means the directors of the Manager.

**Disbursements** means all disbursements, costs, charges and expenses of every kind properly incurred by the Manager, the Depositary, the Legal Titleholder or any direct or indirect delegate of each of them, in connection with the FGR and each of its Sub-Funds hereunder including, without limitation, its establishment costs, courier's fees, telecommunication costs and expenses, the remuneration (at normal commercial rates) and out of pocket expenses of the Manager, the Depositary or any direct or indirect delegate appointed by either of them and all legal and other professional expenses in relation to or in any way arising out of the FGR and of each of its Sub-Funds (including, without limitation, the establishment thereof) together with any value added tax liability on such disbursements, costs, charges and expenses.

**EEA** means the European Economic Area.

**FATCA** means the regulations issued by the United States Treasury Department and Internal Revenue Service implementing Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended commonly known as the Foreign Account Tax Compliance Act.

**FATCA Status** means the status of a Unitholder under FATCA or an intergovernmental agreement in respect of FATCA.

**FDI** means a financial derivative instrument (including an over-the-counter "**OTC**" derivative, i.e. a financial derivative instrument not traded on a Regulated Market).

**FGR** means Northern Trust UCITS Funds, being an umbrella investment fund for the joint account of Unitholders (*fonds voor gemene rekening, FGR*), which is formed by these Terms and Conditions under the laws of the Netherlands.

**FGR Period** means the period from the date of authorisation until the FGR shall be terminated in the manner provided for in these Terms and Conditions.

**Investment** means an investment in accordance with the relevant rules and regulations applicable to UCITS, including an FDI, subject to the restrictions and limits set out in the relevant Supplement for the relevant Sub-Fund.

**Investment Manager** means one or more persons or entities appointed by the Manager to manage the investment and re-investment of some or all of the Assets of any one or more of the Sub-Funds.

**Legal Titleholder** means Stichting Bewaarder Anchor NL Beleggingsfondsen.

**Manager** means Northern Trust Fund Managers (Ireland) Limited.

**Minimum Holding** in respect of a Sub-Fund means either a holding of Units in the relevant Sub-Fund or any Class the value of which by reference to the Net Asset Value per Unit is not less than such amount as may be determined by the Manager from time to time or such minimum number of Units as the Manager may determine and set out in the relevant Supplement for the relevant Sub-Fund.

**Minimum Additional Investment Amount** means such amount (if any) as the Manager may from time to time prescribe as the minimum additional investment amount required by each Unitholder for Units of each Class in a Sub-Fund as is specified in the Supplement for the relevant Sub-Fund.

**Minimum Initial Investment Amount** means such amount (if any) or its foreign currency equivalent or any such higher amount as the Manager may from time to time determine in its absolute discretion as the minimum initial investment amount required by each Unitholder for Units of each Class in a Sub-Fund as is specified in the Supplement for the relevant Sub-Fund.

**Minimum Net Asset Value** means such amount (if any) as the Manager considers for each Sub-Fund and as set out in the Supplement for the relevant Sub-Fund.

**Net Asset Value** or **Net Asset Value Per Unit** means in respect of the Assets of a Sub-Fund or the Units in a Sub-Fund, the amount determined in accordance with the principles set out in the section entitled "**Calculation of Net Asset Value/Valuation of Assets**" in the Prospectus as the Net Asset Value of a Sub-Fund or the Net Asset Value per Unit.

**Preliminary Charge** means a subscription charge payable to the Manager, acting on behalf of the relevant Sub-Fund, calculated as a percentage of the Initial Issue Price (or the Net Asset Value per Unit for subscriptions after the Initial Offer Period), as disclosed in the relevant Supplement for the relevant Sub-Fund.

**Profit** means all income earned by a Sub Fund during a Profit Period and distributable to the Unitholders of the Sub-Fund calculated and as may be adjusted in accordance with Clause 15.

**Profit Distribution Date** means the date or dates by reference to which a Profit distribution may at the discretion of the Manager be declared and paid and shall be disclosed in the Supplement for the relevant Sub-Fund.

**Profit Period** means any period ending on an Accounting Date or a Profit Distribution Date as the Manager may select and beginning on the day following the last preceding Accounting Date, or the day following the last preceding Profit Distribution Date, or the date of the initial issue of Units of a Sub-Fund, as the case may be.

**Prospectus** means the prospectus in relation to the FGR and its Sub-Funds including its Schedules and Supplements, as amended from time to time.

**Redemption Charge** means an amount payable to the Manager acting on behalf of the relevant Sub-Fund, calculated as a percentage of the Redemption Proceeds, which percentage is disclosed in the relevant Supplement for the relevant Sub-Fund.

**Registration Number** means a number given to each Unitholder.

**Regulated Market** means any exchange in or outside of the EEA or any market which is regulated, operates regularly, is recognised and open to the public.

**Register** means the register referred to in Clause 8.



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**Schedule** means the schedules of the Prospectus which form an integral part of the Prospectus.

**Settlement Date** means in respect of receipt of monies for subscription for Units or dispatch of monies for the repurchase of Units, the date specified in the Supplement for the relevant Sub Fund.

**Sub-Fund** means a separate part of the Assets of the FGR, represented by classes of Units and having its own characteristics, such as investment policy and risk profile. The specifications of each Sub-Fund are described in the Supplements.

**Sub-Fund Period** means the period from the date of approval of a Sub-Fund until the date on which the Sub-Fund shall be terminated in the manner provided for in these Terms and Conditions.

**Subscription Agreement** means the agreement pursuant to the provisions of which an investor agrees to purchase Units in and become a Unitholder of the FGR.

**Supplement** means any supplement to the Prospectus from time to time, which forms an integral part with the Prospectus.

**Terms and Conditions** means the terms and conditions of management and custody (*voorwaarden van beheer en bewaring*) of the FGR and each Sub-Fund between the Manager and the Legal Titleholder.

**UCITS** means an ICBE as defined in section 1:1 of the AFS.

**Unit** means one undivided beneficial interest in the Assets of a Sub-Fund and includes any fraction of a Unit which may be further divided into different Classes of Unit. Units in the FGR are not shares but serve to determine the proportion of underlying Assets of the FGR to which each Unitholder is beneficially entitled.

**United States** means the United States of America, (including each of the states, the District of Columbia and the Commonwealth of Puerto Rico) its territories, possessions and all other areas subject to its jurisdiction.

**Unitholder** means any person holding one or more Units of a Sub-Fund or, where appropriate, holding a particular Class of Units entered on the Register as being the holder for the time being of Units and includes persons so entered as joint holders of a Unit, such holder or holders being legally entitled to an undivided co-ownership interest with the other holders in the Assets of the Sub-Fund and each a "**Unitholder**". For the avoidance of doubt, a Unitholder is absolutely entitled to the income of the relevant Sub-Fund as it arises whether or not a Profit payment is made.

**U.S. Person** shall have the meaning prescribed in Regulation S under the United States Securities Act of 1933, as amended (the Securities Act) and thus shall include (i) any natural person resident in the United States; (ii) any partnership or corporation organised or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S. Person; (iv) any trust of which any custodian is a U.S. Person; (v) any agency or branch of a foreign entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; (Ai) any discretionary account dealer or other fiduciary organised or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and (viii) any partnership or corporation if (A) organised or incorporated under the laws of any foreign jurisdiction; and (B) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned by accredited investors (as defined in Rule 501 (a) under the Securities Act) who are not natural persons, estates or trusts.

**Valuation** means the valuation by the Manager, of the Assets of a Sub-Fund in accordance with the Valuation Methods.

**Valuation Methods** means the methods of valuation of the Assets of a Sub-Fund as set out in the Prospectus and in these Terms and Conditions, or any other method of valuation the Manager deems appropriate, adequate and in accordance with good accounting practice.

**Valuation Point** means the point in time by reference to which the Net Asset Value of a Sub Fund and the Net Asset Value per Unit are calculated as is specified in the Supplement for the relevant Sub-Fund.

**Website** means www.fgrinvesting.com.

## 2 Name, Duration, Structure and Fiscal Status

2.1 The name of the FGR is: Northern Trust UCITS FGR Fund.

2.2 The FGR is established for an indefinite period of time.

2.3 The FGR is an open-ended umbrella Dutch investment fund for joint account (*fonds voor gemene rekening*) organised under the laws of the Netherlands. The FGR is a contractual arrangement between the Manager and the Legal Titleholder. Neither the FGR nor any Sub-Funds is an incorporated entity and neither has a separate legal personality under the laws of the Netherlands. The Terms and Conditions do not create an agreement or partnership *(maatschap, vennootschap onder firma or commanditaire vennootschap*) between Unitholders and are not designed to form a collaboration between Unitholders.

2.4 The Manager together with the Legal Titleholder will enter into rights and obligations of the FGR in their capacity as Manager and Legal Titleholder respectively.

2.5 The FGR is split up in several Sub-Funds by using different series of Units. Each Sub-Fund has a specific name that identifies the investments of the Sub-Fund and has its own investment policy, risk profile, cost structure, administration and Net Asset Value. Different Classes of Units may exist within a Sub-Fund. Units are freely transferable in accordance with the Prospectus and these Terms and Conditions. The Assets of all the Classes of Units of a Sub-Fund will be commonly invested but the Classes of Units may have different subscription or redemption charge structures, fee structures, hedging policies, minimum subscription amounts, currencies or dividend distribution policies. The specifics of each Sub-Fund are described in the relevant Supplement of the Prospectus.

2.6 The FGR has the status of fiscal investment institution (*fiscale beleggingsinstelling or fbi*), pursuant to Article 28 of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

2.7 The FGR and its Sub-Funds are "investment entities" as described in the Intergovernmental Agreement and are required to comply with the laws and regulations of the Netherlands that implement the Intergovernmental Agreement. To mitigate the impact of FATCA for the FGR, its Sub-Funds and the Unitholders, participation in the FGR is not open to Unitholders that are considered a Specified U.S. person as described under FATCA, Unitholders that refuse to cooperate with an increased identification of their FATCA Status or Unitholders that are considered as a Non participating Foreign Financial Institution under the Intergovernmental Agreement.

## 3 Purpose and investment policy

3.1 The purpose of the FGR and its Sub-Funds is the collective investment in either or both transferable securities and other liquid assets of capital raised from the Unitholders for the risk and account of the Unitholders, which operates on the basis of risk spreading with a view that the Unitholders share in the income and profits arising from the Assets.

3.2 The FGR aims to closely match the risk and return of certain Benchmarks with net dividends reinvested as set out in the relevant Supplement in the Prospectus. The Sub-Funds can invest in instruments that are not included in the Benchmark and their composition can vary substantially from the Benchmark.

3.3 The specific investment objectives, restrictions and policies of each Sub-Fund are outlined in the relevant Supplement of the Prospectus.

## 4 Manager

4.1 The Manager will act as the manager of the FGR and its Sub-Funds. The Manager shall have full discretionary power and authority to determine and implement the general investment policy of the FGR as well as the specific investment objective and policies of the Sub-Funds, in accordance with the Prospectus and these Terms and Conditions.

4.2 With due observance of these Terms and Conditions, the Manager has the broadest power and authority to:

(a) assume debts for the account of a Sub-Fund, including but not limited to borrowings and assuming obligations under transactions in securities. The FGR's obligations may be secured against the Assets of a Sub-Fund;

(b) manage, acquire, hold, and dispose of, the Assets;

(c) enter into and perform agreements of any nature necessary or incidental to its management duties, powers and authorities pursuant to these Terms and Conditions;

(d) bring, sue, prosecute, defend, settle or comprise actions at law related to the purpose of the FGR or a Sub-Fund;

(e) employ, retain or otherwise secure or enter into agreements or other undertakings with persons or firms in connection with the management and operation of the FGR's business, including, without limitation, custody banks, brokers, investment banks, fund administrators, auditors, attorneys, consultants, or any other agents, all on such terms and for such consideration as the Manager deems advisable;

(f) exercise the statutory and contractual voting rights attached to or concerning the Investments; and

(g) engage in any lawful activity, and perform agreements of any nature, necessary or advisable in connection with the accomplishment of the Sub-Fund's investment objective.

4.3 In the performance of its obligations and in the exercise of its rights, powers and authorities hereunder, the Manager shall exercise the standard of care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character, risk profile and investment objectives as the FGR, having regard to the provisions hereof.

4.4 The Manager shall act (i) in accordance with the Prospectus; and (ii) in the sole interest of the Unitholders. The Manager shall not be permitted to represent a Unitholder and bind a Unitholder vis-à-vis third parties.

4.5 The Manager may delegate all or part of its duties and tasks hereunder to third parties, not being the Depositary. To the extent the Manager has so delegated such tasks and duties, it shall remain responsible for the performance or non-performance of these tasks and duties.

4.6 The Manager shall only be liable for damages to the extent such damages are the direct result of wilful misconduct (*opzet*), gross negligence (*grove nalatigheid*), fraud or any conduct that violates the provisions of these Terms and Conditions. The same applies if the Manager has delegated or entrusted a third party with any of its tasks or duties.

4.7 In the event the Manager ceases to perform its functions, the Legal Titleholder shall be authorised to appoint

a new Manager.

4.8 Directors will not serve as directors of the Legal Titleholder.

## 5 Legal Titleholder

5.1 Legal title to the Assets will be held in the name of the Legal Titleholder for the account (*rekening en risico*) of the Unitholders, subject to the terms of the Prospectus.

5.2 The Manager and the Legal Titleholder dispose of the Assets together. The Legal Titleholder hereby grants full power of attorney to the Manager to cause the Assets to be acquired, held or disposed of, in the name of the Legal Titleholder (for the risk and account of the Unitholders) and to perform any and other (legal) acts that are necessary for or conducive to the attainment of the FGR's and the Sub-Funds investment objectives.

5.3 The Legal Titleholder shall only be liable for damages to the extent such damages are the direct result of wilful misconduct (*opzet*), gross negligence (*grove nalatigheid*), fraud or any conduct that violates the provisions of these Terms and Conditions. The same applies if the Legal Titleholder has delegated or entrusted a third party with any of its tasks or duties.

5.4 The recourse of a Unitholder, holding Units in a specific Sub-Fund, for any losses, liabilities or claims incurred or allegedly incurred by it, is limited to the Assets of that Sub-Fund pro rata to the Units it holds in that Sub-Fund. Unitholders waive their right to take recourse on any assets, other than the Assets of the relevant Sub-Fund held in the name of the Legal Titleholder in its capacity of legal title holder of funds other than the Sub-Fund.

5.5 In the event the Legal Titleholder ceases to perform its functions, the Manager shall be authorised to appoint a new Legal Titleholder. The Manager may call a meeting of Unitholders within 4 weeks after it has appointed a new Legal Titleholder for the purpose of informing the meeting of Unitholders.

5.6 Directors of the Legal Titleholder will not serve as Director of the Manager.

## 6 Depositary

6.1 The Depositary shall act as the depositary of the FGR and its Sub-Funds. It shall be responsible for the safekeeping of the Assets of a Sub-Fund. With due observance of these Terms and Conditions, the Depositary will:

(a) hold in custody all financial instruments capable of being registered or held in a financial instruments account opened in the Depositary's books and all financial instruments capable of being physically delivered to the Depositary;

(b) verify the FGR's ownership of all assets (other than those referred to in (i) above) and maintain and keep up-to-date a record of such assets it is satisfied are owned by the FGR and each Sub-Fund;

(c) ensure effective and proper monitoring of the cash flows of the FGR and each Sub-Fund; and

(d) be responsible for certain oversight obligations in respect of the FGR and each Sub-Fund.

6.2 Duties and functions in relation to Clause 6.1(c) and (d) above may not be delegated by the Depositary.

6.3 The aggregate subscription monies and proceeds of the Assets may be held by the Depositary at the discretion of the Legal Titleholder pending the selection and purchase of suitable Investments, and to maintain liquidity to meet payment obligations which arise or may arise, all connected with the regular performance of the investment policy. Subscription monies held by the Depositary may be used to pay for

all of the Sub-Fund's obligations and other fees and costs and expenses incurred by or charged to the Manager or Depositary in connection with the Assets.

6.4 The Manager shall provide the Depositary with all information that the Depositary determines necessary to fully and accurately perform its tasks and duties as Depositary of the FGR and its Sub-Funds.

## 7 Borrowing Powers

7.1 The Manager may make and, vary arrangements for the account of any Sub-Fund to acquire foreign currency by means of a back-to-back loan. Any agreements in relation to borrowings (with the exception of granting security) shall be entered into by the Manager.

7.2 A gross debt may be present in the FGR or any Sub-Fund. This gross debt shall never exceed 20% of the tax book value of the Assets of the FGR or any Sub-Fund.

## 8 The Register

8.1 The Register in respect of the FGR will list the Unitholders who have been issued with Units in registered form in the FGR or its Sub-Funds. The inscription of the Unitholder's name in the Register evidences his right of ownership to such registered Units. All Units which have been issued shall be represented by entry in the Register. The Register shall be kept by or under the control of the Manager at its registered office or at such other place as the Manager may think fit.

8.2 The Register shall contain:

(a) the names and addresses or registered offices of the Unitholders to whom Units have been issued;

(b) the number of Units held by every such Unitholder together with the Registration Number of such Unitholder issued in respect thereof;

(c) the date on which the name of every such Unitholder was entered in respect of the Units standing in his name and the date of cessation of ownership; and

(d) the name of the Sub-Funds to which the Units have been issued, where applicable.

8.3 Where two or more persons are registered as the holders of any Units they shall be deemed to hold the same as joint tenants, subject to the following:

(a) the joint holders of any Units shall be liable, severally, as well as jointly, in respect of all payments which ought to be made in respect of such Units;

(b) anyone of such joint holders of Units may give effectual receipts for any Profit payment, bonus or return of capital payable to such joint holders;

(c) only the first-named of the joint holders of a Unit shall be entitled to delivery of the confirmation of entry on the Register relating to such Unit. Any confirmation of entry on the Register delivered to the first-named of joint holders shall be effective delivery to all, and any notice given to the first-named of joint holders shall be deemed notice given to all the joint holders;

(d) the instruction or approval or consent as the case may be of the first-named of joint holders shall be accepted to the exclusion of the instruction or approval or consent of the other joint holders; and

(e) for the purpose of the provisions of these Terms and Conditions, the first-named shall be determined by the order in which the names of the joint holders stand in the Register.

8.4 The Register shall be conclusive evidence as to the persons respectively entitled to the Units entered therein and no notice, whether actual or constructive, of any trust, express, implied or constructive, shall be binding on the Manager.

8.5 Any change of name, address or other information on the part of any Unitholder entered in the Register shall forthwith be notified in writing to the Manager which, on being satisfied thereof and on compliance with all such formalities as it may require, shall alter the Register or cause it to be altered accordingly.

8.6 Each of the Manager and the Legal Titleholder shall recognise a Unitholder entered in the Register of the FGR as the absolute owner of the Units in respect of which he is so registered and shall not be bound by any notice, whether actual or constructive, to the contrary nor be bound to take notice of or to see to the execution of any trust, express, implied or constructive, and all persons may act accordingly and neither the Legal Titleholder nor the Manager shall save as herein otherwise provided or ordered by a court of competent jurisdiction or by statute required be bound to recognise (even when having notice thereof) any trust or equity affecting the ownership of such Units or the rights incident thereto. The dispatch to a Unitholder of any moneys payable in respect of the Units held by him shall be a good discharge to the Legal Titleholder and the Manager.

## 9 Issue of Units

9.1 The Manager shall have the exclusive right to effect for the account of the relevant Sub-Fund or Sub-Funds the creation and issue of such number of Units as the Manager may, at its sole discretion, from time to time determine for cash at prices ascertained in accordance with the following provisions of this Clause.

9.2 No certificates of ownership shall be issued.

9.3 Every Unit shall be issued as a Unit in a Sub-Fund and shall be identified by name as such. Upon the issue of a Unit, the Manager shall allocate the proceeds of such issue to the appropriate Sub-Fund.

9.4 The liability of each Unitholder shall be limited to the issue price of Units for which he has agreed to subscribe. Except to the extent expressly provided for in these Terms and Conditions, no Unitholder shall incur or assume any liability or be required to make any payment to the Legal Titleholder or the Manager in respect of the Units held by it.

9.5 The Manager shall, before the initial issue of Units in any Sub-Fund, determine the time and terms upon which the initial allotment of Units of that Sub-Fund shall be made.

9.6 Any subsequent issue of Units shall be effected, at a price equal to the Net Asset Value per Unit of the relevant Class or Sub-Fund on the Dealing Day on which Units are to be issued. A dilution levy on subscription moneys may be charged and paid to the relevant Sub-Fund.

9.7 Units will be issued effective on the Dealing Day on which they are purchased.

9.8 Any subsequent issue of Units shall be made by the Manager only on a Dealing Day. Any person applying for Units shall complete a Subscription Agreement, together with such other documents, in such form as the Manager may from time to time prescribe and shall comply with such conditions as may be prescribed by the Manager which may include the provision of such information or declarations as the Manager may require as to the identity, status and residence of an applicant and otherwise as the Manager may require. All applications must be received by the Manager in writing or by fax or by such electronic means as the Manager or relevant service provider may determine at its place of business for the purpose of these Terms and Conditions by such time as may be specified in the then current Prospectus issued in respect of the FGR. Any application received after the time so specified shall be deemed to have been made in respect of the Dealing Day next following the relevant Dealing Day provided that the Manager shall have discretion to accept any application received after such time but prior to the relevant Valuation Point. There will be no discretion for the Manager to accept applications in any circumstances after the close of business in the

relevant market that closes first on the relevant Dealing Day. The Manager shall have absolute discretion to accept or reject in whole or in part any application for Units without assigning any reason therefor. Any Class of Units may be closed for subscription either temporarily or permanently at the discretion of the Manager. Where an application for Units is rejected, the subscription moneys shall be returned to the person at the risk of the person and without interest. Fractions of Units (calculated to such number of decimal places as the Manager may determine at its discretion and as disclosed in the Prospectus) may be issued at the discretion of the Manager. Such fractional Units shall be entitled to participate in the net assets attributable to the relevant Sub Fund.

9.9 Persons wishing to subscribe for Units shall ensure receipt by the Depositary in the account in the name of the Legal Titleholder of the price payable therefor in accordance with these Terms and Conditions and, in the event of late settlement, may be required to compensate the relevant Sub-Fund for the amount of any loss arising as a result, which shall be conclusively determined by the Manager and otherwise shall comply with such terms and conditions, including, without limitation, any requirement as to Minimum Initial Investment Amount and/or Minimum Holding, as the Manager may from time to time determine.

9.10 Applications for Units shall be accepted in the Base Currency (or the currency of denomination of the Class at the discretion of the Manager). Moneys subscribed in a currency other than the Base Currency (or the currency of denomination of the Class at the discretion of the Manager) will be converted by the Manager to the Base Currency (or the currency of denomination of the Class at the discretion of the Manager) at what the Manager considers to be the prevailing exchange rate and such subscription shall be deemed to be in the amount so converted net of all applicable bank charges. No Units shall be issued unless subscription moneys in respect of such Units have been paid into the Assets of the Sub-Fund within the usual time limits. Allotment of Units may take place provisionally notwithstanding that cleared funds have not been received by the Manager.

9.11 If subscription moneys in cleared funds have not been received by the Manager at such time as is specified in the Prospectus, the Manager or its delegate shall have the right to cancel any allotment and/or charge the applicant interest at such rate as may be disclosed in the Prospectus from time to time and other losses, charges or expenses suffered or incurred by the Manager as a result of late payment or non-payment of subscription moneys and the Manager shall have the right to sell all or part of the applicant's holding of Units in order to meet such charges. All subscription moneys received by the Depositary for the account of a Sub-Fund shall be held as part of the Assets of the relevant Sub-Fund.

9.12 Subject to Clause 7.2, the Manager may temporarily borrow for the account of a Sub-Fund an amount equal to the subscription (subject to a limit of 10% of net assets of the relevant Sub-Fund) and invest the amount borrowed in accordance with the investment objective and policies of the relevant Sub Fund. Once the required subscription moneys have been received, the Manager will use this to repay the borrowings. The Manager reserves the right to charge the relevant Unitholder for any interest or other costs incurred by the relevant Sub-Fund as a result of this borrowing. If the Unitholder fails to reimburse the Sub-Fund for those charges, the Manager and/or the relevant Investment Manager shall have the right to sell all or part of the applicants holdings of Units in the relevant Sub-Fund or any other Sub-Fund of the FGR in order to meet those charges.

9.13 Following receipt by the Depositary of moneys so payable, a written confirmation of ownership shall be issued by the Manager or its delegate to the Unitholder confirming his holding of Units and indicating his Registration Number. The Manager may decline to accept any application for the issue of Units without assigning any reason therefor and may cease to offer Units in the FGR for allotment or subscription for a definite period or otherwise.

9.14 The Manager may, at its discretion, from time to time make arrangements for the issue of Units to any person by way of exchange for Investments which are in accordance with the investment objectives, policies and restrictions of the relevant Sub-Fund held by him upon such terms as the Manager may think fit but subject

to and in accordance with the following provisions:

(a) Units shall not be issued until the Investments shall have been vested in the Depositary or its nominees or sub-depositary to the Depositary's satisfaction;

(b) subject to the foregoing any such exchange shall be effected on terms that the number of Units to be issued shall be the number (from the calculation of which, at the discretion of the Manager, fractions of a Unit may be excluded) which would have been issued for cash at the current Net Asset Value (together with any Preliminary Charge) against payment of a sum equal to the value of the Investments transferred less such sum as the Manager may consider represents an appropriate provision for any fiscal, brokerage, registration or other expenses as aforesaid to be paid out of the Investments of the relevant Sub-Fund in connection with the vesting of the Investments;

(c) the Investments to be transferred to the account of the relevant Sub-Fund shall be valued on such basis as the Manager may decide so long as such value does not exceed the highest amount that would be obtained on the date of the exchange by applying the method of calculating the value of Investment as set out in Clause 17;

(d) there may be paid to the incoming Unitholder out of the Assets of the relevant Sub-Fund a sum in cash equal to the value at the current price of any fraction of a Unit excluded from the calculation aforesaid; and

(e) the Depositary shall be satisfied that the terms of such exchange shall not be such as are likely to result in any prejudice to the existing Unitholders.

9.15 The issue of Units by the Manager in a Sub-Fund shall be temporarily suspended during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended by the Manager in the circumstances set out in Clause 16.3.

9.16 The Manager may impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held directly or beneficially by:

(a) a U.S. Person; or

(b) any person who breached or falsified representations on subscription documents or who appears to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold Units including without limitation any exchange control regulations; or

(c) any person if the holding of the Units by any person is unlawful; or

(d) any person or persons in circumstances which (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Manager to be relevant), in the opinion of the Manager may result in the FGR incurring any liability to taxation or suffering any other regulatory, pecuniary, legal, taxation or material administrative disadvantage which the FGR or the relevant Sub-Fund or its Unitholders might not otherwise have incurred or suffered or might result in the FGR being required to comply with registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply; or

(e) any person whose application is made in violation of the client identification and anti-money laundering requirements pursuant to the Act for the prevention of money laundering and financing of terrorism (*Wet ter voorkoming van witwassen en financiering van terrorisme*); or

(f) any person who by virtue of their investment may cause the FGR or any Sub-Fund to lose its fiscal

status as described in article 2.6; or

(g) any person who does not supply any information or declarations required (which may include tax documentation or supporting documentation for money laundering prevention) within seven days of a request to do so by the Manager and the Manager may reject in its discretion any application for Units by any persons who are so excluded from purchasing or holding Units;

and the Manager, pursuant to Clause 9.18 below, may reject in its discretion any application for Units by any persons who are so excluded from purchasing or holding Units and pursuant to Clause 9.18 at any time repurchase Units held by Unitholders who are so excluded from purchasing or holding Units.

9.17 The Manager shall be entitled to assume without enquiry that none of the Units are held in such a way as to entitle the Manager to give a notice in respect thereof pursuant to Clause 9.18 provided that the Manager may upon an application for Units or at any other time and from time to time require such evidence and/or undertakings to be furnished to the Manager in connection with the matters stated in Clause 9.15 as the Manager shall in its discretion deem sufficient.

9.18 If a person becomes aware that it is holding or owning Units in contravention of Clause 15 it shall forthwith in writing request the Manager to redeem such Units in accordance with Clause 6.9 unless it has already received a notice under Clause 9.18.

9.19 If it shall come to the notice of the Manager or if the Manager shall have reason to believe that any Units are owned directly or beneficially by any person or persons in breach of any restrictions imposed by the Manager, the Manager shall be entitled to (i) give notice (in such form as the Manager deems appropriate) to such person requiring it to request in writing the redemption of such Units in accordance with Clause 6.9 and/or (ii) as appropriate, compulsorily redeem and/or cancel such number of Units held by such person as is required to discharge and may apply the proceeds of such compulsory redemption. In the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Units by such person including, without limitation, any interest or penalties payable thereon.

9.20 If any person upon whom such a notice is served as aforesaid does not within thirty (30) days after such notice has been served request in writing (or by such other means including, without limitation, electronic means, as may be specified in the Prospectus) the Manager to redeem the relevant Units it shall be deemed forthwith upon the expiration of the said thirty (30) days to have requested the redemption of all the Units the subject of such notice and the Manager shall be deemed to be appointed its attorney with authority to appoint any person to sign on its behalf such documents as may be required for the purposes of the redemption. To any such redemption the provisions of Clause 6.9 shall apply subject to Clause 9.20 save that the deemed request to redeem the Units may not be withdrawn notwithstanding that the determination of the Net Asset Value of the relevant FGR or Sub-Fund may have been suspended under Clause 16.4.

9.21 Settlement of any redemption effected pursuant to Clause 9.18 or 9.19, shall be made by depositing the redemption moneys or proceeds of sale, by whatever means the Manager deems appropriate, in a bank for payment to the person entitled subject to such consents as may be necessary being obtained. Upon receipt by a Unitholder of a notice pursuant to Clause 9.18 as aforesaid, such person shall have no further interest in such Units or any of them or any claim in respect thereof except the right to claim without recourse to the Manager the redemption moneys so deposited without interest.

9.22 Any person or persons to whom Clause 9.15, 9.16, 9.18 or 9.19 shall apply shall fully indemnify the Manager, the Legal Titleholder, the Depositary, the relevant Sub-Fund(s) and any Unitholder for any actions, proceedings, claims, costs, demands, charges, losses, damages or expenses suffered by it or them as a result of such person or persons acquiring or holding Units in the FGR.

## 10 Redemption of Units

10.1 The Manager shall at any time during the term of a Sub-Fund on receipt by it or by its duly authorised agent

of a request from a Unitholder redeem on any Dealing Day all or any part of his holding of Units in the relevant Sub-Fund or Class at the Net Asset Value per Unit of that Sub-Fund or Class as of the relevant Valuation Point less a Redemption Charge and a dilution adjustment (an adjustment because the actual costs of purchasing or selling the Investment may be higher or lower than the value used in the calculation of the Net Asset Value) if applicable. The Manager may, at its discretion and subject to Clause 10.8 impose a minimum redemption amount in relation to any particular Sub-Fund.

10.2 Unless otherwise determined by the Manager, all requests to redeem under Clause 10.1 must be received by the Manager at its place of business for the purpose of these Terms and Conditions by such time and in such manner as may be specified in the then current Prospectus issued in respect of the FGR. Any request received after the time aforesaid shall be deemed to have been made in respect of the Dealing Day next following the relevant Dealing Day provided that the Manager shall have discretion to accept any request for redemption received after such time but prior to the relevant Valuation Point.

10.3 Following redemption of Units, an amount equal to the Net Asset Value per Unit of the relevant Class as of the relevant Valuation Point shall be payable out of the Assets of the relevant Sub Fund and shall be paid in the Base Currency to the Unitholder, (or the currency of denomination of the Class at the discretion of the Manager) or in the case of joint Unitholders, to the joint Unitholders or otherwise in accordance with any mandate of such joint Unitholders, within such time period after the latest time for receipt of redemption requests as may be specified in the Prospectus, (after receipt of the original redemption request and any other relevant redemption documentation by the Manager or its authorised agent). No redemption payment shall be made to a Unitholder until the subscription agreement has been received from the Unitholder and all documentation required by the FGR (including, without limitation, any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed.

10.4 The Manager may, but shall not be obliged to, estimate the value of cash dividends and interest declared or accrued and not yet received by the relevant Sub-Fund as at the relevant Valuation Point, which amount the Manager shall be entitled to retain pending actual receipt and reconciliation of such cash dividends and interest. Upon actual receipt and reconciliation of such cash dividends and interest, the Manager will calculate the Unitholder's actual entitlement to such cash dividends and interest as of the Valuation Point applicable to the redemption and make a payment to the Unitholder taking into account the foreign exchange rate applied to such cash dividend or interest when it is received and after deducting any relevant fees, costs, charges and expenses payable by the Unitholder in relation to such cash dividends and interest.

10.5 The Manager shall on redemption of Units where appropriate remove the name of the Unitholder from the Register in respect of such Units and such Units shall be treated for any purposes of these Terms and Conditions as cancelled and withdrawn.

10.6 Subject as hereinafter provided, a Unitholder shall not, without the consent of the Manager, be entitled to withdraw a request for redemption duly given in accordance with this Clause.

10.7 If set out in a Supplement to the Prospectus the following will apply: if the number of Units in a Sub-Fund to be redeemed on any Dealing Day is equal to 10% or more of the total Net Asset Value of Units of the Sub-Fund in issue or deemed to be in issue on such Dealing Day, then the Manager may in its discretion refuse to redeem any Units in that Sub-Fund in excess of 10% of the total Net Asset Value of Units in issue or deemed to be in issue in that Sub-Fund as aforesaid and if the Manager so refuses, the requests for redemption of Units in that Sub-Fund on such Dealing Day shall be reduced rateably and the Units in that Sub-Fund to which each request relates which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all the Units in that Sub-Fund to which the original request related have been redeemed. Requests for redemption which have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be complied with in priority to later requests.

10.8 The Manager may, with the consent of an applicant Unitholder, satisfy any request for redemption of Units by the transfer to that Unitholder requesting redemption of Assets of the Sub-Fund in specie in satisfaction

or part satisfaction of its redemption request, provided that the nature of the Assets to be transferred shall be determined by the Manager on such basis as the Manager in its sole discretion shall deem equitable and not prejudicial to the interests of the remaining Unitholders, and provided further that the allocation of Assets to that Unitholder is subject to the approval of the Depositary.

10.9 If the number of Units in a Sub-Fund requested to be redeemed by any one Unitholder is equal to 5 or more of the total Net Asset Value of Units of the Sub-Fund in issue or deemed to be in issue, then the Manager may satisfy that request by the transfer to that Unitholder requesting repurchase of Assets of the Sub-Fund in specie in satisfaction or part satisfaction of its repurchase request provided that the nature of the Assets to be transferred shall be determined by the Manager on such basis as the Manager in its sole discretion shall deem equitable and not prejudicial to the interests of the remaining Unitholders, and provided further that the allocation of Assets to that Unitholder is subject to the approval of the Depositary. Any Unitholder not wishing to receive a transfer of Assets may issue notice to the Manager requiring the Manager to arrange for the sale of the Assets (at the cost of the Unitholder) and for payment to the Unitholder of the net proceeds of same. The Manager shall transfer to each relevant Unitholder that proportion of the Assets of the Sub-Fund which is then equivalent in value to the Unitholding of the Unitholders then requesting redemption of their Units, the nature and type of the Asset to be transferred being determined by the Manager (subject to the approval of the Depositary) and for the foregoing purposes the value of the Assets shall be determined on the same basis as used in calculating the Net Asset Value of the Units being so redeemed.

10.10 The right of any Unitholder to request the redemption of Units of any Sub-Fund shall be temporarily suspended during any period when the calculation of the Net Asset Value of the relevant Sub-Fund or attributable to a Class is suspended by the Manager in the circumstances set out in Clause 16.3. In such circumstances, the redemption of Units shall be effected on the Dealing Day next following the end of the suspension subject to Clause 10.7.

10.11 If a Unitholder's withholding rate or tax reclaim rate diverges from the other Unitholders in a Class of Units due to changes in taxation treaties or domestic exemptions affecting that Unitholder, the Manager may at its discretion exchange that Unitholder's Units for Units in a separate Class of the same Sub-Fund.

10.12 Any amount payable to a Unitholder under this Clause shall be paid in the Base Currency and shall be dispatched no later than 10 Business Days from the latest time for receipt of redemption requests as specified in the Prospectus, provided the Manager has received such papers and other redemption information as may reasonably be required by it.

10.13 The application to redeem Units will be rejected, or where appropriate partially rejected, by the Manager if:

(a) in the opinion of the Manager, the application would interfere or prevent the orderly liquidation of the Assets of a Sub-Fund proposed by the Manager upon dissolution of the FGR;

(b) the application is made in violation of the client identification and anti-money laundering requirements pursuant to the Dutch Act for the prevention of money laundering and financing of terrorism (*Wet ter voorkoming van witwassen en financieren van terrorisme*);

(c) the FGR or any Sub-Fund risks to lose its fiscal status as described in article 2.6; or

(d) the application is otherwise made in violation of these Terms and Conditions or the Prospectus. When an application is rejected, the application shall be considered as having no (further) force and effect.

10.14 The Manager, on behalf of the Legal Titleholder, shall be entitled to redeem all, but not less than all, Units of any Unitholder, if:

(a) said Unitholder is dissolved, becomes insolvent, is unable to pay its debts, institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy, any other relief under any bankruptcy, insolvency or similar law;

(b) in the opinion of the Manager, the performance or non-performance of said Unitholder violates the Prospectus;

(c) in the opinion of the Manager, said Unitholder fails to comply with any requirement applicable to it by law, including the client identification and anti-money laundering requirements pursuant to the Act for the prevention of money laundering and financing of terrorism (*Wet ter voorkoming van witwassen en financieren van terrorisme*);

(d) said Unitholder turns out to be a Specified U.S. person as defined in the Intergovernmental Agreement; or

(e) in the opinion of the Manager, the participation of said Unitholder in the Sub-Fund is detrimental to the FGR's, the Sub-Fund's or the Manager's reputation or the general affairs of the FGR or the Sub-Fund.

10.15 Prospective investors should note that any redemption proceeds being paid out by a Sub-Fund and held for any time in the Subscriptions/Redemptions Account shall remain an asset of the relevant Sub-Fund until such time as the proceeds are released to the investor. This would include, for example, cases where redemption proceeds are temporarily withheld pending the receipt of any outstanding identity verification documents as may be required by the Manager or the Administrator – enhancing the need to address these issues promptly so that the proceeds may be released. It should also be noted that the investor shall have ceased being considered a Unitholder and instead will rank as a general unsecured creditor.

## 11 Transfer of Units

11.1 The Units are freely transferable subject to this Prospectus and the Terms and Conditions.

11.2 The transfer of a Unit takes effect vis-à-vis the Manager and the Legal Titleholder for the first time after acknowledgement of the transfer by the Manager, which acknowledgement can only be evidenced by means of registration in the Register. The Manager shall only acknowledge transfer of a Unit after receipt of a written request to that effect from the transferring Unitholder addressed to the Manager.

## 12 Exchanging of Units

12.1 The following provisions shall have effect in relation to switching of Units from one Sub-Fund to another Sub-Fund and between Unit Classes within a Sub-Fund:

(a) Subject to the Units being in issue and being offered for sale and provided that the issue and redemption of Units has not been suspended in accordance with Clause 16.3, a holder of Units in one or more Sub-Funds or Classes (the Original Units) may by notice to the Manager request the Manager to switch some or all of such Original Units into Units, in one or more other Sub-Funds or Classes (the New Units). Such notice shall be effective only if accompanied by an application by the Unitholder in such form as the Manager may from time to time prescribe and shall be given by such time and in such minimum amounts as the Manager shall determine (and provided that the criteria prescribed by the Manager from time to time in respect of the application for Units have been met), provided that the Manager shall have discretion to accept any request for switching received after such time but prior to the relevant Valuation Point.

(b) On the Dealing Day next following the receipt of the switching form or on such earlier day as the Manager in its absolute discretion may determine and notify to Unitholders in advance, the Original Units shall be redeemed and the New Units shall be issued. The Original Units shall be redeemed at the price specified in Clause 10.1 and the number of New Units shall be equal to the number of Units in the relevant Sub-Fund or Sub-Funds that would be issued on that Dealing Day if the proceeds of redemption of the Original Units were invested in that Sub-Fund or Sub-Funds pursuant to Clause 9.

(c) Unless specifically so requested by the Unitholder concerned no later than one month after receipt by the Manager of the notice referred to in Clause (a), the Depositary shall be under no obligation to check the calculation made pursuant to this Clause but shall be entitled if it so desires to verify the same.

(d) The Manager may impose a fee of up to the Preliminary Charge of the Net Asset Value of the Units to be switched. Where such fee is specified it may be retained by the Manager or by any agent or agents or distributors appointed by the Manager for its or their absolute use or benefit and shall not form part of the Assets of the relevant Sub-Fund. The Unitholder shall also reimburse to the Manager (in manner aforesaid) any fiscal, sale and purchase charges (including without limitation any dilution levy) arising out of such switch.

(e) Upon any such switch the Manager shall procure that the Register is amended accordingly.

(f) The Manager may, at its discretion, impose restrictions on Unitholder's ability to switch between Sub-Funds and between Classes of Units within and between Sub-Funds and such restrictions shall be disclosed in the Prospectus.

(g) A Unitholder requesting switching shall not without the written consent of the Manager or its authorised agent be entitled to withdraw a switch notice duly made in accordance with this Clause except in circumstances in which he would be entitled to withdraw a request for redemption of Units.

## 13 Costs

All reasonable fees, expenses and Disbursements (including, without limitation, Administration Expenses) of or incurred by the Manager, the Legal Titleholder or the Depositary or any direct or indirect delegate of either of them in connection with the ongoing administration and operation of each Sub-Fund shall be deductible from the Profit of the relevant Sub-Fund or, if attributable specifically to a Class of the Sub-Fund, the Profit attributable to the relevant Class or to the extent that the Profit is insufficient out of the remaining Assets of the relevant Sub-Fund or Assets attributable to a Class as the case may be, including, without limitation:

(a) auditors' and accountants' fees;

(b) legal and other professional advisory fees;

(c) commissions, fees and reasonable out of pocket expenses payable to any placing agent, structuring agent, paying agent, correspondent bank or distributor of the Units;

(d) merchant banking, stockbroking or corporate finance fees including, without limitation, interest on borrowings;

(e) taxes or duties imposed by any fiscal authority;

(f) costs of preparation, translation and distribution of all prospect marketing literature, reports, confirmations of purchase of Units and notices to Unitholders;

(g) fees and expenses incurred in connection with the admission or proposed admission of Units to the official list of any Regulated Market and in complying with the listing rules thereof;

(h) custody and transfer expenses including, without limitation, sub-custody fees and expenses and transaction charges;

(i) insurance premia;

(j) any other expenses, including, without limitation clerical costs of issue or repurchase of Units or fees and expenses incurred in connection with the clearance or settlement of Units;

(k) the cost of preparing, translating, printing and/or filing in any language these Terms and Conditions and all other documents relating to the FGR or to the relevant Sub-Fund including without limitation registration statements, prospecti, listing particulars, explanatory memoranda, annual, semi-annual and extraordinary reports with all authorities (including, without limitation, local securities dealers associations) having jurisdiction over the FGR or any of the Sub-Funds or the offer of Units of the relevant Sub-Fund and the cost of delivering any of the foregoing to the Unitholders;

(l) advertising expenses relating to the distribution of Units of the Sub-Fund;

(m) the costs of publication of notices in local newspapers in any relevant jurisdiction;

(n) the total costs of any amalgamation, liquidation or reconstruction of any Sub-Fund;

(o) the Manager's fee (and any performance fees as disclosed in the Prospectus) and the fees and expenses of any other services provider (including without limitation the Depositary and Administrator and any Investment Manager) to the FGR;

(p) preliminary expenses of the FGR or any Sub-Fund;

(q) regulatory, compliance and fiduciary fees;

(r) litigation fees and expenses; and

(s) costs of registering any Sub-Fund for distribution in such countries as may be determined by the Directors

in each case plus any applicable value added tax.

The Manager and Depositary shall provide the holders of Units of each Sub-Fund with a detailed written breakdown of all fees and expenses charged to that Sub-Fund on such a periodic basis (at least annually) as determined by the Manager and Depositary.

## 14 Remuneration of the Manager

14.1 The Manager shall be entitled by way of remuneration for its services to receive from the Assets an annual fee subject to a maximum fee of 1% of the Net Asset Value of the relevant Sub Fund which shall be calculated and accrue on each Dealing Day and be payable on such terms as disclosed in the Prospectus, out of which it may discharge the fees of the Depositary, the Administrator, the Investment Manager or any other delegates appointed by it (or alternatively the Depositary, the Administrator, the Investment Manager or any other delegates appointed by it may be paid out of the Assets). Each of the Manager, the Depositary, the Administrator, the Investment Manager and any other such delegate is entitled to be reimbursed out of the Assets any expenses reasonably incurred in the performance of their respective duties, including, without limitation, in the case of the Manager, Administration Expenses. The Manager shall be entitled to be reimbursed from the Assets any value added or other taxes payable on all fees and expenses payable to or by it. The Manager may accrue administrative and all other expenses of a regular or recurring nature on an estimated amount basis rateably for yearly or other periods. The Manager may, in relation to any Sub-Fund, at its discretion, elect to pay the Administration Expenses of any of the Sub Funds out of its own remuneration. The maximum fee payable in respect of any Sub-Fund may only be increased with the approval of Unitholders holding more than 50% of the Units in issue of the relevant Sub-Fund for the time being.

## 15 Profit and distributions

15.1 The amount of Profit of a Class of Units within a Sub-Fund, if any, to be distributed in respect of each Profit Period shall be determined by the Manager (subject as hereinafter provided). Distribution of such Profits shall be made to Unitholders of a Class who are registered in the register of Unitholders at the Profit Distribution Date on a pro rata basis. Profit is distributed to Unitholders in proportion to the duration of their ownership of the Units in the relevant Profit Period.

15.2 Unitholders may elect in their application for Units either to receive Profit in cash or to reinvest the Profit amount in further Units. In the absence of the Unitholder making the election as above, the FGR shall reinvest the Profit payment in Units, until otherwise directed in writing by the Unitholder. If Profits are to be paid in cash, they will normally be paid by electronic transfer at the Unitholder's risk and expense.

15.3 Ultimately within eight months following the end of a financial year, the FGR shall make available to the Unitholders, the Profit of the Sub-Funds realised in the preceding financial year after deduction of a pro-rata share of the costs as specified in Clause 13 and reduced by any amounts attributed to a special re-investment reserve, if any, all in accordance with Article 28 of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

15.4 Subject to Clause 15.1 and 15.3, such Profit distributions, including interim Profit distributions, shall be made at such time as the Manager may determine to the persons who were registered in the Register as Unitholders at the Profit Distribution Date (so that, subject to Clauses 15.6 and 15.7, the same amount shall be distributed in respect of every Unit which was in issue at the Profit Distribution Date and which has not been cancelled).

15.5 The Manager shall ensure that the Profit Account includes or, upon the completion of the sale of the Investments agreed to be sold, will include cash at least sufficient to distribute any Profits determined by the Manager to be made to persons registered as Unitholders on the Profit Distribution Date.

15.6 Unless otherwise requested by the payee, any moneys payable by the Manager to a Unitholder in respect of any Unit under the provisions of these Terms and Conditions shall be paid in the Base Currency of the relevant Sub-Fund by bank transfer at the expense of the Unitholder. Every such bank transfer shall be made payable to the Unitholder or joint Unitholders at the risk of such Unitholder or joint Unitholders or in the event of a Unitholder having or in the case of joint Unitholders all of them having given a mandate in writing in such form as the Manager shall approve for payment to the bankers or other agent or nominee of the Unitholder or Unitholders in accordance with the instructions of such Unitholder or Unitholders.

15.7 Any Profit distribution payment not claimed within six (6) years from its due date will lapse and revert to the relevant Sub-Fund.

15.8 No Profit payment or other amount payable to any Unitholder shall bear interest against the FGR or any Sub-Fund.

## 16 Determination of the Net Asset Value

16.1 The Manager or its delegate shall as at the Valuation Point determine the Net Asset Value of the FGR, the Net Asset Value of each Sub-Fund and the Net Asset Value per Unit in accordance with the following provisions.

16.2 The Net Asset Value of a Sub-Fund shall be expressed in the Base Currency and shall be determined as at the Valuation Point by ascertaining on such Dealing Day the value of the Assets of that Sub-Fund calculated in accordance with Clause 18.1, and deducting from such amount the liabilities of that Sub-Fund calculated in accordance with Clause 18.2 and rounding the resultant total to such number of decimal places as the Manager may determine. The Net Asset Value attributable to a Class shall be determined as at the relevant Valuation Point by calculating that portion of the Net Asset Value of the relevant Sub-Fund attributable to

the relevant Class as at the Valuation Point by reference to the number of Units in issue or deemed to be in issue in each Class on the relevant Dealing Day subject to adjustment to take account of Assets, liabilities, income and expenditure attributable to each Class. The Net Asset Value per Unit shall be expressed in the Base Currency and shall be determined as at the Valuation Point by dividing the Net Asset Value of the relevant Sub-Fund or attributable to a Class by the number of Units in issue in the relevant Sub-Fund or Class as at the Valuation Point and rounding the resultant total to such number of decimal places as the Manager may determine from time to time. The Net Asset Value per Unit and the Net Asset Value of the Sub-Fund may be affected by the dilution adjustment which is set out in the section in the Prospectus entitled "Dilution Adjustment" as a result that the actual cost of purchasing or selling an Asset may be higher or lower than the mid-market value used in calculating the price

16.3 The Manager or its delegate may, at any time and without prior notice, temporarily suspend the calculation of the Net Asset Value of each or any Sub-Fund, or the Net Asset Value attributable to a Class or the Net Asset Value per Unit and the issue and redemption or switching of Units to and from Unitholders when:

(a) any period when dealing in the units/shares of any collective investment scheme in which a Sub-Fund may be invested are restricted or suspended;

(b) a market which is the basis for the valuation of a substantial part of the Investments of the relevant Sub-Fund from time to time is closed (except for the purposes of a public holiday or a bank holiday) or when trading on such a market is limited or suspended;

(c) a political, economic, military, monetary or other emergency beyond the control, responsibility and power of the Manager makes the disposal or valuation of a substantial portion of the Assets of the relevant Sub-Fund impossible or impracticable under normal conditions or such disposal would be detrimental to the interests of the Unitholders or if, in the opinion of the Directors, the Net Asset Value of the Sub-Fund cannot be fairly calculated;

(d) the disruption of any relevant communications network or any other reason makes it impossible or impracticable to determine the value of a substantial portion of the Assets of the relevant Sub-Fund;

(e) the relevant Sub-Fund is unable to transfer funds in connection with the realisation or acquisition of Investments or when payments due on the redemption of Units from Unitholders cannot in the opinion of the Manager be effected at normal rates of exchange;

(f) any period when proceeds of any sale or repurchase of Units cannot be transmitted to or from the account of the relevant Sub-Fund;

(g) upon mutual agreement between the Manager and the Legal Titleholder for the purpose of terminating the FGR or terminating any Sub-Fund;

(h) any other reason makes it impossible or impracticable to determine the value of a substantial portion of the Assets of any Sub-Fund; or

(i) for any other reason where the Manager considers it is in the best interests of the Unitholders of the relevant Sub-Fund.

16.4 Any such suspension pursuant to Clause 16.3 shall be notified to the Unitholders and applicants for Units in such manner as the Manager may deem appropriate if in the opinion of the Manager it is likely to exceed fourteen (14) days and will be notified to applicants for Units or Unitholders requesting issue or redemption of Units by the Manager promptly following receipt of an application for such issue or filing of the written request for such redemption. In the case of suspension of dealings in Units, any subscription requests or redemption requests will be dealt with on the next Dealing Day following the end of such suspension period at the latest Net Asset Value per Unit.

16.5 Such suspension with respect to a specific Sub-Fund shall have no effect on the calculation of the Net Asset Value per Unit or the issue, redemption and exchange of the Units of any other Sub-Fund.

## 17 Reports

17.1 In respect of each Accounting Period the Manager shall prepare and cause to be audited by the Auditors an annual report relating to each Sub-Fund.

17.2 The annual report shall be made available by the Manager to all Unitholders of the relevant Sub-Fund within four months after the conclusion of each Accounting Period.

17.3 The Manager shall prepare an un-audited half-yearly report for the six months immediately succeeding the Accounting Date by reference to which the last annual report of each Sub-Fund was prepared.

17.4 The said half-yearly report shall be made available by the Manager to all Unitholders of the Sub-Fund within nine weeks after 30 June in each year.

## 18 Valuation

18.1 The value of assets, financial instruments or cash shall be determined as follows:

(a) any Investment listed and/or regularly traded on a Regulated Market and for which market quotations are readily available, save as hereinafter provided at (d) and (e), shall be valued by reference to the last traded price for the Investment determined in their primary market as at the Valuation Point, provided that the value of any Investment listed or traded on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant Regulated Market shall be valued taking into account the level of premium or discount as at the Valuation Point provided that the Depositary must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the Investment;

(b) if an Investment is listed on several Regulated Markets, the last traded price as at the Valuation Point on the Regulated Market which in the opinion of the Manager, constitutes the main market for such Investment will be used;

(c) Investment which are not listed or traded on a Regulated Market or which are listed or traded on a Regulated Market but in respect of which no price is currently available or in respect of which the current price does not in the opinion of the Manager, or of a competent person, firm or corporation appointed by the Manager and approved for the purpose by the Depositary, represent fair market value shall be valued at their probable realisation value estimated with care in good faith by (i) the Manager or (ii) a competent person, firm or corporation appointed by the Manager and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary. Where reliable market quotations are not available for fixed income securities the value of such securities may be determined by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics;

(d) the value of any off-exchange traded derivative contracts shall be valued daily on the basis of a quotation provided by the relevant counterparty (on the basis of a means of valuation that provides reasonable accuracy on a reliable basis) and such valuation will be approved or verified at least weekly by a party independent of the counterparty who has been approved for such purpose by the Depositary. Alternatively, an over-the-counter "OTC" derivative contract may be valued daily on the basis of a quotation from an independent pricing vendor with adequate means to perform the valuation or other competent person, firm or corporation (which may include the Investment Manager) selected by the Manager and approved for the purpose by the Depositary. Where this alternative valuation is used, the Manager must follow international best practice and adhere to principles on such valuations established by bodies such as the International Organisation of Securities Commissions and the

Alternative Investment Management Association. Any such alternative valuation must be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise, these must be promptly investigated and explained. Forward foreign exchange contracts shall be valued in the same manner as FDI which are not traded on a Regulated Market or by reference to freely available market quotations;

(e) the value of any exchange traded futures contracts, share price index futures contracts and options shall be the settlement price as determined by the market in question as at the Valuation Point provided that where such settlement price is not available for any reason as at a Valuation Point, such value shall be the probable realisation thereof estimated with care and in good faith by the Manager or another competent person appointed by the Directors, provided that the Manager or such other competent person have been approved for such purpose by the Depositary;

(f) units in collective investment schemes not valued pursuant to paragraph (1) above shall be valued at the closing net asset value as published by those collective investment schemes or, if unavailable, the bid price, share or class thereof as at the Valuation Point for the relevant Dealing Day and if a bid and an offer price are available, such Units shall be valued by reference to the bid or offer price; units or shares in closed-ended collective investment schemes will, if listed or traded on a market, be valued at the closing bid price on the principal market for such investment as at the Valuation Point for the relevant Dealing Day or, if unavailable at the probable realisation value, as estimated with care and in good faith by a competent professional appointed by the Manager or by a competent person appointed by the Manager or the relevant Investment Manager and in each case approved for such purpose by the Depositary;

(g) private equity securities will be valued in accordance with the applicable guidelines issued by the European Private Equity and Venture Capital Association;

(h) Assets denominated in a currency other than in the Base Currency of the relevant Sub-Fund shall be converted into that Base Currency at the rate (whether official or otherwise) which the Manager or such competent person appointed by the Manager and approved for such purpose by the Depositary deems appropriate in the circumstances;

(i) the value of any cash in hand or on deposit shall be valued at its nominal value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs. Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable investments should each be valued at each Valuation Point at the last traded price on the market in which these Assets are traded or admitted for trading (being the market which is the sole market or in the opinion of the Manager the principal market on which the Assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired. The value of any certificate of deposit or treasury bill which is not listed or admitted for trading shall be the probable realisation value thereof estimated with care and good faith by the Manager or another competent person appointed by the Directors, provided that the Manager or such other competent person have been approved for such purpose by the Depositary;

(j) Notwithstanding the provisions of paragraphs (a) to (h) above:

  (i) The Manager or its delegate may, at its discretion in relation to any particular Sub-Fund, which is a short-term money market type Sub-Fund, value any Asset using the amortised cost method of valuation.

  (ii) The Manager or its delegate may, at its discretion, in relation to any particular Sub-Fund which is not a money market fund but which invests in Money Market Instruments, value any Asset on the basis of the amortised cost method.

(k) The Manager may, with the approval of the Depositary, adjust the value of any Asset if, having regard

to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, it considers that such adjustment is required to reflect the fair value thereof as at any Valuation Point.

(l) if in any case a particular value is not ascertainable as provided from paragraphs (l) to (ix) above or if the Manager shall consider that some other method of valuation better reflects the probable realisation value of the relevant Asset, then in such case the method of valuation of the relevant Asset shall be such as the Manager or other competent person appointed by the Manager shall determine, such method of valuation to be approved by the Depositary and each such value to be approved by the Depositary.

18.2 In calculating the value of the Assets of a Sub-Fund or attributable to a Class, the following principles shall apply:

(a) the Assets shall be valued in accordance with Clause 18.1 and in determining the value of Assets of a Sub-Fund for the purpose of calculating the price at which Units may be issued or redeemed (a) where on any Dealing Day the value of (i) all redemption requests received by the Manager or a competent person appointed by the Manager and approved for such purpose by the Depositary exceeds the value of all applications for Units received for that Dealing Day, the Manager may value the Investments at bid prices and (ii) all applications for Units received by the Manager or a competent person appointed by the Manager and approved for such purpose by the Depositary exceeds the value of all redemption requests received for that Dealing Day, the Manager may value the Investments at offer prices, (b) where a bid and offer value for Units is utilised for the purpose of redeeming or issuing Units as the case may be, the Manager may value the Investments at bid and offer prices, or (c) the Manager may value the Investments at mid prices provided that the valuation policy selected by the Manager will be applied on a consistent basis throughout the life of the Sub-Fund and there must be consistency in the policies adopted throughout the various categories of Investments;

(b) every Unit agreed to be issued by the Manager shall be deemed to be in issue at the Valuation Point and the Assets of the relevant Sub-Fund shall be deemed to include not only cash and property in the hands of the Depositary but also the amount of any cash or other property to be received in respect of Units agreed to be issued;

(c) where Investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such Investments shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed unless the Manager has reason to believe the purchase or sale will not be completed;

(d) there shall be added to the Assets of the relevant Sub-Fund

(i) any actual or estimated amount of any taxation of a capital nature which it is believed may be recoverable by the Manager which is attributable to that Sub-Fund;

(ii) a sum representing any interest or other income accrued but not received; and

(iii) the total amount (whether actual or estimated by the Manager on the basis of advice received) of any claims for repayment of any taxation levied on income or capital gains including, without limitation, claims in respect of double taxation relief;

(e) There shall be deducted from the Assets of the relevant Sub-Fund all liabilities of the Sub-Fund which shall be deemed to include:

(i) the total amount of any actual or estimated liabilities properly payable out of the Sub-Fund including, without limitation, any outstanding borrowings of the Sub-Fund and all accrued

interest, fees and expenses payable thereon (but excluding liabilities taken into account in determining the value of the Assets of the Sub-Fund) and any estimated liability for tax on unrealised capital gains;

(ii) such sum in respect of tax (if any) on Profit realised during the current Accounting Period prior to the valuation being made as in the estimate of the Manager will become payable;

(iii) the remuneration of the Manager accrued but remaining unpaid together with value added tax thereon and Administration Expenses;

(iv) the total amount (whether actual or estimated by the Manager) of any liabilities for taxation leviable on income including, without limitation, income tax and corporation tax, if any (but not taxes leviable on capital or on realised or unrealised capital gains);

(v) the total amount of any actual or estimated liabilities for withholding tax (if any) payable on any of the Assets of the Sub-Fund in respect of the current Accounting Period;

(vi) the remuneration of the Depositary accrued but remaining unpaid, together with value added tax thereon, if any, Disbursements and the expenses referred to in Clause 9.14;

(vii) the amount (if any) of any Profit distribution declared by the Manager pursuant to Clause 15 but not paid in respect thereof; and

(viii) the total amount (whether actual or estimated by the Manager) of any other liabilities properly payable out of the Assets of the Sub-Fund.

18.3 Without prejudice to Clause 4.6 the Manager may delegate any of its powers, authorities and discretions in relation to the determination of the value of any Asset to a committee of the Directors or to any other duly authorised person and may delegate the calculation of the Net Asset Value. In the absence of gross negligence, fraud or wilful misconduct on the part of the Manager, every decision taken by the Manager or any committee of the Directors or any duly authorised person on behalf of the FGR in determining the value of any investment or calculating the Net Asset Value shall be final and binding on any present, past or future Unitholders.

**19 Continuance or Retirement of the Manager and the Legal Titleholder**

19.1 Save as in this Clause provided, the Manager shall so long as the FGR subsists continue to act as the Manager thereof in accordance with the terms of these Terms and Conditions

19.2 The Manager for the time being shall be subject to removal by notice in writing given by the Legal Titleholder to the Manager forthwith if (i) the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved by the Unitholders) (ii) a receiver is appointed in respect of any of the Assets of the Manager and is not discharged within sixty (60) days; or (iii) if an examiner is appointed to the Manager pursuant to the Irish Companies (Amendment) Act, 1990 (or successor legislation thereto) or if an event having equivalent effect occurs; and the Legal Titleholder shall appoint some other corporation to be the Manager of the FGR.

19.3 The Manager shall have power on the giving of ninety (90) days written notice to the Legal Titleholder to retire in favour of some other corporation with prior notice to the Unitholders.

19.4 Save as if provided below, the Legal Titleholder shall so long as the FGR subsists continue to act as the Legal Titleholder thereof.

## 20 Meeting of Unitholders

20.1 Each year, the Manager may call a meeting of Unitholders after publication of the audited annual accounts.

20.2 The Manager must call a meeting of Unitholders whenever otherwise required pursuant to the Prospectus.

20.3 The Manager may call a meeting of Unitholders as often as it in its sole discretion deems necessary in the interests of the Unitholders.

20.4 The convocation of a Unitholders' meeting will take place at least two weeks before the planned date of the meeting and will be communicated on the Website. The convocation of a Unitholders' meeting will also be communicated by means of an advertisement in a national Dutch daily newspaper or announced to each Unitholder individually. The issues to be discussed at the meeting are mentioned in the convocation, together with the date, time and place of the meeting.

20.5 If Unitholders who jointly represent at least 75% of the outstanding Units on the Business Day prior to the day on which the request is filed with the Manager, wish to call a Unitholders' meeting, the Manager must call a meeting of Unitholders of this Sub-Fund.

20.6 If the Manager has not called the meeting of Unitholders within fourteen days following the receipt of the request as mentioned in article 20.5 of these Terms and Conditions, the Unitholders may call the meeting of Unitholders in accordance with the other provisions in the article 20 of these Terms and Conditions.

20.7 The meetings of Unitholders will be held in Amsterdam or such place in the Netherlands as determined by the Manager.

20.8 A meeting of Unitholders will be chaired by a person appointed by the Manager.

20.9 Every Unitholder, the Manager, the Depositary and all those admitted to the meeting by the chair of the meeting, have the right to attend the meeting, to speak at the meeting and to ask questions. A Unitholder may attend by proxy.

20.10 Meetings of Unitholders are informative. No initiative, veto or consensual rights are conferred upon the meeting of Unitholders.

20.11 The Manager is responsible for the minutes of the meeting of Unitholders.

## 21 Amendment to the Terms and Conditions

21.1 The Terms and Conditions may be amended by the Manager and the Legal Titleholder, acting jointly. An amendment becomes effective at a date to be determined by the Manager and the Legal Titleholder, notwithstanding article 21.3 of these Terms and Conditions.

21.2 An amendment and a proposed amendment of these Terms and Conditions will be communicated to the Unitholders on the Website.

21.3 An amendment of these Terms and Conditions causing a reduction of a Unitholder's rights or security, imposing costs on a Unitholders or causing a change to the investment policy of the FGR, only becomes effective vis-à-vis the Unitholders after the lapse of a period of one month following the date of the notification thereof. Unitholders may redeem their Units in this period under these (i.e. un-amended) Terms and Conditions.

## 22 Termination of the FGR and its Sub-Funds

22.1 The FGR or any of its Sub-Funds may be terminated by the Manager upon the giving of thirty (30) days'

notice in writing at any time to Unitholders, unless a shorter period is accepted by all such remaining Unitholders or in the reasonable opinion of the Manager a shorter period is, in the best interests of the remaining Unitholders, required due to extreme or unusual market events or conditions. Without limitation to the foregoing, the Legal Titleholder may by notice in writing to the Manager terminate the FGR or any of its Sub-Funds upon the occurrence of any of the following events, namely:

(a) if any of the events specified in Clause 19.2 shall occur and within a period of three months from the occurrence of any such event no Manager shall have been appointed;

(b) if in the reasonable opinion of the Legal Titleholder the Manager shall be incapable of performing its duties;

(c) if any law shall be passed which renders it illegal or in the reasonable opinion of the Legal Titleholder impracticable or inadvisable to continue the FGR or any of its Sub-Funds; or

(d) if within a period of six (6) months from the date of the Legal Titleholder expressing in writing to the Manager its desire to retire the Manager shall have failed to appoint a new Legal Titleholder.

22.2 The FGR or any of its Sub-Funds may be terminated by the Manager in its absolute discretion by notice in writing as hereinafter provided in any of the following events, namely:

(a) if at any time after the first anniversary of the date of the first issue of Units or on any Dealing Day thereafter the Net Asset Value of (i) all of the Sub-Funds shall be less than € 50,000,000 or (ii) any one Sub-Fund shall be less than any minimum Net Asset Value disclosed in the relevant Supplement for the relevant Sub-Fund; or such other amount as the Manager in its absolute discretion may determine and notify to the relevant Unitholders, or its foreign currency equivalent;

(b) if the Manager shall cease to be authorised by a competent authority;

(c) if any law shall be passed which renders it illegal or in the reasonable opinion of the Manager impracticable or inadvisable to continue the FGR or any of its Sub-Funds; or

(d) if within a period of three months from the date of the Manager expressing in writing to the Legal Titleholder its desire to retire, a replacement Manager shall not have been appointed.

22.3 The party terminating the FGR or a Sub-Fund shall give notice thereof to the Unitholders in the manner herein provided and by such notice fix the date on which such termination is to take effect which date shall not be less than thirty (30) days' after the service of such notice unless a shorter period is accepted by all such remaining Unitholders or in the reasonable opinion of the Manager a shorter period is, in the best interests of the remaining Unitholders, required due to extreme or unusual market events or conditions.

## 23 Provisions on termination of FGR and Sub-Funds

23.1 Before the termination of the Sub-Fund Period under any of the relevant terms of these Terms and Conditions, the Manager shall (if practically possible) give notice to the Unitholders advising them of the impending distribution of the Assets.

23.2 Subject to the provisions of Clause 23.4, following the giving of notice of such termination the Manager shall procure the sale of all Investments then remaining in the hands of the Legal Titleholder or of the Legal Titleholder's nominee as part of the Assets and such sale shall be carried out and completed in such manner and within such period before or after the termination of the FGR or of the Sub-Fund as the Manager and the Legal Titleholder think desirable.

23.3 Subject to the provisions of Clause 23.4, the Manager shall at such time or times as it shall deem convenient and at its entire discretion procure the payment to the Unitholders of all net cash proceeds derived from the

realisation of the Investments of the relevant Sub-Fund and any cash then forming part of the relevant Sub-Fund so far as the same are available for the purpose of such payment. Every such payment shall be made only after such form of request for payment and receipt as the Manager shall in its absolute discretion require, has been lodged with the Manager, provided that:

(a) the Manager may delay the payment of total redemption proceeds until all Investments and receivables are liquidated and may make adjustments to the amount of redemption proceeds payable to Unitholders in order to reflect the final value of such Investments and receivables upon termination;

(b) the Manager shall be entitled to retain out of any moneys in the Depositary's hands full provision for all costs, charges, expenses, claims, liabilities and demands relating to the relevant Sub-Fund for which the Manager or the Legal Titleholder is or may become liable or incurred, made or expended by the Manager or the Legal Titleholder in connection with the termination of the FGR or of the Sub-Fund, as the case may be, and out of the moneys so retained, the Manager and the Depositary shall be entitled to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands; and

(c) any unclaimed net proceeds or other cash held by the Legal Titleholder under the provisions of this Clause may at the expiration of twelve months from the date on which the same were payable be paid into court subject to the right of the Legal Titleholder to deduct therefrom any expenses it may incur in giving effect to this provision.

23.4 If the FGR or any Sub-Fund shall be wound up, the Manager may with the approval of the relevant Unitholders (passed by at least 50% of the Unitholders entitled to so vote), divide among the Unitholders of a Sub-Fund in specie the whole of any part of the Investments relating to that Sub-Fund, and may determine how such division shall be carried out as between the Unitholders in the Sub-Fund. The Manager may, with the like authority, vest any part of the Investments in trustees for the benefit of Unitholders as the Sub-Fund, with the like authority, shall think fit, and the liquidation of the Sub-Fund may be closed and the Sub-Fund dissolved, but so that no Unitholder shall be compelled to accept any Investments in specie to him/her. A Unitholder may require the Manager to arrange for a sale of the Investments (at the cost of that Unitholder) and for payment to the Unitholder of the net proceeds of same.

## 24 Governing Law and Jurisdiction

These Terms and Conditions shall be governed by and construed in accordance with the laws of the Netherlands and each of the parties submits to the exclusive jurisdiction of the courts competent in Amsterdam, of the Netherlands.

## SCHEDULE II

## ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

The following information is addressed to potential investors of the FGR in the Federal Republic of Germany.

**RIGHT TO MARKET UNITS IN GERMANY**

Pursuant to section 310 of the KAGB, the BaFin was notified of the intention to market Units of selected Sub-Funds in the Federal Republic of Germany.

**No marketing notification has been submitted for the following Sub-Funds of the FGR:**

**NT Europe Screened Equity Index FGR Feeder Fund**

**NT World Screened Equity Index FGR Feeder Fund**

**NT World High Dividend Select Equity FGR Feeder Fund**

**NT North America Screened Equity Index FGR Feeder Fund**

**NTCM Europe Low Carbon Plus Equity Index FGR Feeder Fund**

**NTCM World Low Carbon Plus Equity Index FGR Feeder Fund**

**NTCM Emerging Markets Plus Equity Index FGR Fund**

**NTCM Emerging Markets Low Carbon Plus Equity Index FGR Fund**

**NT World PAB Plus Equity Select Index FGR Fund**

**NT Emerging Markets Selection P-Series Equity Index FGR Fund**

**NTCM North America Low Carbon Plus Equity Index FGR Fund**

**NTCM Pacific Low Carbon Plus Equity Index FGR Fund**

**NT Europe Value Select Equity FGR Feeder Fund**

**NTCM World Journey Equity Index Fund**

**NT Europe Selection P-Series Equity Index FGR Fund**

**NT USA Selection P-Series Equity Index FGR Fund**

**NT Pacific Selection P-Series Equity Index FGR Fund**

**NTCM WMP World Core Equity Fund**

**NTCM WMP World Sustainable Equity Fund**

**NTCM Emerging Markets Journey Equity Index Fund**

**Accordingly, these Sub-Funds must not be marketed to investors in the Federal Republic of Germany.**

## GERMAN FACILITIES AGENT

The Manager of the FGR has appointed **Acolin Europe AG** as Facilities Agent for the FGR in the Federal Republic of Germany pursuant to section 306a para 1 (2-6) KAGB (the **"German Facilities Agent"**). The registered office of the German Facilities Agent is:

Acolin Europe AG,

Line-Eid-Straße 6,

78467, Konstanz,

Germany

The Prospectus, the key information documents issued in respect of each Sub-Fund pursuant to the PRIIPs Regulation that are admitted to be marketed in Germany, the Terms and Conditions, the latest available annual and semi-annual reports, as well as the issue and redemption prices of the Units may be obtained, in paper form free of charge or requested electronically, from the registered office of the German Facilities Agent, Acolin Europe AG at facilityagent@Acolin.com or www.Acolin.com/services/facilities-agency-services.

## REDEMPTION AND CONVERSION REQUESTS, PAYMENTS

Investors may refer to the following section of the Prospectus entitled "UNITS" on page 38.

Contact details of the Administrator are as follows:

Northern Trust International Fund Administration Services (Ireland) Limited, Georges Court, 54-62 Townsend Street, Dublin 2, Ireland

General queries: NTfundservice@NTRS.com.

Submitting email dealing instructions/application forms: NTAMTAInstructions@ntrs.com.

## PUBLICATION OF PRICES

The most recent issue and redemption prices of Units for every Sub-Fund, as well as any other documents and information in respect of the FGR which are required to be published will be made available on https://www.fgrinvesting.com/en/fund-range/.

## PARTICULAR EVENTS

In addition to a communication via Unitholder letter, Unitholders will be informed in German via a publication on the website https://www.fgrinvesting.com/en/fund-range/ about the following events:

- suspension of the redemption of the Units;
- termination of the management or winding up of the FGR;

- amendments to the Terms and Conditions, insofar as such amendments are not compatible with the existing investment principles, they affect essential investor rights or relate to remuneration and reimbursement of expenses that can be withdrawn from the FGR's assets;

- merger of the FGR; and

- alteration of the FGR to form a feeder fund or master fund structure.

**TAXATION**

For questions on the tax impact of an investment in the FGR, please contact your tax advisor.

# SUPPLEMENT I

# NT NORTH AMERICA SCREENED EQUITY INDEX FGR FUND

This Supplement contains specific information in relation to the NT North America Screened Equity Index FGR Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

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

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return of the MSCI North America NTC Screened Index (the "**Index**") with net dividends reinvested. Any change of investment objective of the Fund shall only be made with the prior approval of the Unitholders.

### 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 Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of 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 in countries comprised within the Index, details of which are set out under the heading "**Index Description**" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "**Index Description**". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders.

The Fund operates an index tracking/replication strategy as further set out in the section "**Index Tracking Strategy**" below. The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

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

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

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 0.5% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

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

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

**Index Description**

The starting universe for the Index is the MSCI North America Index (the "**Parent Index**"). The Parent Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of North American markets and captures large and mid-cap issuers as determined by MSCI. The Index is a custom index calculated and screened by MSCI based on predetermined and objective ESG

criteria selected by the Investment Manager which i) excludes certain companies from the Parent Index which are not considered to meet socially responsible principles considering business involvement, and ESG controversy screening criteria as further detailed in the Annex and (ii) excludes companies with exposure to thermal coal above thresholds specified within the Annex.

In terms of index composition and methodology, the Index corresponds with the MSCI North America Index with the exclusion of companies not considered to meet custom ESG screening criteria selected by the Investment Manager as detailed in the Annex to this Supplement.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May, August and November with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated with the Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: www.msci.com/index/methodology/latest/NTCScreened and https://www.msci.com/constituents.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 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 and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash position.

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 use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

The Fund may also enter into certain currency related transactions in order to hedge exchange rate fluctuation risks between the denominated currencies of the Fund's assets and the designated currency of the relevant Class in accordance with the section of the Prospectus entitled "**Hedging**".

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

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

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled "**Collateral Policy**" for further details.

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

## 2 INVESTMENT RESTRICTIONS

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

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 of the Prospectus entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**".

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.

## 5 RISK FACTORS

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

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

**Classes of Units Available**

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

**Currency Hedged Unit Classes**

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

**Currencies Available**

Each of the above referenced Unit Classes are available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

U.S. Dollar

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

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

**Initial Offer Period**

The Initial Offer Period in relation to Units Class A EUR, Unit Class A USD, Unit Class C EUR, Unit Class D EUR and Unit Class E EUR has closed.

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 16 February 2018 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in



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exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Dutch time on the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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

**Minimum Initial Investment Amount**

There is no minimum initial Investment Amount.

**Minimum Additional Investment**

There is no minimum Additional Investment.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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.



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**Minimum Net Asset Value**

U.S. $30 million.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 1 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below. For the avoidance of doubt, the fees and expenses which are set out in the section of the Prospectus entitled "**Rebalancing and Transaction Fees and Expenses**" are not part of the maximum total fees and expenses.

**Incorporation Fees and Expenses**

The particulars of these fees and expenses are set out in the section of the Prospectus entitled "**Incorporation Fees and Expenses**".

*FGR Establishment Fees and Expenses*

These fees and expenses did not exceed EUR 70,000 for the Fund.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed EUR 20,000.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the section of the Prospectus entitled "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**".

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.9 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.5 per cent of the Net Asset Value of the Fund.

A Classes of Units, B Classes of Units and E Classes of Units are issued to investors that have contributed seed capital to the Fund and C Classes up to and including Z Classes of Units are issued to all other investors. In view of this, relatively lower fees and expenses apply to the investors holding A Classes of Units, B Classes of Units and E Classes of Units than to investors holding C Classes of Units and D Classes of Units.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the section of the Prospectus entitled "**Ongoing Fees and Expenses**".

The exact maximum of these fees and expenses cannot be estimated at this time but is part of the maximum total fees and expenses for the Fund.

**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the section of the Prospectus entitled "**Rebalancing and Transaction Fees and Expenses**".

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of any other fees and expenses are set out in the section of the Prospectus entitled "**Other Fees and Expenses**".

The exact maximum of these fees and expenses cannot be estimated at this time but is part of the maximum total fees and expenses for the Fund.

## 10 GERMAN TAXATION

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



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**Annex - 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**: NT North America Screened Equity Index FGR Fund (the "**Fund**")
**Legal entity identifier**: 549300J7ZUJFKBFLDU69

# Environmental and/or social characteristics

**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.

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

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective: ___%** | ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective: ___%** | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

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

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

- reducing investments in unconventional oil and gas exploration and Arctic oil; and
- reducing investments in thermal coal power generation and thermal coal mining.

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

a) avoiding investments in controversial weapons, and;

b) reducing specific investment in business activities with adverse health and social impacts including gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, aggregate weapons, and for-profit prisons, and;

c) human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

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

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

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- MSCI Red Flag ESG Controversies, defined as very severe, ongoing controversies that a company is directly involved in;
- Specific revenue thresholds regarding gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, aggregate weapons, for-profit prisons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal-based power generation;
- Any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), and;
- Low Carbon Transition (LCT) Management Score which assesses current and potential exposure to transition risks and opportunities through companies' operations, and business model.

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

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

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The intended objectives of the sustainable investments of the Fund are to positively contribute towards environmental and social objectives such as reducing fossil fuel exposure and avoiding adverse business activities or human rights violations. An investee company must promote good governance practices without causing significant adverse impact through its product and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' ("**DNSH**") to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

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

In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;
- excluding certain companies from the Parent Index not considered to meet ESG characteristics; and
- excluding certain companies with exposure to thermal coal mining and thermal coal power generation;

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm. Examples include avoidance

of controversial weapons and human rights violations and reducing exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises; and
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly and is based on any investee company being directly involved in very severe and ongoing controversies in relation to its operations, products and services.

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

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

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

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

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

✖ Yes

**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.

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

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

In addition, through the Investment Manager's direct engagement and voting, the Fund aims to encourage investee companies to improve their ESG practices and disclosures.

☐ No

## What investment strategy does this financial product follow?

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

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

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product***?

The following are the investment strategy's binding elements used to promote the environmental and social characteristics. These elements form part of the Index design and are coded by MSCI as part of the Index methodology construction.

The application of the following exclusions seeks to attain the environmental and social characteristics promoted by the Fund by excluding (MSCI ESG Research revenue estimates are utilised for all revenue-based exclusions):

(a) companies that are directly involved in ongoing controversies classified as "very severe" in the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;

(b) companies deriving 5% or more revenue from gambling-related business activities;

(c) companies deriving 5% or more revenue from adult entertainment-related business activities;

(d) companies that derive any revenue from the production of tobacco, or 5% or more revenue from the distribution of, supply of key products for, or retail of, tobacco and tobacco alternatives;

(e) 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;

(f) companies that manufacture civilian firearms or retail civilian firearms and derive 5% or more revenue from this sector;

(g) companies that manufacture aggregate weapons or provide support services to and derive 5% or more revenue from this sector;

(h) companies that derive 5% of revenue or more from thermal coal mining and extraction;

(i) companies that derive (a) 10% or more revenue from coal-fired power generation or (b) between 5% and 10% revenue from this source and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(j) companies that derive (a) 50% or more revenue from unconventional oil and gas such as oil sands and shale gas, or (b) between 5% and 50% revenue from these sources and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(k) companies that derive (a) 50% or more revenue from Arctic oil or (b) between 1% and 50% revenue from this source and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles and;

(l) companies that derive 5% or more of their total annual revenues from activities related to for-profit prisons.

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

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

Any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation.

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

The Fund does not commit to a minimum reduction rate.

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

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

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

A very severe, ongoing controversy that directly implicates a company through its operations, products and services and will result in that company's exclusion from the Index. The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate:

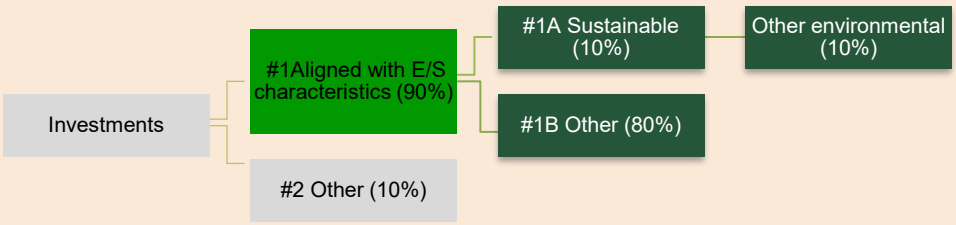
## What is the asset allocation planned for this financial product?

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

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

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

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

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

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

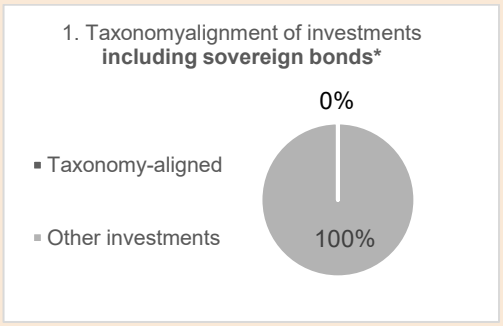
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

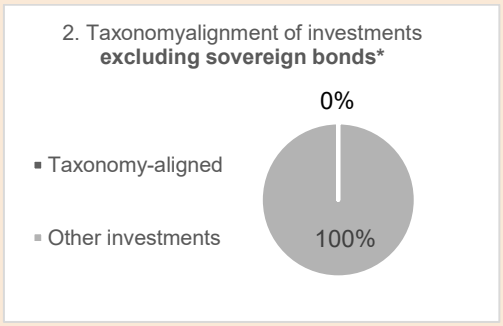
The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?*** [1]

No.

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




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

**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.

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

Not applicable. The Fund will not make any investments in transitional and enabling activities.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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 socially sustainable investments?

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

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

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied. Investments categorised as 'other' will be used for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.
- Derivatives: The Fund may use derivatives only for hedging and managing broad market exposure.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes, the Index has been designated as a reference benchmark.

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

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

  The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

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

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

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

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

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

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

  The methodology used for the Index can be found here.

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

More product specific information can be found on the website: here.

# SUPPLEMENT II

# NT EUROPE SCREENED EQUITY INDEX FGR FUND

This Supplement contains specific information in relation to the NT Europe Screened Equity Index FGR Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

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

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return of the MSCI Europe NTC Screened Series C Index (the "Index") with net dividends reinvested. Any change of investment objective of the Fund shall only be made with the prior approval of the Unitholders.

### 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 Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of 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 in countries comprised within the Index, details of which are set out under the heading "**Index Description**" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "**Index Description**". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders.

The Fund operates an index tracking/replication strategy as further set out in the section "**Index Tracking Strategy**" below. The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

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

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

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 1% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

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

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

**Index Description**

The starting universe for the Index is the MSCI Europe Index (the "**Parent Index**"). The Parent Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of European developed markets and captures large and mid-cap issuers as determined by MSCI.

The Index is a custom index calculated and screened by MSCI based on predetermined and objective ESG criteria selected by the Investment Manager which (i) excludes certain companies from the Parent Index which are not considered to meet socially responsible principles considering business involvement, and ESG controversy, screening criteria as further detailed in the Annex and (ii) excludes companies with exposure to thermal coal above thresholds specified within the Annex.

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

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing - typically in February, May, August and November with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated with the Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: www.msci.com/index/methodology/latest/NTCScreened

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

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 use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

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

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

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled "Collateral Policy" for further details.

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

## 2 INVESTMENT RESTRICTIONS

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

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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.

## 5 RISK FACTORS

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

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

### Classes of Units Available

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the Taxable Classes of Units) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

### Currency Hedged Unit Classes

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

### Currencies Available

Each of the above referenced Unit Classes are available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

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

**Initial Offer Period**

The Initial Offer Period in relation to Unit Class A, Unit Class A USD and Unit Class B and Unit Class C EUR has closed.

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 16 February 2018 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.



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**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Dutch time on the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no minimum initial Investment Amount.

**Minimum Additional Investment**

There is no minimum Additional Investment.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 1 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below. For

the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

**Incorporation Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus:

*FGR Establishment Fees and Expenses*

These fees and expenses did not exceed € 70,000 for the Fund.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed € 20,000.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.9 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.5 per cent of the Net Asset Value of the Fund.

A Classes of Units, B Classes of Units and E Classes of Units are issued to investors that have contributed seed capital to the Fund and C Classes up to and including Z Classes of Units are issued to all other investors.

In view of this, relatively lower fees and expenses apply to the investors holding A Classes of Units, B Classes of Units and E Classes of Units than to investors holding C Classes of Units and D Classes of Units.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time but is part of the maximum total fees and expenses for the Fund.

**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of any other fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time but is part of the maximum total fees and expenses for the Fund.

## 10 GERMAN TAXATION

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

**Annex - 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**: NT Europe Screened Equity Index FGR Fund (the "**Fund**")
**Legal entity identifier**: 5493008K74VULRZ7ZE51

# Environmental and/or social characteristics

**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.

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

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

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

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

The Fund promotes the following environmental characteristics:

- reducing investments in unconventional oil and gas exploration and Arctic oil; and
- reducing investments in thermal coal power generation and thermal coal mining.

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

a) avoiding investments in controversial weapons, and;

b) reducing specific investment in business activities with adverse health and social impacts including gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, and for-profit prisons, and;

c) human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

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

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

  The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

  - MSCI Red Flag ESG Controversies, defined as very severe, ongoing controversies that a company is directly involved in;
  - Specific revenue thresholds regarding gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, for-profit prisons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal-based power generation;
  - Any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), and;
  - Low Carbon Transition (LCT) Management Score which assesses current and potential exposure to transition risks and opportunities through companies' operations, and business model.

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

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

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  The intended objectives of the sustainable investments of the Fund are to positively contribute towards environmental and social objectives such as reducing fossil fuel exposure and avoiding adverse business activities or human rights violations. An investee company must promote good governance practices without causing significant adverse impact through its product and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' ("**DNSH**") to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

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

In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;
- excluding certain companies from the Parent Index not considered to meet ESG characteristics; and
- excluding certain companies with exposure to thermal coal mining and thermal coal power generation;

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm. Examples include avoidance

of controversial weapons and human rights violations and reducing exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises; and
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly and is based on any investee company being directly involved in very severe and ongoing controversies in relation to its operations, products and services.

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

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

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

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

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

**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.

✖ Yes

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

- Exposure to companies active in the fossil fuels sector;
- Violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and

- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Investment Manager's direct engagement and voting, the Fund aims to encourage investee companies to improve their ESG practices and disclosures.

☐ No.

## What investment strategy does this financial product follow?

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

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

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following are the investment strategy's binding elements used to promote the environmental and social characteristics. These elements form part of the Index design and are coded by MSCI as part of the Index methodology construction.

The application of the following exclusions seeks to attain the environmental and social characteristics promoted by the Fund by excluding (MSCI ESG Research revenue estimates are utilised for all revenue based exclusions):

(a) companies that are directly involved in ongoing controversies classified as "very severe" in the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;

(b) companies deriving 5% or more revenue from gambling-related business activities;

(c) companies deriving 5% or more revenue from adult entertainment-related business activities;

(d) companies that derive any revenue from the production of tobacco, or 5% or more revenue from the distribution of, supply of key products for, or retail of, tobacco and tobacco alternatives;

(e) 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;

(f) companies that manufacture civilian firearms or retail civilian firearms and derive 5% or more revenue from this sector;

(g) companies that derive 5% of revenue or more from thermal coal mining and extraction;

(h) companies that derive (a) 10% or more revenue from coal-fired power generation or (b) between 5% and 10% revenue from this source and have transition risk preparedness or carbon management that is considered

weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(i) companies that derive (a) 50% or more revenue from unconventional oil and gas such as oil sands and shale gas, or (b) between 5% and 50%revenue and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(j) companies that derive (a) 50% or more revenue from Arctic oil or (b) between 1% and 50% revenue and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles; and;

(k) companies that derive 5% or more of their total annual revenues from activities related to for-profit prisons.

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

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

Any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation.

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

The Fund does not commit to a minimum reduction rate.

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

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

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

A very severe, ongoing controversy that directly implicates a company through its operations, products and services and will result in that company's exclusion from the Index. The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

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

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

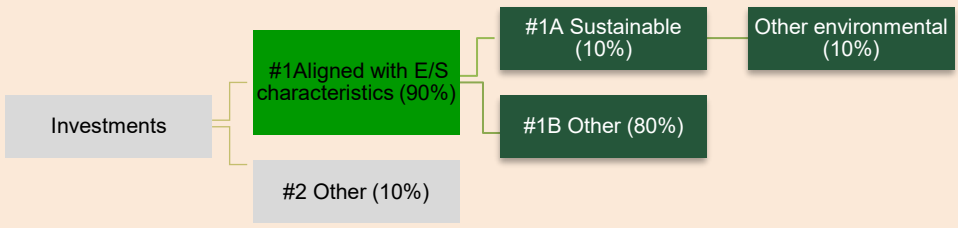
Of this, a minimum of 10% of its Net Asset Value will be invested in sustainable investments with an environmental objective.

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.

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

Taxonomy-aligned activities are expressed as a share of:

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




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

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

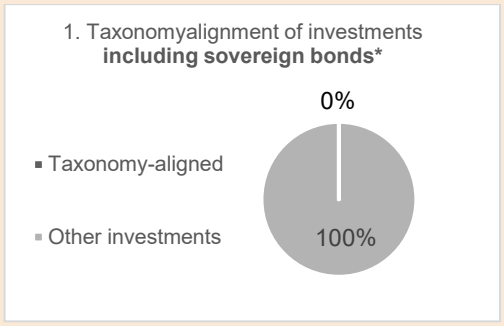
The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

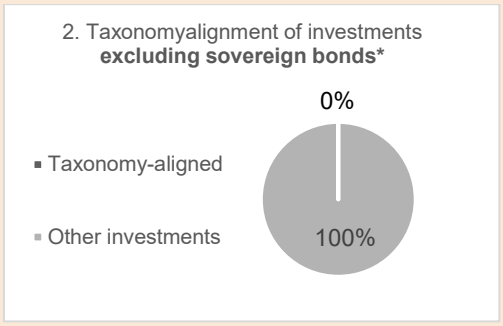
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- ***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?*** [2]

No.

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




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

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

Not applicable. The Fund will not make any investments in transitional and enabling activities.

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?

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

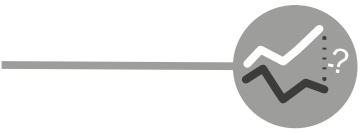
## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied. Investments categorised as 'other' will be used for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.

- Derivatives: The Fund may use derivatives only for hedging and managing broad market exposure.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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

Yes, the Index has been designated as a reference benchmark.

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

The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

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

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

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

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

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

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

The methodology used for the Index can be found here.

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

More product specific information can be found on the website: here.

## SUPPLEMENT III

## NORTHERN TRUST DEVELOPED REAL ESTATE INDEX UCITS FGR FUND

This Supplement contains specific information in relation to the Northern Trust Developed Real Estate Index UCITS FGR Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

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

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

### 1 INVESTMENT OBJECTIVE AND POLICIES

#### Investment Objective

The investment objective of the Fund is to closely match the risk and return characteristics of the FTSE EPRA/NAREIT Developed Index (the "**Index**") with net dividends reinvested. Any change of investment objective of the Fund shall only be made with the prior approval of the Unitholders.

#### Investment Policy

The Fund seeks to achieve its investment objective through investment primarily in a diversified portfolio of real estate related securities listed or traded on markets worldwide including listed Real Estate Investment Trusts (REITs) and transferable Equity and (where considered by the Investment Manager to be necessary or appropriate) Equity Related Securities issued by companies or linked to companies within the Index whose principal business is the ownership, management and/or development of income producing and for sale real estate.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of 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 in countries comprised within the Index, details of which are set out under the heading "**Index Description**" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The 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 operates an index tracking/replication strategy as further set out in the section "**Index Tracking Strategy**" below. The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section of the Prospectus entitled "**Hedging**". The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management**

**(EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

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

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

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 1% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

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

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

In addition, the Investment Manager shall also ensure that any investments made by the Fund pursuant to the foregoing strategy are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions as set out in Section 4.23 of the Prospectus.

**Index Description**

The Index is a free float-adjusted market capitalisation weighted index that is designed to represent general trends in eligible real estate equities worldwide which incorporates REITS and Real Estate Holding & Development companies. Real Estate Holding and Development companies are involved in real estate activities such as the ownership, trading and development of income-producing real estate. Real estate companies must have derived, in the previous full financial year, at least 75 per cent of their total EBITDA from relevant real estate activities.

REITs are a type of investment structure which invests in real property or real property related loans or interests listed, traded or dealt in on Regulated Markets.

The valuation function within FTSE is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in March, June, September and December,

with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated with the Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case.

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

http://www.ftse.com/products/indices/EPRA-NAREIT

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 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 and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash position.

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 use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

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

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

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled "**Collateral Policy**" for further details.

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

## 2 INVESTMENT RESTRICTIONS

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

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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.

## 5 RISK FACTORS

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

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

### Classes of Units Available

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

### Currency Hedged Unit Classes

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

### Currencies Available

Each of the above referenced Unit Classes are available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

U.S. Dollar

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

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

**Initial Offer Period**

The Initial Offer Period in relation to the Unit Class A EUR, Units Class A USD, Unit Class B EUR and Unit Class C EUR has closed.

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 16 February 2018 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.



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**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Dutch time on the Business Day prior to the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no minimum initial Investment Amount.

**Minimum Additional Investment**

There is no minimum Additional Investment.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 1 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below. For

the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

**Incorporation Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

*FGR Establishment Fees and Expenses*

These fees and expenses did not exceed € 70,000 for the Fund.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed € 20,000.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.9 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.5 per cent of the Net Asset Value of the Fund.

A Classes of Units, B Classes of Units and E Classes of Units are issued to investors that have contributed seed capital to the Fund and C Classes up to and including Z Classes of Units are issued to all other investors. In view of this, relatively lower fees and expenses apply to the investors holding A Classes of Units, B Classes of Units and E Classes of Units than to investors holding C Classes of Units and D Classes of Units.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time but is part of the maximum total fees and expenses for the Fund.

**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of any other fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time but is part of the maximum total fees and expenses for the Fund.

# SUPPLEMENT IV

# NT EUROPE SCREENED EQUITY INDEX FGR FEEDER FUND

This Supplement contains specific information in relation to the NT Europe Screened Equity Index FGR Feeder Fund (the "**Fund"**), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**The Fund is a feeder fund which will invest 85% or more of its assets permanently in the NT Europe Screened Equity Index Fund (the "Master Fund") a Sub-Fund of the Northern Trust UCITS Common Contractual Fund. The Northern Trust UCITS Common Contractual Fund is an open-ended umbrella common contractual fund divided into a number of Sub-Funds established under the laws of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. 352 of 2011), as may be amended, consolidated or substituted from time to time. The Master Fund is authorised in Ireland and regulated by the Central Bank of Ireland. The Master Fund is not subject to supervision by the AFM or any other regulatory authority in the Netherlands.**

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

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Fund

### Investment Objective

The investment objective of the Fund is to invest at least 85% of its assets in the Master Fund, the investment objective of which is to closely match the risk and return characteristics of the MSCI Europe NTC Screened Index (the "**Index**") with net dividends reinvested. Any change of investment objective of the Fund shall only be made with the prior approval of the unitholders of the Fund.

### Investment Policy

In addition to investing at least 85% of its assets in the Master Fund, the Fund may also invest up to 15% of its assets in aggregate in ancillary liquid assets including cash deposits, cash equivalents, certificates of deposits and Money Market Instruments which may be held by the Fund to meet expenses or pending investment.

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

Except as stated in this Supplement, it is not intended that the Fund will make any direct investments, and all monies received by it will be invested in the Master Fund as soon as reasonably practicable.

**Master Fund**

**Investment Objective**

The investment objective of the Master Fund is to closely match the risk and return of the Index with net dividends reinvested. Any change of investment objective of the Master Fund shall only be made with the prior approval of the unitholders of the Master Fund.

**Investment Policy**

The Master Fund seeks to achieve its investment objective through investment primarily in a diversified portfolio of transferable equity and (where considered by the Investment Manager to be necessary or appropriate) equity related securities issued by companies or linked to companies within the Index.

"Equity and Equity Related Securities" includes but is not limited to equities, depositary receipts, (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 in countries comprised within the Index, and therefore located in Europe. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The Master Fund 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 Master Fund will sell such securities as soon as practicable taking into account the best interests of the Unitholders.

The Master Fund operates an index tracking/replication strategy as further set out in the section "Index Tracking Strategy" below. The Master Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the base currency as further disclosed the section entitled "**Hedging**" in the prospectus of the Master Fund. The Master Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" below.

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

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

**Index Tracking Strategy**

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

It may not always be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to holders of units in the Master Fund (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Index, or in circumstances where a security in the Index becomes temporarily unavailable or less liquid, or as a result of legal restrictions that apply to the Master Fund but not to the Index). In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Index. Master Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of the Master Fund up to 0.50% should be anticipated. This is due to transaction costs and the liquidity impact of the Master Fund's index tracking/replication strategy and the fact that the respective Class returns reflect the relevant withholding tax rates applicable to such Classes under the FGR structure.

As the Master Fund does not pursue a synthetic index replication strategy, there is no associated counterparty risk.

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

**Index Description**

The starting universe for the Index is the MSCI Europe Index (the "**Parent Index**"). The Parent Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed markets and captures large and mid-cap issuers as determined by MSCI.

The Index is a custom index calculated and screened by MSCI based on predetermined and objective ESG criteria chosen by the Investment Manager which certain companies not considered to meet socially responsible principles considering business involvement, and ESG controversy screening criteria as further detailed in the Annex and (ii) excludes companies with exposure to thermal coal above thresholds specified within the Annex.

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

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

www.msci.com/index/methodology/latest/NTCScreened and www.msci.com/constituents.

The investment objectives and investment policies of the Fund and the Master Fund are identical. The investment objective and the investment policy is to track as closely as possible the risk and return characteristics of the Index.

**Internal Conduct of Business Rules**

The Manager on behalf of the Fund has put in place internal conduct of business rules in relation to the investment by the Fund in the shares of the Master Fund (the "**Business Rules**"). The Business Rules refers to the share classes of the Master Fund available for investment by the Fund, details of the charges and expenses to be borne by the Fund, the standard dealing arrangements and events affecting dealing arrangements. The internal conduct of business rules also regulate the exchange of information between the Fund and the Master Fund.

The Depositary and the custodian of the Master Fund (Northern Trust Fiduciary Services (Ireland) Limited) have entered into an agreement regarding the exchange of information. Information on this agreement is available from the Depositary of the Fund at their offices in Amsterdam, the Netherlands and can be requested by sending an email to NT_Depositary_Services_NL@ntrs.com.

Further information relating to the Master Fund, the internal conduct of business rules between the Master Fund and the Fund and the Master Fund's prospectus and relevant supplement are available from the Manager at their offices in Dublin, Ireland and at https://www.northerntrust.com/europe/what-we-do/investment-management/pooled-funds.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 Master Fund and the Feeder Fund with an acceptably low level of risk.

**The Fund**

The Fund may use the following instruments for EPM namely: exchange traded futures and currency forwards (details of which are outlined below under The Master Fund).

**The Master Fund**

The Master Fund may use the following instruments for EPM namely: currency forwards and exchange traded futures (details of which are outlined below).

Exchange traded futures are used exclusively for efficient portfolio management purposes, mainly to "equitise" cash contributions into the Master Fund, hedge index exposure for limited periods when immediate purchase/sale of the underlying is not feasible or in the best interests of the Master Fund and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash position.

Forward currency contracts may be used to hedge against currency risk that has resulted from assets held by the Master Fund that are not in the base currency of the Master Fund.

The Master Fund may use forwards and exchange traded futures for EPM and hedging purposes as further described in the Master Fund Prospectus.

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

As a result of currency hedging, hedged share classes may be exposed to counterparty risk as further detailed in the section of the Master Fund Prospectus entitled Credit Risk and Counterparty Risk.

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

Collateral or margin may be passed by the Master Fund to a counterparty or broker in respect of Efficient Portfolio Management Techniques. Please refer to the section of the Master Fund Prospectus entitled Collateral Policy for further details.

The use of FDI for the purposes outlined above may expose the Master Fund to the risks disclosed under the section of the Prospectus of the Master Fund entitled "**Risk Factors**". The Master Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate

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

The Master Fund may utilise FDI as referred to in the section headed "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" above.

Global exposure and leverage as a result of the Master Fund's 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.

## 5 RISK FACTORS

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

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in February of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

**Classes of Units Available**

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax

or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

**Currencies Available**

Each of the above referenced Unit Classes are available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

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

**Initial Offer Period**

The Initial Offer Period in relation to Unit Class A EUR, Units Class B EUR, Unit Class C EUR, Units Class D EUR has closed.

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 16 February 2018 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in



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exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 11am Dutch time on the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no Minimum Initial Investment Amount.

**Minimum Additional Investment**

There is no Minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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.



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**Minimum Net Asset Value**

EUR 30 million.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 0.20 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below.

The maximum total fees and expenses for the Master Fund are 1 per cent of the Net Asset Value of the Master Fund.

**Incorporation Fees and Expenses of the Fund**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

*FGR Establishment Fees and Expenses*

These fees and expenses did not exceed € 70,000 for the FGR.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed € 20,000 for the Fund.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.17 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.01 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.12 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.04 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The maximum of these fees and expenses will be 0.03 per cent of the Net Asset Value of the Fund and is part of the maximum total fees and expenses for the Fund.



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**Master Fund Anti-Dilution Levy**

While the Fund's investment in the Master Fund may not be subject to a preliminary charge or a repurchase charge at the Master Fund level, an anti-dilution levy may be applied by the Master Fund to its investors, including the Fund.

An anti-dilution levy will typically be applied by the Master Fund on any Dealing Day where there are net subscriptions and/or net redemptions, in order to cover any duties, charges and dealing costs in the various markets and to preserve the value of the underlying Assets of the Master Fund.

The application of an anti-dilution levy to an investment by the Fund in the Master Fund will contribute to the potential for a performance divergence between the Fund and the Master Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time but is part of the maximum total fees and expenses for the Fund.



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**Annex - 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**: NT Europe Screened Equity Index FGR Feeder Fund (the "**Fund**")
**Legal entity identifier**: 6354005B2NAUAJKTEG94

# Environmental and/or social characteristics

**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.

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

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☒ It promotes E/S characteristics, but **will not make any sustainable investments** |

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

The Fund promotes environmental and social characteristics through its investment in the Master Fund which tracks the risk and return characteristics of the Index which has been designated as a reference benchmark by the Master Fund.

The Fund promotes the following environmental characteristics:

- reducing investments in unconventional oil and gas exploration and Arctic oil; and
- reducing investments in thermal coal power generation and thermal coal mining.

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

- avoiding investments in controversial weapons, and;
- reducing specific investment in business activities with adverse health and social impacts including gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, aggregate weapons, and for-profit prisons, and;
- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

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

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

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- MSCI Red Flag ESG Controversies, defined as very severe, ongoing controversies that a company is directly involved in;
- Specific revenue thresholds regarding gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, aggregate weapons, for-profit prisons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal-based power generation;
- Any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), and;
- Low Carbon Transition (LCT) Management Score, which assesses current and potential exposure to transition risks and opportunities through companies' operations, and business model.

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

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

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Fund will not make any sustainable investments.

The intended objectives of the sustainable investments of the Master Fund are to positively contribute towards environmental and social objectives such as avoiding adverse business activities or human rights violations. An investee company must

promote good governance practices without causing significant adverse impact through its product and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Fund will not make any sustainable investments.

With respect to the Master Fund, in order to deem an investment a sustainable investment, the investee company must 'do no significant harm' ("**DNSH**") to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which the Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

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

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

In addition to the DNSH test detailed in the previous response, the Master Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;
- excluding certain companies from the Parent Index not considered to meet ESG characteristics; and
- excluding certain companies with exposure to thermal coal mining and thermal coal power generation;

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Master Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm. Examples include avoidance of controversial weapons and human rights violations and reducing exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund will not make any sustainable investments.

The Master Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions, such as:

- the OECD Guidelines for Multinational Enterprises; and
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (**ILO**) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly and is based on any investee company being directly involved in very severe and ongoing controversies in relation to its operations, products and services. In practice, this means that all investee companies that form part of the Index are aligned with these minimum safeguards, not only the sustainable investments.

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

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

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

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

**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.

✖ Yes

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

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

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

In addition, through the Master Fund's investment manager's direct engagement and voting, the Master Fund aims to encourage investee companies to improve their ESG practices and disclosures.

☐ No.

## What investment strategy does this financial product follow?

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

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

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

○ ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following are the investment strategy's binding elements used to promote the environmental and social characteristics. These elements form part of the Index design and are coded by MSCI as part of the Index methodology construction.

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

(a) companies that are directly involved in ongoing controversies classified as "very severe" in the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;

(b) companies deriving 5% or more revenue from gambling-related business activities;

(c) companies deriving 5% or more revenue from adult entertainment-related business activities;

(d) companies that derive any revenue from the production of tobacco, or 5% or more revenue from the distribution of, supply of key products for, or retail of, tobacco and tobacco alternatives;

(e) 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;

(f) companies that manufacture civilian firearms or retail civilian firearms and derive 5% or more revenue from this sector;

(g) companies that manufacture aggregate weapons or provide support services to and derive 5% or more revenue from this sector;

(h) companies that derive 5% of revenue or more from thermal coal mining and extraction;

(i) companies that derive (i) 10% or more revenue from coal-fired power generation or (ii) between 5% and 10% revenue from this source and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(j) companies that derive (i) 50% or more revenue from unconventional oil and gas such as oil sands and shale gas, or (ii) between 5% and 50%revenue from these sources and have transition risk preparedness or carbon management that is considered weak - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(k) companies that derive (i) 50% or more revenue from Arctic oil or (ii) between 1% and 50% revenue from this source and have transition risk preparedness or carbon management that is considered weak, with an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles, and;

(l) companies that derive 5% or more of their total annual revenues from activities related to for-profit prisons.

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

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

Any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation.

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

The Fund does not commit to a minimum reduction rate.

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

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

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

A very severe, ongoing controversy that directly implicates a company through its operations, products and services and will result in that company's exclusion from the Index. The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities.
- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.
- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

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

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

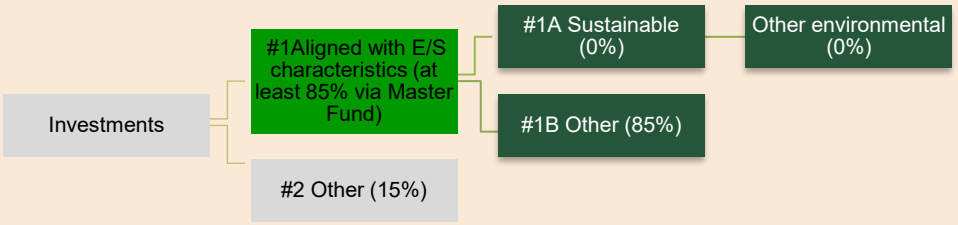
**Asset allocation** describes the share of investments in specific assets.

The Master Fund intends to invest at least 90% of its net asset value in companies that are aligned with the environmental or social characteristics promoted by the Fund. Of this, a minimum of 10% of its net asset value will be invested in sustainable investments with an environmental objective.

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.

Taxonomy-aligned activities are expressed as a share of:

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




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

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

The Fund will not make any sustainable investments.

***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?[3]***

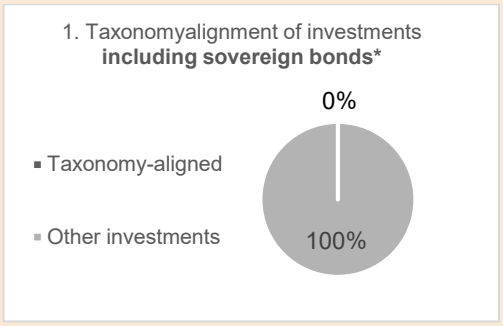
No.

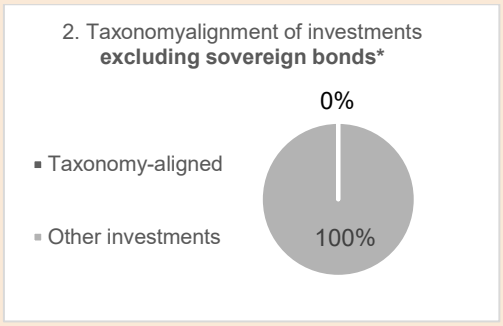
[3] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

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

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




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

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

Not applicable. The Fund will not make any investments in transitional and enabling activities.

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?

The Fund will not make any sustainable investments.

The Master Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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

The Master Fund product is not targeting socially sustainable investments hence anticipates 0% investments in social sustainable investments.

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

Derivatives and cash are the only two investment types categorised as 'other' and no other minimum environmental or social safeguards are applied.

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

- Cash and cash equivalents or money market instruments: The Fund may invest in Cash and cash equivalents or money market instruments.
- Derivatives: The Fund may use derivatives only for managing broad market exposure.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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

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

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

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

  The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

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

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

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

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

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

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

  The methodology used for the Index can be found here.

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

More specific information regarding the Fund can be found here.

# SUPPLEMENT V

# NT EUROPE VALUE SELECT EQUITY FGR FEEDER FUND

This Supplement contains specific information in relation to the NT Europe Value Select Equity FGR Feeder Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**The Fund is a feeder fund which will invest 85% or more of its assets permanently in the NT Europe Value Select Equity Fund (the "Master Fund") a Sub-Fund of the Northern Trust UCITS Common Contractual Fund. The Northern Trust UCITS Common Contractual Fund is an open-ended umbrella common contractual fund divided into a number of Sub-Funds established under the laws of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. 352 of 2011), as may be amended, consolidated or substituted from time to time. The Master Fund is authorised in Ireland and regulated by the Central Bank of Ireland. The Master Fund is not subject to supervision by the AFM or any other regulatory authority in the Netherlands.**

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

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Fund

### Investment Objective

The investment objective of the Fund is to invest at least 85% of its assets in the Master Fund, the investment objective of which is to deliver long-term capital growth by investing in securities within the MSCI Europe Index (the "**Index**") which exhibit value, quality and momentum factors excluding securities that do not meet certain environmental, social and governance (**ESG**) criteria.

### Investment Policy

In addition to investing at least 85% of its assets in the Master Fund, the Fund may also invest up to 15% of its assets in aggregate in ancillary liquid assets including cash deposits, cash equivalents, certificates of deposits and Money Market Instruments which may be held by the Fund to meet expenses or pending investment.

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

Except as stated in this Supplement, it is not intended that the Fund will make any direct investments and all monies received by it will be invested in the Master Fund as soon as reasonably practicable.

**Master Fund**

**Investment Objective**

The investment objective of the Master 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 ESG criteria.

**Investment Policy**

The Master Fund seeks to achieve its investment objective through investment primarily in a diversified portfolio of transferable Equity and (where considered by its investment manager to be necessary or appropriate) Equity Related Securities issued by companies or linked to companies within 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 its 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 those in the Index. It also seeks a reduction in carbon intensity and potential emissions intensity from fossil fuels reserves 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 screening criteria selected by the Investment Manager as detailed in the Annex to this Supplement.

The next step is to apply the Master Fund's investment manager's proprietary scoring which is constructed using data from multiple sources including company financial statements and historical stock price movements. The scoping 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 reserves 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 Master 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 the Master 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 Master 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 Master Fund will sell such securities as soon as practicable taking into account the best interests of its unitholders.

The Master 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 the section entitled **"Hedging"** in the prospectus of the Master Fund. The Master Fund may invest in FDI as set out in the section titled **"Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions"** below.

The Master Fund may also invest (up to 10% of its net asset value) indirectly in Equities and Equity Related Securities comprised within the Index through holdings in open-ended collective investment schemes (CIS) (including UCITS exchange traded funds (ETFs)). Any such CIS will have investment objectives which are materially similar to the Master 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. The Index consists of developed market country indices as determined by MCSI.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May, August and November with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover.

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.

**Internal Conduct of Business Rules**

The Manager on behalf of the Fund has put in place internal conduct of business rules in relation to the investment by the Fund in the shares of the Master Fund (the "**Business Rules**"). The Business Rules refers to the share classes of the Master Fund available for investment by the Fund, details of the charges and expenses to be borne by the Fund, the standard dealing arrangements and events affecting dealing arrangements. The internal conduct of business rules also regulate the exchange of information between the Fund and the Master Fund.

The Depositary and the custodian of the Master Fund (Northern Trust Fiduciary Services (Ireland) Limited) have entered into an agreement regarding the exchange of information. Information on this agreement is available from the Depositary of the Fund at their offices in Amsterdam, the Netherlands and can be requested by sending an email to NT_Depositary_Services_NL@ntrs.com.

Further information relating to the Master Fund, the internal conduct of business rules between the Master Fund and the Fund and the Master Fund's prospectus and relevant supplement are available from the Manager at their offices in Dublin, Ireland and at https://www.northerntrust.com/europe/what-we-do/investment-management/pooled-funds.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 Master Fund and the Feeder Fund with an acceptably low level of risk.

**The Fund**

The Fund may use the following instruments for EPM namely: exchange traded futures and currency forwards (details of which are outlined below under **The Master Fund**).

**The Master Fund**

The Master Fund may use the following instruments for EPM namely: currency forwards and exchange traded futures (details of which are outlined below).

Exchange traded futures are used exclusively for efficient portfolio management purposes, mainly to "equitise" cash contributions into the Master Fund, hedge index exposure for limited periods when immediate purchase/sale of the underlying is not feasible or in the best interests of the Master Fund and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash position.

Forward currency contracts may be used to hedge against currency risk that has resulted from assets held by the Master Fund that are not in the base currency of the Master Fund. The Master Fund may use forwards and exchange traded futures for EPM and hedging purposes as further described in the Master Fund Prospectus.

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

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

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

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of Efficient Portfolio Management Techniques. Please refer to the section of the Master Fund Prospectus entitled "**Collateral Policy**" for further details

The use of FDI for the purposes outlined above may expose the Master Fund to the risks disclosed under the section of the Prospectus of the Master Fund entitled "**Risk Factors**". The Master Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

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

The Master Fund may utilise FDI as referred to in the section headed "Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions" above.

Global exposure and leverage as a result of the Master Fund's 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.

## 5 RISK FACTORS

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

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in February of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING

**Classes of Units Available**

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtsvermindering*).

**Currencies Available**

Each of the above referenced Unit Classes are available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

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



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**Initial Offer Period**

The Initial Offer Period in relation to the Unit Class A has closed.

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 16 February 2018 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 11am Dutch time on the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no Minimum Initial Investment Amount.

**Minimum Additional Investment**

There is no Minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.



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**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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**

EUR 30 million.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 0.20 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below.

The maximum total fees and expenses for the Master Fund are 1 per cent of the Net Asset Value of the Master Fund.

**Incorporation Fees and Expenses of the Fund**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

*FGR Establishment Fees and Expenses*

These fees and expenses did not exceed € 70,000 for the FGR.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed € 20,000 for the Fund.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.17 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.01 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.12 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.04 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the **"Ongoing Fees and Expenses"** section of the Prospectus.

The maximum of these fees and expenses will be 0.03 per cent of the Net Asset Value of the Fund and is part of the maximum total fees and expenses for the Fund.

**Master Fund Anti-Dilution Levy**

While the Fund's investment in the Master Fund may not be subject to a preliminary charge or a repurchase charge at the Master Fund level, an anti-dilution levy may be applied by the Master Fund to its investors, including the Fund.

An anti-dilution levy will typically be applied by the Master Fund on any Dealing Day where there are net subscriptions and/or net redemptions, in order to cover any duties, charges and dealing costs in the various markets and to preserve the value of the underlying Assets of the Master Fund.

The application of an anti-dilution levy to an investment by the Fund in the Master Fund will contribute to the potential for a performance divergence between the Fund and the Master Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of these fees and expenses are set out in the **"Other Fees and Expenses"** section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.



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**Annex - 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:** NT Europe Value Select Equity FGR Feeder Fund (the "**Fund**")
**Legal entity identifier:** 635400ZL37M56XZLPD50

# Environmental and/or social characteristics

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

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective**: ___% | ☐ 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 sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective**: ___% | ☒ 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 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?

The Fund promotes environmental and social characteristics through investing at least 85% of its assets in NT Europe Value Select Equity Fund (the "Master Fund"), which invests in securities within the MSCI Europe Index (the "**Index**") which exhibit value, quality and momentum factors excluding securities that do not meet certain environmental, social and governance ("**ESG**") criteria.

By virtue of its investment in the Master Fund the Fund promotes the following environmental characteristics:

- reduction of carbon intensity and potential emissions intensity from fossil fuels reserves (excluding metallurgical coal) relative to the Index; and

- reduction of investment in unconventional oil and gas exploration, thermal coal mining, thermal coal power generation, Arctic oil.

By virtue of its investment in the Master Fund, the Fund promotes the following social characteristics related to social norms and conventions:

- avoiding specific investment in business activities with adverse health and social impacts including tobacco, nuclear weapons, civilian firearms, controversial weapons, conventional weapons, and for-profit prisons; and

- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

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

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

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

The following sustainability indicators selected by the Investment Manager of the Master Fund are used to measure the attainment of the environmental and/or social characteristics promoted by the Fund using the ESG screening criteria that excludes:

(a) MSCI Red Flag ESG Controversies, defined as very severe, ongoing controversies that a company is directly involved in;

(b) specific revenue thresholds regarding tobacco, nuclear weapons, civilian firearms, for-profit prisons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal-based power generation, and

(c) any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons).;

In addition to the ESG screening, the following sustainability indicators are used to measure the attainment of the environmental characteristics promoted by the Fund, by virtue of its investment in the Master Fund:

- Scope 1 and Scope 2 operational carbon emissions intensity (t/USD million sales); and

- Potential emissions intensity, from fossil fuels reserves (excluding metallurgical coal).

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?***

The Fund will not make any sustainable investments.

The intended objectives of the sustainable investments of the Fund, by virtue of its investment into the Master Fund, are to positively contribute towards environmental and social objectives, such as reducing carbon emissions and avoiding adverse business activities or human rights violations.

An investee company within the Master Fund must promote good governance practices without causing significant adverse impact through its product and services.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective***?

The Fund will not make any sustainable investments.

In order to deem an investment a sustainable investment, the investee company of the Master Fund must 'do no significant harm' ("**DNSH**") to the environment or society through its products or services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager of the Master Fund considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which the Investment Manager of the Master Fund believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby it:

(a) does not breach the PAI threshold as set by the Investment Manager;

(b) (meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and

(c) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

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

In addition to the DNSH test detailed in the previous response, the Master Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;
- excluding certain companies not considered to meet ESG characteristics;

- excluding certain companies with exposure to carbon emissions and fossil fuel reserves (excluding metallurgical coal).

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Master Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm. Examples include avoidance of controversial weapons and human rights violations, reducing carbon footprint and exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Master Fund applies the ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions – such as:

- the OECD Guidelines for Multinational Enterprises; and

- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation ("**ILO**") on Fundamental Principles and Rights at Work.

The implementation of these exclusions at the level of the Master Fund 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 of the Master Fund 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?

**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.

☒ Yes

☐ No

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

- GHG emissions (Scope 1 and Scope 2);
- GHG intensity;
- carbon footprint;
- exposure to companies active in the fossil fuels sector;
- violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and
- exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Master Fund's investment manager's direct engagement and voting, the Master Fund aims to encourage investee companies to improve their ESG practices and disclosures.

## What investment strategy does this financial product follow?

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

The Fund aims to invest at least 85% of its assets in the Master Fund, an active strategy that seeks to deliver long-term capital growth by investing in securities within the MSCI Europe Index which exhibit value, quality and momentum factors and have favourable ESG characteristics, while excluding securities that do not meet specific ESG criteria.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following are the binding elements of the Master Fund strategy that are used to promote the environmental or social characteristics.

The application of the following exclusions seeks to attain the environmental and social characteristics promoted by the Master Fund:

(a) Companies that are directly involved in ongoing controversies classified as 'very severe' in the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;

(b) Companies that derive any revenue from the production of tobacco, or 5% or more revenue from the distribution of, supply of key products for, or retail of, tobacco and tobacco alternatives;

(c) 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;

(d) companies that manufacture or retail civilian firearms and derive 5% or more revenue from this sector;

(e) companies that manufacture conventional weapons or provide support services to and derive 5% or more revenue from this sector;

(f) companies that derive 5% or more revenue from unconventional oil and gas such as oil sands and shale gas and which have transition risk preparedness or carbon management that is considered weak – i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(g) companies that derive 1% or more revenue from Arctic oil and which have a transition risk preparedness or carbon management that is considered weak – i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(h) companies that derive 30% or more revenue from thermal coal-based power generation; or companies that derive between 5% and 30% revenue from this source and which have a transition risk preparedness or carbon management that is considered weak – i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(i) companies that derive 5% or more of their total annual revenues (either reported or estimated) from activities related to for-profit prisons; and

(j) companies that derive 5% or more of their total annual revenues from thermal coal mining or extraction.

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

Any investments made by the Master Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

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

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

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

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

An assessment of good governance of investee companies of the Master Fund forms a foundational part of the ESG screening criteria applied. The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

A very severe, ongoing controversy that directly implicates a company through its operations, products and services will result in that company's exclusion. The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

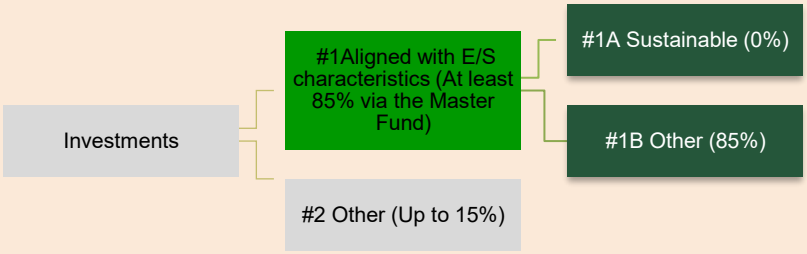
- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

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

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

The Fund intends to invest at least 85% of its assets companies aligned with environmental and/or social characteristics, based on its proportionate allocation to the Master Fund, which in turn has at least 90% of its Net Asset Value invested in companies that are aligned with the environmental and social characteristics promoted.

The "other" assets are expected to be in cash and derivatives for hedging and other ancillary purposes.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:

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

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

Derivatives are not used to attain the promoted environmental or social characteristics.

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

The Master Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

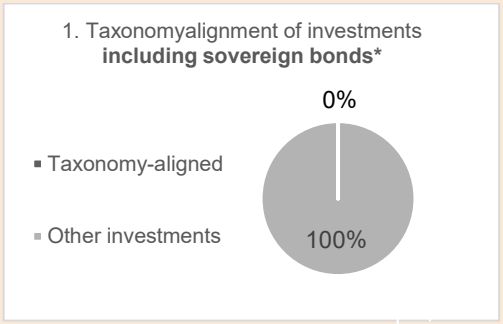
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

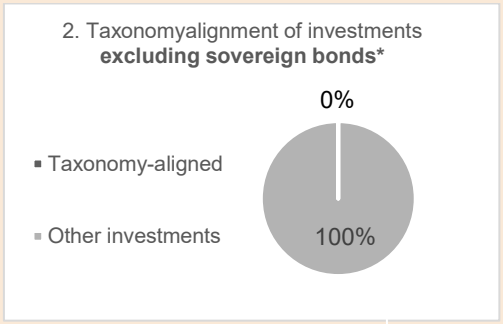
**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?***[4]

No.

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




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

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

Not applicable. The Master Fund presently will not make any investments in transitional and enabling 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?

The Master Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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

Not applicable. The Master Fund does not commit to sustainable investments with a social objective.

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

Derivatives and cash are the only two investment types categorized as 'other' and no minimum environmental or social safeguards are applied.

[4] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.

- Derivatives: The Master Fund may use derivatives for hedging purposes and for managing broad market exposure.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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

The Master Fund 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 Master Fund 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 product-specific information regarding the Fund can be found on the website here.

# SUPPLEMENT VI

# NT WORLD SCREENED EQUITY INDEX FGR FEEDER FUND

This Supplement contains specific information in relation to the NT World Screened Equity Index FGR Feeder Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**The Fund is a feeder fund which will invest 85% or more of its assets permanently in the NT World Screened Equity Index Fund (the "Master Fund") a Sub-Fund of the Northern Trust UCITS Common Contractual Fund. The Northern Trust UCITS Common Contractual Fund is an open-ended umbrella common contractual fund divided into a number of Sub-Funds established under the laws of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. 352 of 2011), as may be amended, consolidated or substituted from time to time. The Master Fund is authorised in Ireland and regulated by the Central Bank of Ireland. The Master Fund is not subject to supervision by the AFM or any other regulatory authority in the Netherlands.**

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

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Fund

### Investment Objective

The investment objective of the Fund is to invest at least 85% of its assets in the Master Fund, the investment objective of which is to closely match the risk and return characteristics of the MSCI World NTC Screened Index (the "**Index**") with net dividends reinvested. Any change of investment objective of the Fund shall only be made with the prior approval of the unitholders of the Fund.

### Investment Policy

In addition to investing at least 85% of its assets in the Master Fund, the Fund may also invest up to 15% of its assets in aggregate in ancillary liquid assets including cash deposits, cash equivalents, certificates of deposits and Money Market Instruments which may be held by the Fund to meet expenses or pending investment.

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

Except as stated in this Supplement, it is not intended that the Fund will make any direct investments and all monies received by it will be invested in the Master Fund as soon as reasonably practicable.

**Master Fund**

**Investment Objective**

The investment objective of the Master Fund is to closely match the risk and return of the Index with net dividends reinvested. Any change of investment objective of the Master Fund shall only be made with the prior approval of the unitholders of the Master Fund.

**Investment Policy**

The Master Fund seeks to achieve its investment objective through investment primarily in a diversified portfolio of transferable equity and (where considered by the Investment Manager to be necessary or appropriate) equity related securities issued by companies or linked to companies within the Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, (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 in countries comprised within the Index, details of which are set out below under the heading "**Index Description**". Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The Master Fund 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 Master Fund will sell such securities as soon as practicable taking into account the best interests of the Unitholders. '

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

The Fund operates an index tracking/replication strategy as further set out in the section "**Index Tracking Strategy**" below. The Master Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the base currency as further disclosed in the section entitled "**Hedging**" in the prospectus of the Master Fund. The Master Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" below.

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

**Index Tracking Strategy**

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

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

The Master Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 0.50% should be anticipated. This tracking error can be attributed to transaction costs and the liquidity impact of the Master Fund's index tracking/replication strategy and the fact that the respective Class returns reflect the relevant withholding tax rates applicable to such Classes under the FGR structure. As outlined above the Master Fund seeks to track the Index.

As the Master Fund does not pursue a synthetic index replication strategy, there is no associated counterparty risk.

The Master Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Master Fund is investing directly in constituents of the Index.

**Index Description**

The starting universe for the Index is the MSCI World Index (the "**Parent Index**"). The Parent Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed markets and captures large and mid-cap issuers as determined by MSCI.

The Index is a custom index calculated and screened by MSCI based on predetermined and objective ESG criteria selected by the Investment Manager which (i) excludes certain companies from the Parent Index which are not considered to meet socially responsible principles, considering business involvement, and ESG controversy screening criteria as further detailed in the Annex and (ii) excludes companies with exposure to thermal coal above thresholds specified within the Annex.

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

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

www.msci.com/index/methodology/latest/NTCScreened and https://www.msci.com/constituents

The investment objectives and investment policies of the Fund and the Master Fund are identical. The investment objective and the investment policy is to track as closely as possible the risk and return characteristics of the Index.

**Internal Conduct of Business Rules**

The Manager on behalf of the Fund has put in place internal conduct of business rules in relation to the investment by the Fund in the shares of the Master Fund (the "**Business Rules**"). The Business Rules refers to the share classes of the Master Fund available for investment by the Fund, details of the charges and expenses to be borne by the Fund, the standard dealing arrangements and events affecting dealing arrangements. The internal conduct of business rules also regulate the exchange of information between the Fund and the Master Fund.

The Depositary and the custodian of the Master Fund (Northern Trust Fiduciary Services (Ireland) Limited) have entered into an agreement regarding the exchange of information. Information on this agreement is available from the Depositary of the Fund at their offices in Amsterdam, the Netherlands and can be requested by sending an email to NT_Depositary_Services_NL@ntrs.com.

Further information relating to the Master Fund, the internal conduct of business rules between the Master Fund and the Fund and the Master Fund's prospectus and relevant supplement are available from the Manager at their offices in Dublin, Ireland and at https://www.northerntrust.com/europe/what-we-do/investment-management/pooled-funds.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 Master Fund and the Feeder Fund with an acceptably low level of risk.

**The Fund**

The Fund may use the following instruments for EPM namely: exchange traded futures and currency forwards (details of which are outlined below under The Master Fund).

**The Master Fund**

The Master Fund may use the following instruments for EPM namely: currency forwards and exchange traded futures (details of which are outlined below).

Exchange traded futures are used exclusively for efficient portfolio management purposes, mainly to "equitise" cash contributions into the Master Fund, hedge index exposure for limited periods when immediate purchase/sale of the underlying is not feasible or in the best interests of the Master Fund and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash position.

Forward currency contracts may be used to hedge against currency risk that has resulted from assets held by the Master Fund that are not in the base currency of the Master Fund.

The Master Fund may use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

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

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

Further details of the techniques and instruments that the Master 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 Master Fund to a counterparty or broker in respect of Efficient Portfolio Management Techniques. Please refer to the section of the Master Fund Prospectus entitled "**Collateral Policy**" for further details.

The use of FDI for the purposes outlined above may expose the Master Fund to the risks disclosed under the section of the Prospectus of the Master Fund entitled "**Risk Factors**". The Master Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

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

The Master Fund may utilise FDI as referred to in the section headed "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" above.

Global exposure and leverage as a result of the Master Fund's 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.

## 5 RISK FACTORS

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

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in February of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING

**Classes of Units Available**

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax

or entitled to a full refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a full refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtsvermindering*).

**Currencies Available**

Each of the above referenced Unit Classes are available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

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

**Initial Offer Period**

The Initial Offer Period in relation to Unit Class A EUR, Unit Class B EUR, Unit Class C EUR, Unit Class D EUR and Unit Class E EUR has closed.

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 16 February 2018 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in



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exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 1 pm Dutch time on the Business Day prior to the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no Minimum Initial Investment Amount.

**Minimum Additional Investment**

There is no Minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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**

EUR 30 million.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 0.20 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below.

The maximum total fees and expenses for the Master Fund are 1 per cent of the Net Asset Value of the Master Fund.

**Incorporation Fees and Expenses of the Fund**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

*FGR Establishment Fees and Expenses*

These fees and expenses did not exceed € 70,000 for the FGR.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed € 20,000 for the Fund.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.17 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.01 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.12 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.04 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The maximum of these fees and expenses will be 0.03 per cent of the Net Asset Value of the Fund and is part of the maximum total fees and expenses for the Fund.



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**Master Fund Anti-Dilution Levy**

*While the Fund's investment in the Master Fund may not be subject to a preliminary charge or a repurchase charge at the Master Fund level, an anti-dilution levy may be applied by the Master Fund to its investors, including the Fund.*

*An anti-dilution levy will typically be applied by the Master Fund on any Dealing Day where there are net subscriptions and/or net redemptions, in order to cover any duties, charges and dealing costs in the various markets and to preserve the value of the underlying Assets of the Master Fund.*

*The application of an anti-dilution levy to an investment by the Fund in the Master Fund will contribute to the potential for a performance divergence between the Fund and the Master Fund.*

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Annex - 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**: NT World Screened Equity Index FGR Feeder Fund (the "Fund")
**Legal entity identifier**: 635400WFFLJC5HLXRH59

**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

**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.

# Environmental and/or social characteristics

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

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of sustainable investments with an environmental objective: ___% | ☐ 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 sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective**: ___% | ☒ It promotes E/S characteristics, but **will not make any sustainable investments** |

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

The Fund promotes environmental and social characteristics through its investment in the Master Fund which tracks the risk and return characteristics of the Index which has been designated as a reference benchmark by the Master Fund.

The Fund promotes the following environmental characteristics:

- reducing investments in unconventional oil and gas exploration and Arctic oil; and
- reducing investments in thermal coal power generation and thermal coal mining.

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

- avoiding investments in controversial weapons;
- reducing specific investment in business activities with adverse health and social impacts including gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, aggregate weapons, and for-profit prisons;
- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

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

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

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- MSCI Red Flag ESG Controversies, defined as very severe, ongoing controversies that a company is directly involved in;
- Specific revenue thresholds regarding gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, aggregate weapons, for-profit prisons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal-based power generation;
- Any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), and;
- Low Carbon Transition (LCT) Management Score, which assesses current and potential exposure to transition risks and opportunities through companies' operations, and business model.

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

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

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Fund will not make any sustainable investments.

The intended objectives of the sustainable investments of the Master Fund are to positively contribute towards environmental and social objectives such as avoiding adverse business activities or human rights violations. An investee company must promote good governance practices without causing significant adverse impact through its product and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Fund will not make any sustainable investments.

With respect to the Master Fund, in order to deem an investment a sustainable investment, the investee company must 'do no significant harm' (DNSH) to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which the Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby (i) it does not breach the PAI threshold as set by the Investment Manager (ii) meets the minimum positive contribution test; (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

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

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



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In addition to the DNSH test detailed in the previous response, the Master Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;
- excluding certain companies from the Parent Index not considered to meet ESG characteristics; and
- excluding certain companies with exposure to thermal coal mining and thermal coal power generation.

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Master Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm. Examples include avoidance of controversial weapons and human rights violations and reducing exposure to fossil fuels.

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

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund will not make any sustainable investments.

The Master Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises; and
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly and is based on any investee company being directly involved in very severe and ongoing controversies in relation to its operations, products and services.

In practice, this means that all investee companies of the Master Fund 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?

- [x] Yes
- [ ] No

**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.

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

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

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

In addition, through the Master Fund's investment manager's direct engagement and voting, the Master Fund aims to encourage investee companies to improve their ESG practices and disclosures.

## What investment strategy does this financial product follow?

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

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

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

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following are the investment strategy's binding elements used to promote the environmental and social characteristics. These elements form part of the Index design and are coded by MSCI as part of the Index methodology construction.

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

(a) companies that are directly involved in ongoing controversies classified as "very severe" in the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;

(b) companies deriving 5% or more revenue from gambling-related business activities;

(c) companies deriving 5% or more revenue from adult entertainment-related business activities;

(d) companies that derive any revenue from the production of tobacco, or 5% or more revenue from the distribution of, supply of key products for, or retail of, tobacco and tobacco alternatives;

(e) 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;

(f) companies that manufacture civilian firearms or retail civilian firearms and derive 5% or more revenue from this sector;

(g) companies that manufacture aggregate weapons or provide support services to and derive 5% or more revenue from this sector;

(h) companies that derive 5% of revenue or more from thermal coal mining and extraction;

(i) companies that derive (i) 10% or more revenue from coal-fired power generation or (ii) between 5% and 10% revenue from this source and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(j) companies that derive (i) 50% or more revenue from unconventional oil and gas such as oil sands and shale gas, or (b) between 5% and 50% revenue from these sources and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(k) companies that derive (i) 50% or more revenue from Arctic oil or (ii) between 1% and 50% revenue from this source and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles and;

(l) companies that derive 5% or more of their total annual revenues from activities related to for-profit prisons.

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

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

Any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation.

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

The Fund does not commit to a minimum reduction rate.

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

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

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

A very severe, ongoing controversy that directly implicates a company through its operations, products and services and will result in that company's exclusion from the Index. The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate:

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

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

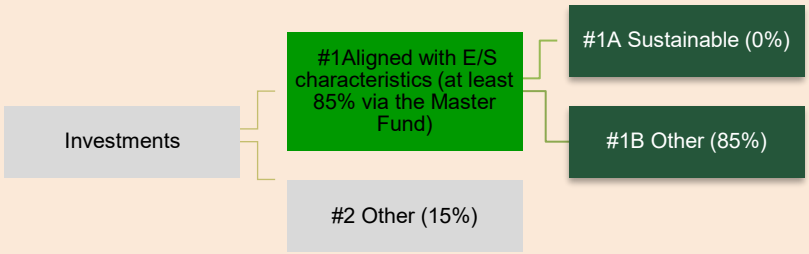
The Master Fund intends to invest at least 90% of its net asset value in companies that are aligned with the environmental or social characteristics promoted by the Fund.

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.

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

Taxonomy-aligned activities are expressed as a share of:

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




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

  Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

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

The Fund will not make any sustainable investments.

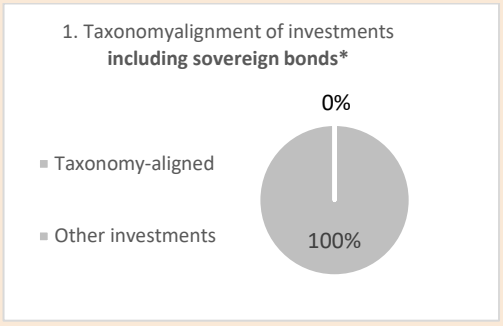
The Master Fund invests at least 10% of its net asset value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

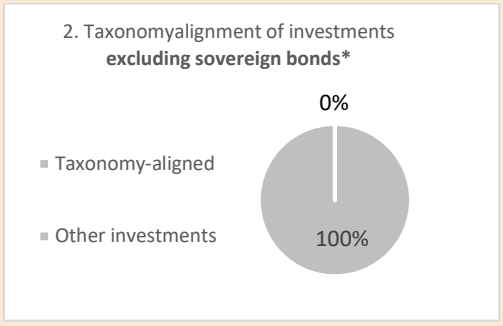
- ***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?***[5]

[5] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

No.

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




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

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

Not applicable. The Fund will not make any investments in transitional and enabling activities.

**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 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?

The Fund will not make any sustainable investments.

The Master Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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

Not applicable. The Fund will not make any investments in sustainable investments with a social objective.

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

Derivatives and cash are the only two investment types categorised as 'other' and no other minimum environmental or social safeguards are applied.

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

- Cash and cash equivalents or money market instruments: The Fund may invest in Cash and cash equivalents or money market instruments.

- Derivatives: The Fund may use derivatives only for managing broad market exposure.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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

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

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

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

The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

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

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

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

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

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

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

The methodology used for the Index can be found here.

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

More product-specific information regarding the Fund can be found here.

# SUPPLEMENT VII

# NT WORLD HIGH DIVIDEND SELECT EQUITY FGR FEEDER FUND

This Supplement contains specific information in relation to the NT World High Dividend Select Equity FGR Feeder Fund (the "**Fund"**), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**The Fund is a feeder fund which will invest 85% or more of its assets permanently in the NT World High Dividend Select Equity Fund (the "Master Fund") a Sub-Fund of the Northern Trust UCITS Common Contractual Fund. The Northern Trust UCITS Common Contractual Fund is an open-ended umbrella common contractual fund divided into a number of Sub-Funds established under the laws of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. 352 of 2011), as may be amended, consolidated or substituted from time to time. The Master Fund is authorised in Ireland and regulated by the Central Bank of Ireland. The Master Fund is not subject to supervision by the AFM or any other regulatory authority in the Netherlands.**

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

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Fund

### Investment Objective

The investment objective of the Fund is to invest at least 85% of its assets in the Master Fund, the investment objective of which is to deliver long-term capital growth by investing in a diverse portfolio of high quality, dividend paying companies whilst controlling for market risk and aiming for an improvement in the environment, social and governance (**ESG**) characteristics of the portfolio.

### Investment Policy

In addition to investing at least 85% of its assets in the Master Fund, the Fund may also invest up to 15% of its assets in aggregate in ancillary liquid assets including cash deposits, cash equivalents, certificates of deposits and Money Market Instruments which may be held by the Fund to meet expenses or pending investment.

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

Except as stated in this Supplement, it is not intended that the Fund will make any direct investments and all monies received by it will be invested in the Master Fund as soon as reasonably practicable.

**Master Fund**

**Investment Objective**

The investment objective of the Master Fund is to deliver long-term capital growth by investing in a diverse portfolio of high quality, dividend paying companies whilst controlling for market risk and aiming for an improvement in the environment, social and governance (**ESG**) characteristics of the portfolio.

**Investment Policy**

The Master Fund seeks to achieve its investment objective through investment primarily in a diversified portfolio of transferable Equity and (where considered by the Investment Manager to be necessary or appropriate) Equity Related Securities issued by companies or linked to companies within the MSCI World Index (the "**Index**"), which exhibit a combination of quality characteristics (determined based on a proprietary scoring methodology as further outlined below) and are high dividend paying, whilst constraining the exposure to certain securities in accordance with ESG criteria. The Investment Manager's proprietary scoring methodology shall be applied to securities and the portfolio shall be constructed in a manner which seeks to control the variation of returns as compared to the Index by actively limiting exposures to security, industrial sector, region / country, and other risk factors relative to those in the Index.

As part of the optimization process outlined below, the Master Fund also seeks a reduction in carbon intensity and reduced potential carbon emissions associated with current fossil fuel reserves, relative to the Index.

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 screening criteria selected by the Investment Manager as detailed in the Annex to this Supplement.

Following this, all non-dividend paying companies are excluded from investment consideration, unless considered eligible for risk management purposes.

The next step is to apply the Investment Manager's proprietary scoring methodology based on indicators of management efficiency, profitability and cash availability which are constructed using data from multiple sources including company financial statements and historical stock price movements. The scoring method is applied by the Investment Manager to all of the investible securities with the aim of determining which companies are high quality companies i.e. those more likely to outperform other companies in the Index. The lowest-quality companies as determined by the Investment Manager after application of the proprietary scoring methodology are excluded from the investment consideration unless considered eligible for risk management purposes.

An optimization shall then be applied to the resulting portfolio that aims to maximize expected risk-adjusted performance based on the return forecasts while looking to achieve following characteristics in the optimal portfolio:

(a) Under normal market conditions, generate dividend yield of approximately 1.5 to 2 times the dividend yield of the Index (which is available in the index factsheet for "MSCI World Index (USD)" under the heading "Div Yld (%)" which can be accessed on the MSCI website).

(b) 20% improvement in ESG characteristics of the portfolio on an ongoing basis relative to the Index by integrating ESG characteristics to favor companies that are more effective at managing ESG risks and opportunities.

(c) Maximize exposure to high quality companies as determined using the proprietary scoring relative to the Index.

(d) A reduction in the carbon intensity of the portfolio and reduced potential emissions intensity associated with current fossil fuels reserves, relative to the Index.

As noted above, risk is controlled by limiting the exposure to securities, limiting the extent of overweighing and underweighting relative to the Index, and limiting the exposure by industry and exposure by region and country, as well as exposures to other risk factors relative to the Index.

The Master 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 objective.

The portfolio is constructed focusing on companies of similar size in aggregate to those in the Index but may also hold up to 20% of Net Asset Value in Equity and Equity Related Securities that are not in the Index. Any such Equity and Equity Related Securities outside the Index shall meet the Manager's quality criteria and dividend yield requirements (as referred to above) and shall be listed on recognised exchanges in countries that form part of the Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of a Fund's Net Asset Value), convertible securities which do not embed FDI or leverage (such as convertible preference shares, share purchase rights and corporate bonds (which shall only be held as a result of corporate actions and which may be rated or unrated, fixed and/or floating rate) and convertible into common or preferred shares). The Master Fund shall not invest in contingent convertible securities. Such Equity and Equity Related Securities shall be listed on stock exchanges or regulated markets in countries (within the list of Regulated Markets) comprised within the Index details of which are set out below under the heading "**Index Description**". Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere.

The Master Fund 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 as set out by the Central Bank in relation to techniques for efficient portfolio management purposes as further disclosed in the section entitled "**Hedging**" in the Prospectus of the Master Fund. The Master Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" below. Any exchange traded FDI the Master Fund invests in will be listed or traded on Regulated Markets.

The Master Fund may also invest (up to 10% of its Net Asset Value) indirectly in Equities and Equity Related Securities comprised within the Index through holdings in open-ended collective investment schemes (CIS) (including UCITS exchange traded funds (ETFs)). Any such CIS will have investment objectives which are materially similar to the Master Fund. The Master Fund will only invest in AIFs per the Central Bank's Guidance in relation to UCITS Acceptable Investments in Other Investment Funds. Any investment in AIFs shall be subject to the foregoing 10% restriction on investment in CIS.

**Index Description**

The Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed markets. As at the date of this supplement, the Index consists of the

developed market country indices as determined by MSCI. The Index does not have any restrictions on industry or sector focus.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May August and November, with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated with the Master Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Master Fund than would otherwise be the case.

**Internal Conduct of Business Rules**

The Manager on behalf of the Fund has put in place internal conduct of business rules in relation to the investment by the Fund in the shares of the Master Fund (the "**Business Rules**"). The Business Rules refer to the classes of units of the Master Fund available for investment by the Fund, details of the charges and expenses to be borne by the Fund, the standard dealing arrangements and events affecting dealing arrangements. The internal conduct of business rules also regulate the exchange of information between the Fund and the Master Fund.

The Depositary and the custodian of the Master Fund (Northern Trust Fiduciary Services (Ireland) Limited) have entered into an agreement regarding the exchange of information. Information on this agreement is available from the Depositary of the Fund at their offices in Amsterdam, the Netherlands and can be requested by sending an email to NT_Depositary_Services_NL@ntrs.com.

Further information relating to the Master Fund, the internal conduct of business rules between the Master Fund and the Fund and the Master Fund's prospectus and relevant supplement are available from the Manager at their offices in Dublin, Ireland and at https://www.northerntrust.com/europe/what-we-do/investment-management/pooled-funds.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 Master Fund and the Feeder Fund with an acceptably low level of risk.

**The Fund**

The Fund may use the following instruments for EPM namely: exchange traded futures and currency forwards (details of which are outlined below under **The Master Fund**).

**The Master Fund**

The Master Fund may use the following instruments for EPM namely: currency forwards and exchange traded futures (details of which are outlined below).

Exchange traded futures are used exclusively for efficient portfolio management purposes, mainly to "equitise" cash contributions into the Master Fund, hedge index exposure for limited periods when immediate purchase/sale of the underlying is not feasible or in the best interests of the Master Fund and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash equity position.

Forward currency contracts may be used to hedge against currency risk that has resulted from assets held by the Master Fund that are not in the base currency of the Master Fund. The Master Fund may use forwards

and exchange traded futures for EPM and hedging purposes as further described in the Master Fund Prospectus.

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

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

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

Collateral or margin may be passed by the Master Fund to a counterparty or broker in respect of Efficient Portfolio Management Techniques. Please refer to the section of the Master Fund Prospectus entitled "**Collateral Policy**" for further details.

The use of FDI for the purposes outlined above may expose the Master Fund to the risks disclosed under the section of the Prospectus of the Master Fund entitled "**Risk Factors**". The Master Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

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

The Master Fund may utilise FDI as referred to in the section headed "Efficient Portfolio Management, Financial Derivative Instruments and Securities Financing Transactions" above.

Global exposure and leverage as a result of the Master Fund's 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.

## 5 RISK FACTORS

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

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will typically be in February, May, August and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

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

**Classes of Units Available**

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

**Currencies Available**

Each of the above referenced Unit Classes are available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

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

**Initial Offer Period**

The Initial Offer Period in relation to Unit Class C EUR, Unit Class G EUR and Unit Class H EUR has closed.

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 5 December 2019 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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



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**Business Day**

Any day other than a Saturday or Sunday on which commercial banks are open for business in Ireland, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2.30pm Dutch time on the Business Day prior to the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no Minimum Initial Investment Amount.

**Minimum Additional Investment**

There is no Minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed



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repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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**

EUR 30 million.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 0.50 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below.

The maximum total fees and expenses for the Master Fund are 1 per cent of the Net Asset Value of the Master Fund.

**Incorporation Fees and Expenses of the Fund**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

*FGR Establishment Fees and Expenses*

These fees and expenses did not exceed EUR 70,000 for the FGR.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed EUR 30,000 for the Fund.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.55 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.01 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.5 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.04 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The maximum of these fees and expenses will be 0.05 per cent of the Net Asset Value of the Fund and is part of the maximum total fees and expenses for the Fund.

**Master Fund Anti-Dilution Levy**

While the Fund's investment in the Master Fund may not be subject to a preliminary charge or a repurchase charge at the Master Fund level, an anti-dilution levy may be applied by the Master Fund to its investors, including the Fund.

An anti-dilution levy will typically be applied by the Master Fund on any Dealing Day where there are net subscriptions and/or net redemptions, in order to cover any duties, charges and dealing costs in the various markets and to preserve the value of the underlying Assets of the Master Fund.

The application of an anti-dilution levy to an investment by the Fund in the Master Fund will contribute to the potential for a performance divergence between the Fund and the Master Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Annex - 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:** NT World High Dividend Select Equity FGR Feeder Fund (the "**Fund**")
**Legal entity identifier**: 635400Y4TML22IXBXY92

# Environmental and/or social characteristics

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

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ 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 sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☒ 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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the

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

The investment objective of the Product is to invest at least 85% of its assets in NT World High Dividend Select Equity Fund (the "**Master Fund**"), the objective of which is to deliver long-term capital growth by investing in a diverse portfolio of high quality, dividend paying companies while controlling for market risk and aiming for an improvement in the environmental, social and governance ("**ESG**") characteristics of the portfolio while

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

excluding securities that do not meet specific ESG criteria to be in line with international norms.

By virtue of its investment in the Master Fund the Fund promotes the following environmental characteristics:

- reduction of carbon intensity and potential emissions intensity associated with fossil fuel reserves (excluding metallurgical coal) relative to the Index;
- reduction of investment in unconventional oil and gas exploration, thermal coal mining, thermal coal power generation, Arctic oil; and
- targets an improvement in ESG characteristics to favour companies that are more effective at managing ESG risks and opportunities.

The Fund also, by virtue of its investment into the Master Fund, promotes the following social characteristics related to social norms and conventions:

- avoiding specific investment in business activities with adverse health and social impacts including tobacco, nuclear weapons, civilian firearms, controversial weapons, conventional weapons, and for-profit prisons; and
- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

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?***

The following sustainability indicators selected by the Investment Manager of the Master Fund, are used to measure the attainment of the environmental and social characteristics promoted by the Fund which excludes companies with:

- MSCI Red Flag ESG Controversies, defined as very severe, ongoing controversies that a company is directly involved in;
- specific revenue thresholds regarding tobacco, nuclear weapons, civilian firearms, for-profit prisons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal-based power generation, and
- any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons).;

In addition to the ESG screening, the following suitability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- Scope 1 and Scope 2 carbon emissions intensity (t/USD million sales);
- Potential emissions intensity, from fossil fuels reserves (excluding metallurgical coal); and

- Targeted 20% improvement in ESG characteristics of the portfolio relative to the Index. This is achieved by integrating ESG characteristics to favour companies that are more effective at managing ESG risks and opportunities including:

  (i) Up to 20% increase in the portfolio weighted average MSCI ESG Intangible Value Assessment score of the portfolio, and,

  (ii) At least 20% upweighting of exposure to ESG Leaders, i.e. those with MSCI ESG ratings of AAA and AA,

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?***

The intended objectives of the sustainable investments of the Fund are, by virtue of its investment in the Master Fund, to positively contribute towards environmental and social objectives, such as reducing carbon emissions and avoiding adverse business activities or human rights violations.

An investee company must promote good governance practices without causing significant adverse impact through its product and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, the investee company of the Master Fund must 'do no significant harm' (DNSH) to the environment or society through its products or services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager of the Master Fund considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager of the Master Fund feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which the Investment Manager of the Master Fund believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby it:

(a) does not breach the PAI threshold as set by the Investment Manager;

(b) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product

partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and

(c) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

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

In addition to the DNSH test detailed in the previous response, the Master Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;
- excluding certain companies from the Index not considered to meet ESG characteristics;
- excluding certain companies with exposure to carbon emissions and fossil fuel reserves.

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Master Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Master Fund's Investment Manager believes there is a risk of significant harm. Examples include avoidance of controversial weapons and human rights violations, reducing carbon footprint and exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Master Fund applies the ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions – such as:

- OECD Guidelines for Multinational Enterprises, and,
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation ("**ILO**") on Fundamental Principles and Rights at Work.

The implementation of these exclusions at the level of the Master Fund is based on any investee company being directly involved in very severe and ongoing controversies in relation to its operations, products and services. In practice, this

means that all investee companies of the Master Fund 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?

**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.

☒ Yes, the Master Fund considers (as part of its investment strategy) the following principal adverse impacts ("**PAI**") indicators in Table 1 Annex 1 of the SFDR Regulatory Standards ("**SFDR RTS**"):

1. GHG emissions (scope 1 and 2);
2. Carbon Footprint;
3. GHG Intensity;
4. Exposure to companies active in the fossil fuels sector;
5. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development ("**OECD**") Guidelines for Multinational Enterprises; and
6. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Master Fund Investment Manager's direct engagement and voting the Fund aims to encourage investee companies to improve their ESG practices and disclosures.

☐ No

## What investment strategy does this financial product follow?

The Fund aims to invest at least 85% of its assets in the Master Fund product, an active strategy, that seeks to deliver long-term capital growth by investing in a diverse portfolio of high quality, dividend-paying companies whilst controlling for market risk and aiming for an improvement in the ESG characteristics of the portfolio, while excluding securities that do not meet specific ESG criteria.

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

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following are the binding elements of the investment strategy of the Master Fund that are used to promote the environmental or social characteristics.

The application of the following exclusions within the Master Fund seeks to attain the environmental and social characteristics promoted:

(a) companies that are directly involved in ongoing controversies classified as 'very severe' in the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;

(b) companies that derive any revenue from the production of tobacco, or 5% or more revenue from the distribution of, supply of key products for, or retail of, tobacco and tobacco alternatives;

(c) 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;

(d) companies that manufacture or retail civilian firearms and derive 5% or more revenue from this sector;

(e) companies that manufacture conventional weapons or provide support services to and derive 5% or more revenue from this sector;

(f) companies that derive 5% or more revenue from unconventional oil and gas such as oil sands and shale gas and which have transition risk preparedness or carbon management that is considered weak – i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(g) companies that derive 1% or more revenue from Arctic oil and which have a transition risk preparedness or carbon management that is considered weak – i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(h) companies that derive 30% or more revenue from thermal coal-based power generation; or companies that derive between 5% and 30% revenue from this source and which have a transition risk preparedness or carbon management that is considered weak – i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(i) companies that derive 5% or more of their total annual revenues (either reported or estimated) from activities related to for-profit prisons; and

(j) companies that derive 5% or more of their total annual revenues from thermal coal mining or extraction.

In addition, the application of the following exclusions and tilts aim to improve the wider ESG characteristics of the Master Fund relative to the Index:

(a) The Master Fund targets a 20% improvement in the ESG characteristics of the portfolio relative to the Index. This is achieved by integrating ESG characteristics to favour companies that are more effective at managing ESG risks and opportunities, including:

(i) Up to 20% Increase in the portfolio weighted average MSCI ESG Intangible Value Assessment score of the portfolio; and;

(ii) At least 20% upweighting of exposure to ESG Leaders i.e. those with MSCI ESG ratings of AAA and AA.

Any investments made by the Master Fund are in accordance with the 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 Master Fund's investible universe is reduced as a result of the application of ESG exclusions, the Fund does not commit to a minimum reduction rate. As such, the reduction of the universe may be subject to change.

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

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

An assessment of good governance of investee companies of the Master Fund forms a foundational part of the ESG screening criteria applied. The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

A very severe, ongoing controversy that directly implicates a company through its operations, products and services will result in that company's exclusion from the Index of the Master Fund. The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate

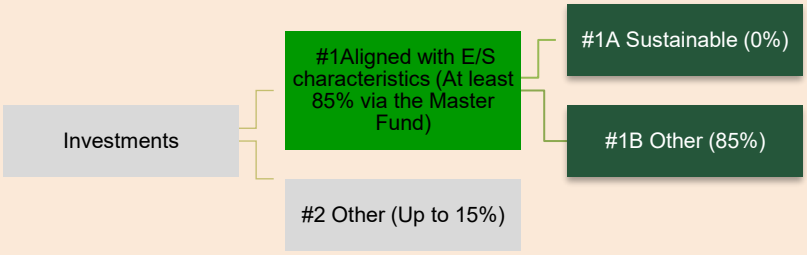
## What is the asset allocation planned for this financial product?

The Fund intends to invest at least 85% if its assets in companies aligned with environmental and/or social characteristics, based on its proportionate allocation to the Master Fund, which in turn intends to invest at least 90% of is Net Asset Value in companies that are aligned with the environmental and social characteristics promoted by the Master Fund.

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.

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

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




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

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

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

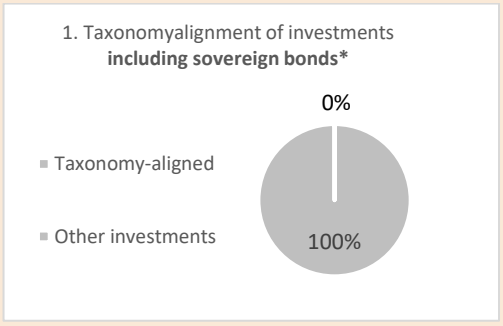
**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best

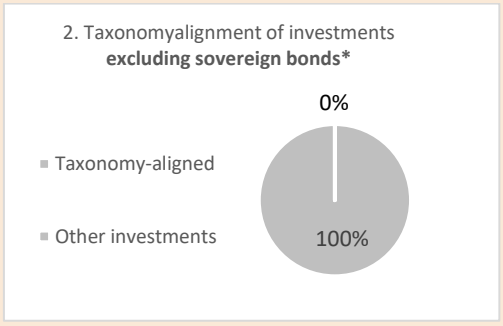
The Master Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

- ***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?***[6]

  No.

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




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

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

  Not applicable. The Master Fund will not make any investments in transitional and enabling activities.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Master Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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

Not applicable. The Master Fund does not commit to sustainable investments with a social objective.

[6] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

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

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied.

Investments categories as 'other' may be used for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.
- Derivatives: The Master Fund may use derivatives for hedging purposes and for managing broad market exposure.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Master Fund does not have a reference benchmark to determine whether it is aligned with the environmental and social characteristics 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 Master Fund 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 Fund, this is not applicable.

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

  As an active Fund, this is not applicable.

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

  As an active Fund, this is not applicable.

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

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

More product-specific information regarding the Fund can be found on the website: here.

## SUPPLEMENT VIII

## NT NORTH AMERICA SCREENED EQUITY INDEX FGR FEEDER FUND

This Supplement contains specific information in relation to the NT North America Screened Equity Index FGR Feeder Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**The Fund is a feeder fund which will invest 85% or more of its assets permanently in the NT North America Screened Equity Index Fund (the "Master Fund") a Sub-Fund of the Northern Trust UCITS Common Contractual Fund. The Northern Trust UCITS Common Contractual Fund is an open-ended umbrella common contractual fund divided into a number of Sub-Funds established under the laws of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. 352 of 2011), as may be amended, consolidated or substituted from time to time. The Master Fund is authorised in Ireland and regulated by the Central Bank of Ireland. The Master Fund is not subject to supervision by the AFM or any other regulatory authority in the Netherlands.**

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

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

### 1 INVESTMENT OBJECTIVE AND POLICIES

#### Fund

#### Investment Objective

The investment objective of the Fund is to invest at least 85% of its assets in the Master Fund, the investment objective of which is to closely match the risk and return characteristics of the MSCI North America NTC Screened Index (the "**Index**") with net dividends reinvested. Any change of investment objective of the Fund shall only be made with the prior approval of the unitholders of the Fund.

#### Investment Policy

In addition to investing at least 85% of its assets in the Master Fund, the Fund may also invest up to 15% of its assets in aggregate in ancillary liquid assets including cash deposits, cash equivalents, certificates of deposits and Money Market Instruments which may be held by the Fund to meet expenses or pending investment.

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

Except as stated in this Supplement, it is not intended that the Fund will make any direct investments and all monies received by it will be invested in the Master Fund as soon as reasonably practicable.

**Master Fund**

**Investment Objective**

The investment objective of the Master Fund is to closely match the risk and return of the Index with net dividends reinvested. Any change of investment objective of the Master Fund shall only be made with the prior approval of the unitholders of the Master Fund.

**Investment Policy**

The Master Fund seeks to achieve its investment objective through investment primarily in a diversified portfolio of transferable equity and (where considered by the Investment Manager to be necessary or appropriate) equity related securities issued by companies or linked to companies within the Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, (such as Global 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 in countries comprised within the Index and therefore located in Canada and the USA. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The Master Fund 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 Master Fund will sell such securities as soon as practicable taking into account the best interests of the Unitholders.

The Master Fund operates an index tracking/replication strategy as further set out in the section "Index Tracking Strategy" below. The Master Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the base currency as further disclosed in the section entitled "Hedging" in the prospectus of the Master Fund. The Master Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" below.

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

**Index Tracking Strategy**

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

It may not always be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to Unitholders (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in

order to replicate the Index, or in circumstances where a security in the Index becomes temporarily unavailable or less liquid, or as a result of legal restrictions that apply to the Master Fund but not to the Index). In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Index.

The Master Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 0.50% should be anticipated. This tracking error can be attributed to transaction costs and the liquidity impact of the Master Fund's index tracking/replication strategy and the fact that the respective Class returns reflect the relevant withholding tax rates applicable to such Classes under the FGR structure. As outlined above the Master Fund seeks to track the Index.

As the Master Fund does not pursue a synthetic index replication strategy, there is no associated counterparty risk.

The Master Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilized where the Master Fund is investing directly in constituents of the Index.

**Index Description**

The starting universe for the Index is the MSCI North America Index (the "**Parent Index**"). The Parent Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of North American markets and captures large and mid-cap issuers as determined by MSCI.

The Index is a custom index calculated and screened by MSCI based on predetermined and objective ESG criteria selected by the Investment Manager which (i) excludes certain companies from the Parent Index which are not considered to meet socially responsible principles considering business involvement, and ESG controversy screening criteria as further detailed in the Annex and (ii) excludes companies with exposure to thermal coal above thresholds specified within the Annex.

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

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May, August and November, with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated any higher frequency of position turnover in the Fund than would otherwise be the case.

The investment objectives and investment policies of the Fund and the Master Fund are identical. The investment objective and the investment policy is to track as closely as possible the risk and return characteristics of the Index.

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

www.msci.com/index/methodology/latest/NTCScreened and https://www.msci.com/constituents.

**Internal Conduct of Business Rules**

The Manager on behalf of the Fund has put in place internal conduct of business rules in relation to the investment by the Fund in the shares of the Master Fund (the "**Business Rules**"). The Business Rules refer

to the classes of units of the Master Fund available for investment by the Fund, details of the charges and expenses to be borne by the Fund, the standard dealing arrangements and events affecting dealing arrangements. The internal conduct of business rules also regulate the exchange of information between the Fund and the Master Fund.

The Depositary and the custodian of the Master Fund (Northern Trust Fiduciary Services (Ireland) Limited) have entered into an agreement regarding the exchange of information. Information on this agreement is available from the Depositary of the Fund at their offices in Amsterdam, the Netherlands and can be requested by sending an email to NT_Depositary_Services_NL@ntrs.com.

Further information relating to the Master Fund, the internal conduct of business rules between the Master Fund and the Fund and the Master Fund's prospectus and relevant supplement are available from the Manager at their offices in Dublin, Ireland and at https://www.northerntrust.com/europe/what-we-do/investment-management/pooled-funds.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 Master Fund and the Feeder Fund with an acceptably low level of risk.

**The Fund**

The Fund may use the following instruments for EPM namely: exchange traded futures and currency forwards (details of which are outlined below under **The Master Fund**).

**The Master Fund**

The Master Fund may use the following instruments for EPM namely: currency forwards and exchange traded futures (details of which are outlined below).

The Master Fund may use forwards and exchange traded futures for EPM and hedging purposes as further described in the Master Fund Prospectus.

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

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

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

Collateral or margin may be passed by the Master Fund to a counterparty or broker in respect of Efficient Portfolio Management Techniques. Please refer to the section of the Master Fund Prospectus entitled "**Collateral Policy**" for further details.

The use of FDI for the purposes outlined above may expose the Master Fund to the risks disclosed under the section of the Prospectus of the Master Fund entitled "**Risk Factors**". The Master Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

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

The Master Fund may utilise FDI as referred to in the section headed "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" above.

Global exposure and leverage as a result of the Master Fund's 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.

## 5 RISK FACTORS

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

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in February of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

### Classes of Units Available

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the Taxable Classes of Units) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

### Currencies Available

Each of the above referenced Unit Classes are available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

### Base Currency

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

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

**Initial Offer Period**

The Initial Offer Period in relation to Unit Class A EUR, Unit Class B EUR, Unit Class C EUR and Unit Class D EUR has closed.

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 16 February 2018 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 11am Dutch time on the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided



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such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no Minimum Initial Investment Amount.

**Minimum Additional Investment**

There is no Minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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**

EUR 30 million.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 0.20 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below.

The maximum total fees and expenses for the Master Fund are 1 per cent of the Net Asset Value of the Master Fund.

**Incorporation Fees and Expenses of the Fund**

The particulars of these fees and expenses are set out in the "Incorporation Fees and Expenses" section of the Prospectus.

*FGR Establishment Fees and Expenses*

These fees and expenses did not exceed EUR 70,000 for the FGR.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed EUR 20,000 for the Fund.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.17 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.01 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.12 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.04 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "Ongoing Fees and Expenses" section of the Prospectus.

The maximum of these fees and expenses will be 0.03 per cent of the Net Asset Value of the Fund and is part of the maximum total fees and expenses for the Fund.

**Master Fund Anti-Dilution Levy**

While the Fund's investment in the Master Fund may not be subject to a preliminary charge or a repurchase charge at the Master Fund level, an anti-dilution levy may be applied by the Master Fund to its investors, including the Fund.

An anti-dilution levy will typically be applied by the Master Fund on any Dealing Day where there are net subscriptions and/or net redemptions, in order to cover any duties, charges and dealing costs in the various markets and to preserve the value of the underlying Assets of the Master Fund.

The application of an anti-dilution levy to an investment by the Fund in the Master Fund will contribute to the potential for a performance divergence between the Fund and the Master Fund.



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**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of these fees and expenses are set out in the "Other Fees and Expenses" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time but is part of the maximum total fees and expenses for the Fund.

**Annex - 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**: NT North America Screened Equity Index FGR Feeder Fund (the "**Fund**")
**Legal entity identifier**: 635400GWWWCLKAHMYX94

# Environmental and/or social characteristics

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

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ 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 sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☒ 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 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?

The Fund promotes environmental and social characteristics through its investment in the Master Fund which tracks the risk and return characteristics of the Index which has been designated as a reference benchmark by the Master Fund.

The Fund promotes the following environmental characteristics:

- reducing investments in unconventional oil and gas exploration and Arctic oil; and
- reducing investments in thermal coal power generation and thermal coal mining.

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

- avoiding investments in controversial weapons;
- reducing specific investment in business activities with adverse health and social impacts including gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, aggregate weapons, and for-profit prisons; and
- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

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

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

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- MSCI Red Flag ESG Controversies, defined as very severe, ongoing controversies that a company is directly involved in;
- Specific revenue thresholds regarding gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, aggregate weapons, for-profit prisons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal-based power generation;
- Any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), and;
- Low Carbon Transition (LCT) Management Score, which assesses current and potential exposure to transition risks and opportunities through companies' operations, and business model.

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

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

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Fund will not make any sustainable investments.

The intended objectives of the sustainable investments of the Master Fund are to positively contribute towards environmental and social objectives such as avoiding adverse business activities or human rights violations. An investee company must promote good governance practices without causing significant adverse impact through its product and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Fund will not make any sustainable investments.

With respect to the Master Fund, in order to deem an investment a sustainable investment, the investee company must 'do no significant harm' (DNSH) to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which the Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby (i) it does not breach the PAI threshold as set by the Investment Manager (ii) meets the minimum positive contribution test; (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

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

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

In addition to the DNSH test detailed in the previous response, the Master Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;

- excluding certain companies from the Parent Index not considered to meet ESG characteristics; and

- excluding certain companies with exposure to thermal coal mining and thermal coal power generation.

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Master Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm. Examples include avoidance of controversial weapons and human rights violations and reducing exposure to fossil fuels.

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

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund will not make any sustainable investments.

The Master Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises; and

- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly and is based on any investee company being directly involved in very severe and ongoing controversies in relation to its operations, products and services.

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

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

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

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

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

☒ Yes

☐ No

**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.

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

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

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

In addition, through the Master Fund's investment manager's direct engagement and voting, the Master Fund aims to encourage investee companies to improve their ESG practices and disclosures.

## What investment strategy does this financial product follow?

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

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

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

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following are the investment strategy's binding elements used to promote the environmental and social characteristics. These elements form part of the Index design and are coded by MSCI as part of the Index methodology construction.

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

(a) companies that are directly involved in ongoing controversies classified as "very severe" in the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;

(b) companies deriving 5% or more revenue from gambling-related business activities;

(c) companies deriving 5% or more revenue from adult entertainment-related business activities;

(d) companies that derive any revenue from the production of tobacco, or 5% or more revenue from the distribution of, supply of key products for, or retail of, tobacco and tobacco alternatives;

(e) 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;

(f) companies that manufacture civilian firearms or retail civilian firearms and derive 5% or more revenue from this sector;

(g) companies that manufacture aggregate weapons or provide support services to and derive 5% or more revenue from this sector;

(h) companies that derive 5% of revenue or more from thermal coal mining and extraction;

(i) companies that derive (i) 10% or more revenue from coal-fired power generation or (ii) between 5% and 10% revenue from this source and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCTM score quartiles;

(j) companies that derive (i) 50% or more revenue from unconventional oil and gas such as oil sands and shale gas, or (ii) between 5% and 50% revenue from these sources and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(k) companies that derive (i) 50% or more revenue from Arctic oil or (ii) between 1% and 50% revenue from this source and have transition risk preparedness or carbon management that is considered weak, - .i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles and;

(l) companies that derive 5% or more of their total annual revenues from activities related to for-profit prisons.

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

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

Any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation.

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

The Fund does not commit to a minimum reduction rate.

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

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

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

A very severe, ongoing controversy that directly implicates a company through its operations, products and services and will result in that company's exclusion from the Index. The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;
- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.
- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

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

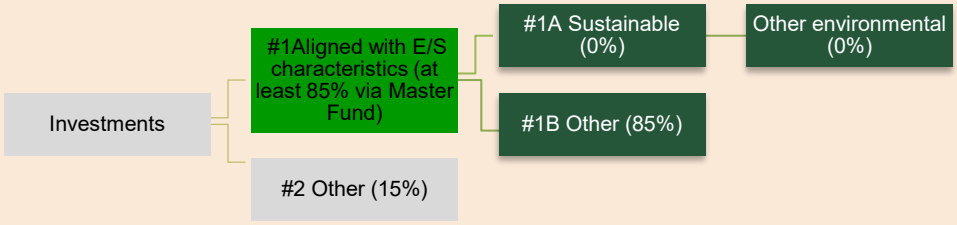
**Asset allocation** describes the share of investments in specific assets.

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

The Master Fund intends to invest at least 90% of its net asset value in companies that are aligned with the environmental or social characteristics promoted by the Fund. Of this, a minimum of 10% of its net asset value will be invested in sustainable investments with an environmental objective.

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.

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




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

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

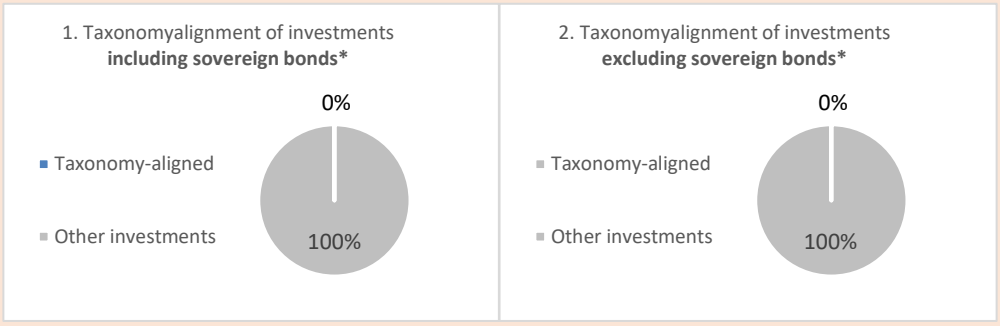
The Fund will not make any sustainable investments.

**Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?[7]**

[7] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

No.

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




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

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

Not applicable. The Fund will not make any investments in transitional and enabling activities.

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?

The Fund will not make any sustainable investments.

The Master Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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

The Master Fund product is not targeting socially sustainable investments hence anticipates 0% investments in social sustainable investments.

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

Derivatives and cash are the only two investment types categorised as 'other' and no other minimum environmental or social safeguards are applied.

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

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments.
- Derivatives: The Fund may use derivatives only for managing broad market exposure.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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

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

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

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

  The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

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

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

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

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

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

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

  The methodology used for the Index can be found here.

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

More specific information regarding the Product can be found here.

# SUPPLEMENT IX

# NT EMERGING MARKETS SCREENED EQUITY INDEX FGR FUND

This Supplement contains specific information in relation to the NT Emerging Markets Screened Equity Index FGR Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

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

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return characteristics of the MSCI Emerging Markets NTC Screened Index (the "**Index**") with net dividends reinvested. Any change of investment objective of the Fund shall only be made with the prior approval of the Unitholders.

### 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 Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of 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 in countries comprised within the Index, details of which are set out under the heading "**Index Description**" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "Index Description". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders.

The Fund operates an index tracking/replication strategy as further set out in the section "**Index Tracking Strategy**" below. The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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.

In order to access Equity and Equity Related Securities issued by companies or linked to companies located in China or listed/traded on stock exchanges in China, the Fund may trade through the Shanghai and Shenzhen Stock Connect programs.

**Index Tracking Strategy**

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

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

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 0.10% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

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

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index

**Index Description**

The starting universe for the Index is the MSCI Emerging Markets Index (the "Parent Index"). The Parent Index is designed to measure the equity market performance of emerging markets and captures large and mid-cap issuers as determined by MSCI. The Index is a custom index calculated and screened by MSCI based on predetermined and objective ESG criteria selected by the Investment Manager which (i) excludes certain companies from the Parent Index which are not considered to meet socially responsible principles considering business involvement, and ESG controversy screening criteria as further detailed in the Annex and (ii) excludes companies with exposure to thermal coal above thresholds specified within the Annex.

In addition companies shall be excluded which do not conform with certain governance criteria as further detailed in the Annex.

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

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

www.msci.com/index/methodology/latest/NTCScreened and https://www.msci.com/constituents

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 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 and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash equity position.

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 use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

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

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

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled "Collateral Policy" for further details.

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

## 2 INVESTMENT RESTRICTIONS

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

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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.

## 5 RISK FACTORS

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

The Fund may trade through the Shanghai and Shenzhen Stock Connect programs. Therefore, please refer to the section entitled "Stock Connect Risks" within the "Risk Factors" section of the Prospectus for more details on associated risks.

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

### Classes of Units Available

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

**Currency Hedged Unit Classes**

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

**Currencies Available**

Each of the above referenced Unit Classes are available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

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

**Initial Offer Period**

The Initial Offer Period in relation Unit Class A EUR, Unit Class B EUR and Unit Class E EUR has closed.

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 16 February 2018 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in



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exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Dutch time on the Business Day immediately preceding the each Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**Valuation Point**

Close of business in the relevant market on each Dealing Day.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.

**Minimum Initial Investment Amount**

There is no minimum initial Investment Amount.

**Minimum Additional Investment**

There is no minimum Additional Investment.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund a Redemption Charge of up to two (2) per cent of the Net Asset Value per Unit payable to the Manager or its relevant distributor.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 1 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below. For the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

**Incorporation Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

*FGR Establishment Fees and Expenses*

These fees and expenses did not exceed € 70,000 for the Fund.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed € 20,000.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.9 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.5 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of any other fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

## 10 GERMAN TAXATION

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



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**Annex - 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**: NT Emerging Markets Screened Equity Index FGR Fund (the "**Fund**")
**Legal entity identifier**: 635400VZK1MBR1WF7J32

**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.

# Environmental and/or social characteristics

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

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

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

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

- reducing investments in unconventional oil and gas exploration and Arctic oil; and

- reducing investments in thermal coal power generation and thermal coal mining.

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

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

- avoiding investments in controversial weapons;
- reducing specific investment in business activities with adverse health and social impacts including gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, aggregate weapons, and for-profit prisons;
- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

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

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

(a) MSCI Red Flag ESG Controversies, defined as very severe, ongoing controversies that a company is directly involved in;

(b) Specific revenue thresholds regarding gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, aggregate weapons, for-profit prisons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal-based power generation;

(c) Any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), and;

(d) Low Carbon Transition (LCT) Management Score, which assesses current and potential exposure to transition risks and opportunities through companies' operations, and business model.

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

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

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The intended objectives of the sustainable investments of the Fund are to positively contribute towards environmental and social objectives such as reducing fossil fuel exposure and avoiding adverse business activities or human rights violations. An

investee company must promote good governance practices without causing significant adverse impact through its product and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' ("**DNSH**") to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

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

In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;
- excluding certain companies from the Parent Index not considered to meet ESG characteristics; and
- excluding certain companies with exposure to thermal coal mining and thermal coal power generation;

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm. Examples include avoidance of controversial weapons and human rights violations and reducing exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises; and
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly and is based on any investee company being directly involved in very severe and ongoing controversies in relation to its operations, products and services.

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

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

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

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

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

☒ Yes

**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.

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

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

In addition, through the Investment Manager's direct engagement and voting, the Fund aims to encourage investee companies to improve their ESG practices and disclosures.

☐ No

## What investment strategy does this financial product follow?

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

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

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

The following are the investment strategy's binding elements used to promote the environmental and social characteristics. These elements form part of the Index design and are coded by MSCI as part of the Index methodology construction.

The application of the following exclusions seek to attain the environmental and social characteristics promoted by the Fund by excluding (MSCI ESG Research revenue estimates are utilised for all revenue based exclusions):

(a) companies that are directly involved in ongoing controversies classified as "very severe" in the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;

(b) companies deriving 5% or more revenue from gambling-related business activities;

(c) companies deriving 5% or more revenue from adult entertainment-related business activities;

(d) companies that derive any revenue from the production of tobacco, or 5% or more revenue from the distribution of, supply of key products for, or retail of, tobacco and tobacco alternatives;

(e) 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;

(f) companies that manufacture civilian firearms or retail civilian firearms and derive 5% or more revenue from this sector;

(g) companies that manufacture aggregate weapons or provide support services to and derive 5% or more revenue from this sector;

(h) companies that derive 5% of revenue or more from thermal coal mining and extraction;

(i) companies that derive (i) 10% or more revenue from coal-fired power generation or (ii) between 5% and 10% revenue from this source and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(j) companies that derive (i) 50% or more revenue from unconventional oil and gas such as oil sands and shale gas, or (ii) between 5% and 50%revenue from these sources and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCTM score quartiles;

(k) companies that derive (i) 50% or more revenue from Arctic oil or (ii) between 1% and 50% revenue from this source and have transition risk preparedness or carbon management that is considered weak, - .i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles, and;

(l) companies that derive 5% or more of their total annual revenues from activities related to for-profit prisons.

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

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

Any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation.

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

The Fund does not commit to a minimum reduction rate.

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

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

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN

Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

A very severe, ongoing controversy that directly implicates a company through its operations, products and services and will result in that company's exclusion from the Index. The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

A governance screen is applied to companies in emerging markets.

Companies are evaluated based on three distinct rules. The screen excludes companies that do not conform with all four of the following criteria: (i) the individual shareholders of the relevant company must not hold 30% or more of the voting rights, and; (ii) at least half of the relevant company's board of directors must be independent, and; (iii) at least half of members of the company's audit committee must be independent; and; (iv) at least half of members of the company's remuneration committee must be independent.

Also excluded are companies that do not have a clean (non-qualified) auditor opinion companies domiciled within countries with a poor human rights track record if they also meet criteria for super majority state ownership or face a human rights MSCI ESG controversy Score of 4 or less.

Further information on the methodology and specific governance screen can be found here.

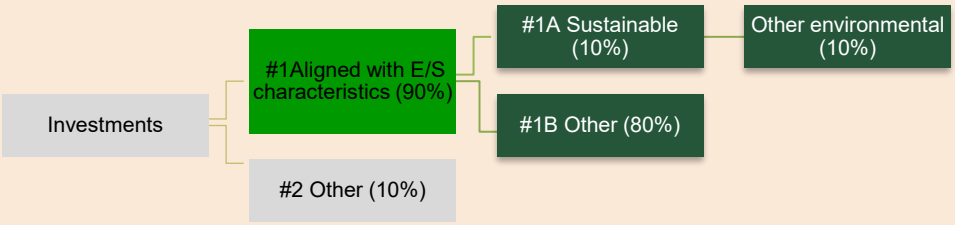
## What is the asset allocation planned for this financial product?

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

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

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

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:

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

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

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

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

The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

**Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?[8]**

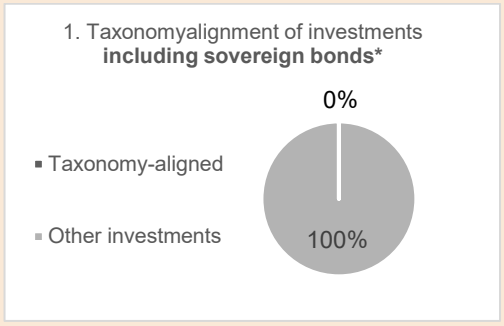
[8] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

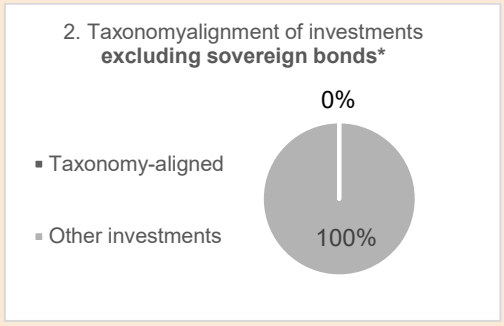
No.

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

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

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




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

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

Not applicable. The Fund will not make any investments in transitional and enabling activities.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

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

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

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

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied. Investments categorised as 'other' will be used for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.
- Derivatives: The Fund may use derivatives only for hedging and managing broad market exposure.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes, the Index has been designated as a reference benchmark.

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

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

  The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

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

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

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

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

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

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

  The methodology used for the Index can be found here.

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

More product specific information can be found on the website: here.

# SUPPLEMENT X

# NT REAL ESTATE CLIMATE INDEX FGR FUND

This Supplement contains specific information in relation to the NT Real Estate Climate Index FGR Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

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

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return characteristics of the Solactive Developed Real Estate ESG Climate Index NTR (the "**Index**") with net dividends reinvested. Any change of investment objective of the Fund shall only be made with the prior approval of the Unitholders.

### Investment Policy

The Fund seeks to achieve its investment objective through investment primarily in a diversified portfolio of real estate related securities listed or traded on Recognised Markets worldwide including listed Real Estate Investment Trusts (REITs) and transferable Equity and (where considered by the Investment Manager to be necessary or appropriate) Equity Related Securities issued by companies or linked to companies within the Index whose principal business is the ownership, management and/or development of income producing and for sale real estate.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of 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 in countries comprised within the Index, details of which are set out under the heading "Index Description" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "Index Description". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders.

The Fund operates an index tracking/replication strategy as further set out in the section "**Index Tracking Strategy**" below. The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

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

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

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 0.50% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

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

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

**Index Description**

The starting universe for the Index corresponds with Solactive GBS Developed Markets Real Estate Index PR (the "**Parent Index**") with the exclusion of entities that are linked to timber and mortgage REITs. The Index is a free float-adjusted market capitalisation weighted index that is designed to represent general trends in eligible real estate equities worldwide which incorporates REITS and real estate holding and development companies. Real estate holding and development companies are involved in real estate activities such as the ownership, trading and development of income-producing real estate.

REITs are a type of investment structure which invests in real property or real property related loans or interests listed, traded or dealt in on Regulated Markets.

The index is calculated and screened by Solactive based on predetermined and objective ESG criteria selected by the Investment Manager which (i) excludes certain companies from the Parent Index which are not considered to meet socially responsible principles considering business involvement, and ESG controversy screening criteria as further detailed in the Annex and (ii) excludes companies with exposure to to carbon emissions and reserves and thermal coal above thresholds specified within the Annex and (iii) tilt towards, i.e. increases exposure when compared to the Parent Index, to companies with a favourable carbon risk rating, (iv) applies ESG scores from Global Real Estate Sustainability Benchmark ("**GRESB**") (v) excludes companies with a bottom decile based on the Northern Trust Vector Score.

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

Any changes to the foregoing exclusion list will be made available from https://www.solactive.com/indices/.

Finally, risk is controlled by applying liquidity and turnover constraints and limiting, relative to the Parent Index, the weights of securities, exposure by sub-industry, region and country, as well as exposures to other risk factors. The liquidity and turnover constraints are designed to reduce the impact of excess trading costs on the performance of the Index and to ensure that the Index remains liquid.

The Index is reviewed semi-annually for any necessary rebalancing in May and November, with the objective of reflecting changes in the underlying real estate securities and ESG rankings in a timely manner, while limiting undue index turnover. The rebalancing frequency is designed to have minimal impact on the strategy of the Fund, or on transaction costs associated with, the Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case.

Further details of the Index please refer to https://www.solactive.com/indices/. Further details on GRESB can be found at https://gresb.com/.

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

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

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 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 and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash position.

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 use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

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

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

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled "**Collateral Policy**" for further details.

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

## 2 INVESTMENT RESTRICTIONS

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

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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.

## 5 RISK FACTORS

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

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

**Classes of Units Available**

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

**Currency Hedged Unit Classes**

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

**Currencies Available**

Each of the above referenced Unit Classes are available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes



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**Anti-Dilution Levy**

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

**Initial Offer Period**

The Initial Offer Period in relation to Unit Class A EUR, Unit Class C EUR, Unit Class D EUR, Unit Class E EUR, Unit Class F EUR and Unit Class H EUR has closed.

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 25 October 2022 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Dutch time on the Business Day immediately preceding the each Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no minimum initial Investment Amount.



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**Minimum Additional Investment**

There is no minimum Additional Investment.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 1 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below. For the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

**Incorporation Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.9 per cent of the Net Asset Value of the Fund.



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*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.5 per cent of the Net Asset Value of the Fund.

A Classes of Units, B Classes of Units and E Classes of Units are issued to investors that have contributed seed capital to the Fund and C Classes up to and including Z Classes of Units are issued to all other investors. In view of this, relatively lower fees and expenses apply to the investors holding A Classes of Units, B Classes of Units and E Classes of Units than to investors holding C Classes of Units and D Classes of Units.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of any other fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time but is part of the maximum total fees and expenses for the Fund.

**Annex - 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**: NT Real Estate Climate Index FGR Fund (the "**Fund**")
**Legal entity identifier**: 635400XVUDHBXVGVRI41

# Environmental and/or social characteristics

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

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ 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 50% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ 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 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?

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

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

- reducing Scope 1 and Scope 2 carbon emissions intensity versus the Parent Index;
- avoidance of companies generating specified level of revenue from investment in thermal coal, oil and gas; and
- avoidance of companies generating a specified level of revenue from investments in fossil fuel power generation.

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

- avoiding investments in controversial weapons;
- avoidance of companies involved in the cultivation and production of tobacco;
- reducing specific investment in business activities with adverse health and social impacts including, civilian firearms, conventional weapons, for-profit prisons, and the sale, supply and distribution of tobacco;
- avoidance of companies involved in the manufacture of nuclear weapons and their components; and
- avoidance of companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic cooperation and Development (OECD) Guidelines for Multinational Enterprises.

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

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

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

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

(a) Scope 1 and Scope 2 carbon emissions intensity (Enterprise Value Including Cash ("EVIC");

(b) ISS-calculated Carbon Risk Rating; an aggregated score indicating a company's overall climate- related risk as a function of company-specific risk exposure and the company's carbon performance score;

(c) Sustainalytics' Global Standards Screen (GSS) 'non-compliant'; defined as companies causing or contributing to severe, systematic violations of international norms

(d) Global Real Estate Sustainability Benchmark (GRESB) assessment of ESG performance of property companies and funds; a range refers to a range of 0 – 5 stars based on the GRESB assessment of an entity.

(e) The NT Vector Score which is a measurement that assesses publicly traded companies in the context of financially relevant ESG related criteria that could impact a company's operating performance.

(f) Specific revenue thresholds regarding tobacco, nuclear weapons, aggregate weapons, civilian firearms, for-profit prisons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal-based power generation, and;

(g) Any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons).

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

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

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The intended objectives of the sustainable investments of the Fund are to positively contribute towards environmental and social objectives such as reducing carbon emissions and avoiding adverse business activities or human rights violations. An investee company must promote good governance practices without causing significant adverse impact through its product and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' (DNSH) to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

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

In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;
- excluding certain companies from the Parent Index not considered to meet ESG characteristics; and
- excluding certain companies with exposure to thermal coal mining and thermal coal power generation.

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm. Examples include avoidance of controversial weapons and human rights violations and reducing exposure to thermal coal.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*



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

- OECD Guidelines for Multinational Enterprises; and
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation ("**ILO**") on Fundamental Principles and Rights at Work

The implementation of these exclusions is semi-annual and is based on any investee company that is directly associated with issues causing severe, negative impacts on the environment and society.

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

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

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

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

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

**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.

✖ Yes.

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

- GHG emissions (Scope 1 and Scope 2);
- Carbon footprint;
- GHG intensity;
- Exposure to companies active in the fossil fuels sector;
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Investment Manager's direct engagement and voting, the Fund aims to encourage investee companies to improve their ESG practices and disclosures.

No

## What investment strategy does this financial product follow?

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

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

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

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

- companies assessed as non-compliant with international norms and directly associated with issues causing severe, systemic negative impacts on the environment or society;
- companies that derive any revenue from the production of tobacco, or 5% or more revenue from the distribution of, supply of key products for, or retail of, tobacco and tobacco alternatives;
- 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 30% or more revenue from coal-fired power generation or 5% or more revenue if their transition risk preparedness or carbon management is considered weak;
- companies that derive 5% or more revenue from unconventional oil and gas such as oil sands and shale gas or 1% or more revenue from Arctic oil and gas and their management of carbon in their own operations is assessed as weak;
- companies that derive 1% or more revenue from thermal coal production and supporting products/services;
- companies that derive 10% or more revenue from oil and gas production and supporting products/services;

- companies that derive 50% or more combined revenue from oil and gas power generation and coal power generation; and

- companies that derive 5% or more of their total annual revenues (either reported or estimated) from activities related to for-profit prisons.

The Index then applies ESG scores using the GRESB assessment collects information on the ESG performance of property companies and funds. This range refers to a range of 0 – 5 stars based on the GRESB assessment of an entity. It is quintile position relative to other entities in the GRESB assessment, for example, if an entity is in the top quintile it will be a GRESB 5 star rated entity.

Companies with a GRESB rating of 1 or 0; will be excluded from the Index if they have a NT ESG Vector Score™ which is in the bottom decile. The NT Vector Score™ is a measurement that assesses publicly traded companies in the context of financially relevant ESG related criteria that could impact a company's operating performance.

In addition, the Index seeks to reduce exposure to companies with high carbon intensity using Scope 1 and 2 GHG emission data based on EVIC and to ensure a carbon risk rating uplift with compared to the Parent Index.

The Carbon Risk Rating provides an aggregated score indicating a company's overall climate- related risk as a function of company-specific risk exposure (as a baseline reflected in a carbon risk classification) and the company's carbon performance score.

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

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

Any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

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

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

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

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

An assessment of good governance forms a foundational part of the Index methodology.

In practice, this is achieved through the use of the NT ESG Vector Score™ and the Sustainalytics Global Standards 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.

An investee company is deemed to be non-compliant, severe issue that directly implicates a company through its operations, products and services and will result in that company's exclusion from the Index.

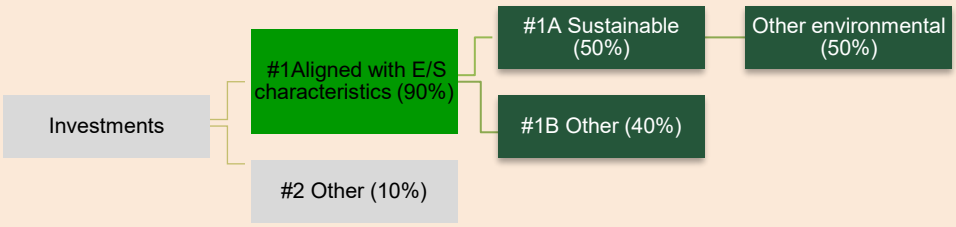
## What is the asset allocation planned for this financial product?

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

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

Of this, a minimum of 50% of its net asset value will be invested in sustainable investments with an environmental objective.

The "other" is expected to be for cash, hedging and other ancillary purposes.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives. - The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

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

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

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

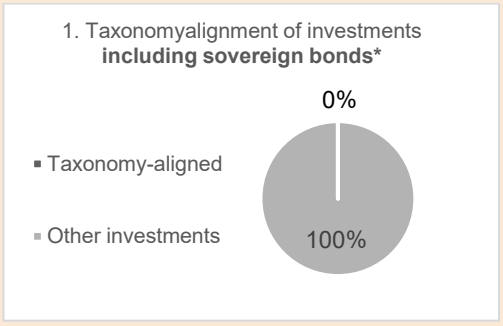
The Fund invests at least 50% of its net asset value in Sustainable Investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

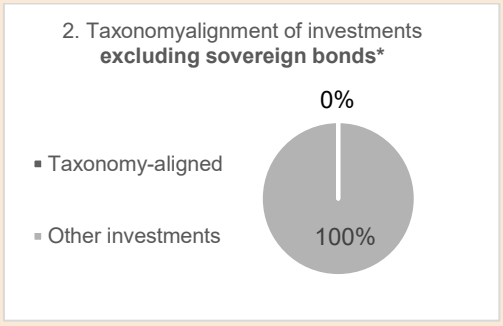
***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?[9]***

[9] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214

No.

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




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

**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.

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

Not applicable. The Fund will not make any investments in transitioning and enabling activities.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund invests at least 50% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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 socially sustainable investments?

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

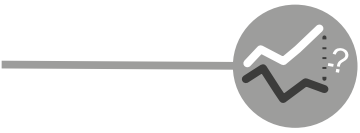
## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied.

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

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.

- Derivatives: The Fund may use derivatives only for managing broad market exposure.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The Fund has a designated reference benchmark.

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

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

  The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by the index provider based on the binding elements detailed earlier, which are applied to the Index constituents at the semi-annual rebalance.

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

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

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

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

  The Index differs from the Parent Index due to the application of the ESG screening, carbon risk rating and GRESB scoring described in earlier responses.

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

  The methodology used for the Index can be found here. Please search by benchmark name.

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

More product-specific information regarding the Fund can be found here.

# SUPPLEMENT XI

# NT PACIFIC SCREENED EQUITY INDEX FGR FUND

This Supplement contains specific information in relation to the NT Pacific Screened Equity Index FGR Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

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

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return characteristics of the MSCI Pacific NTC Screened Index (the "**Index**") with net dividends reinvested. Any change of investment objective of the Fund shall only be made with the prior approval of the Unitholders.

### 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 Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of 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 in countries comprised within the Index, details of which are set out under the heading "**Index Description**" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "Index Description". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders.

The Fund operates an index tracking/replication strategy as further set out in the section "**Index Tracking Strategy**" below. The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

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

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

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 0.5% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

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

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilized where the Fund is investing directly in constituents of the Index.

**Index Description**

The starting universe for the Index is the MSCI Pacific Index (the "**Parent Index**"). The Parent Index is designed to measure the equity market performance of Pacific markets and captures large and mid-cap issuers as determined by MSCI.

The Index is a custom index calculated and screened by MSCI based on predetermined and objective ESG criteria selected by the Investment Manager which (i) excludes certain companies from the Parent Index which are not considered to meet socially responsible principles considering business involvement, and ESG controversy screening criteria as further detailed in the Annex and (ii) excludes companies with exposure to thermal coal above thresholds specified within the Annex.

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

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

www.msci.com/index/methodology/latest/NTCScreened and https://www.msci.com/constituents

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 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 and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash equity position.

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 use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

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

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

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled "**Collateral Policy**" for further details.

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

## 2 INVESTMENT RESTRICTIONS

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

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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.

## 5 RISK FACTORS

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

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING

### Classes of Units Available

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

### Currency Hedged Unit Classes

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

**Currencies Available**

Each of the above referenced Unit Classes are available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro.

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

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

**Initial Offer Period**

The Initial Offer Period in relation to Unit Class A EUR, Unit Class B EUR, Unit Class C EUR, Unit Class D EUR, Unit Class E EUR, Unit Class F EUR and Unit Class G EUR has closed.

The Initial Offer Period in relation to the other Classes of Units commenced t 9am Dutch time on 28 December 2018 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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.



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

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Dutch time on the Business Day immediately preceding the each Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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

**Minimum Initial Investment Amount**

There is no minimum initial Investment Amount.

**Minimum Additional Investment**

There is no minimum Additional Investment.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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.

## 9 FEES AND EXPENSES

### General

The maximum total fees and expenses for the Fund will be 1 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below. For the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

### Incorporation Fees and Expenses

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

*FGR Establishment Fees and Expenses*

These fees and expenses did not exceed € 70,000 for the Fund.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed € 30,000.

### Manager, Investment Manager, Administrator and Depositary Fees and Expenses

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.9 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.5 per cent of the Net Asset Value of the Fund. Fees *and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

### Ongoing Fees and Expenses

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

### Rebalancing and Transaction Fees and Expenses

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.



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These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of any other fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

## 10 GERMAN TAXATION

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

**Annex - 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**: NT Pacific Screened Equity Index FGR Fund (the "**Fund**")
**Legal entity identifier:** 635400UJYT1BZZJILF12

**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.

# Environmental and/or social characteristics

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

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

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

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

The Fund promotes the following environmental characteristics:

- reducing investments in unconventional oil and gas exploration and Arctic oil; and
- reducing investments in thermal coal power generation and thermal coal mining.

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

- avoiding investments in controversial weapons;
- reducing specific investment in business activities with adverse health and social impacts including gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, aggregate weapons, and for-profit prisons;
- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

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

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

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- MSCI Red Flag ESG Controversies, defined as very severe, ongoing controversies that a company is directly involved in;
- Specific revenue thresholds regarding gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, aggregate weapons, for-profit prisons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal-based power generation;
- Any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), and;
- Low Carbon Transition (LCT) Management Score, which assesses current and potential exposure to transition risks and opportunities through companies' operations, and business model.

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

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

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The intended objectives of the sustainable investments of the Fund are to positively contribute towards environmental and social objectives such as reducing fossil fuel exposure and avoiding adverse business activities or human rights violations. An investee company must promote good governance practices without causing significant adverse impact through its product and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' ("DNSH") to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

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

In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;
- excluding certain companies from the Parent Index not considered to meet ESG characteristics; and
- excluding certain companies with exposure to thermal coal mining and thermal coal power generation;

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm. Examples include avoidance

of controversial weapons and human rights violations and reducing exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises; and
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

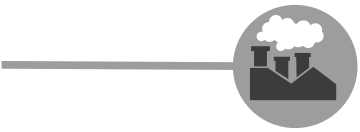
The implementation of these exclusions is quarterly and is based on any investee company being directly involved in very severe and ongoing controversies in relation to its operations, products and services.

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

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

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

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



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

✖ Yes

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

**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.

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

In addition, through the Investment Manager's direct engagement and voting, the Fund aims to encourage investee companies to improve their ESG practices and disclosures.

☐ No

## What investment strategy does this financial product follow?

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

☐ ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product***?

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

The following are the investment strategy's binding elements used to promote the environmental and social characteristics. These elements form part of the Index design and are coded by MSCI as part of the Index methodology construction.

The application of the following exclusions by the Fund seeks to attain the environmental and social characteristics promoted by the Fund by excluding (MSCI ESG Research revenue estimates are utilised for all revenue based exclusions):

(a) companies that are directly involved in ongoing controversies classified as "very severe" in the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;

(b) companies deriving 5% or more revenue from gambling-related business activities;

(c) companies deriving 5% or more revenue from adult entertainment-related business activities;

(d) companies that derive any revenue from the production of tobacco, or 5% or more revenue from the distribution of, supply of key products for, or retail of, tobacco and tobacco alternatives;

(e) 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;

(f) companies that manufacture civilian firearms or retail civilian firearms and derive 5% or more revenue from this sector;

(g) companies that manufacture aggregate weapons or provide support services to and derive 5% or more revenue from this sector;

(h) companies that derive 5% of revenue or more from thermal coal mining and extraction;

(i) companies that derive (i) 10% or more revenue from coal-fired power generation or (ii) between 5% and 10% revenue from this source and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(j) companies that derive (i) 50% or more revenue from unconventional oil and gas such as oil sands and shale gas, or (ii) between 5% and 50% revenue from these sources and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(k) companies that derive (i) 50% or more revenue from Arctic oil or (ii) between 1% and 50% revenue from this source and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles and;

(l) companies that derive 5% or more of their total annual revenues from activities related to for-profit prisons.

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

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

Any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation.

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

The Fund does not commit to a minimum reduction rate.

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

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

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

A very severe, ongoing controversy that directly implicates a company through its operations, products and services and will result in that company's exclusion from the Index. The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;
- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.
- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate:

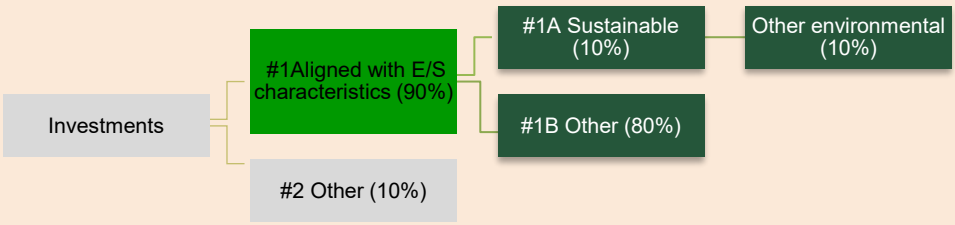
## What is the asset allocation planned for this financial product?

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

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

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

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

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

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

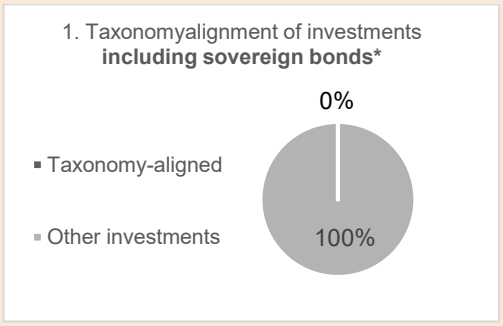
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

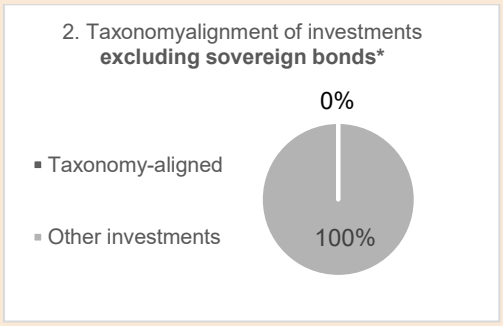
The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?*** [10]

No.

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




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

**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.

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

Not applicable. The Fund will not make any investments in transitional and enabling activities.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

[10] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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 socially sustainable investments?

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

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

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied. Investments categorised as 'other' will be used for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.
- Derivatives: The Fund may use derivatives only for hedging and managing broad market exposure.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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

Yes, the Index has been designated as a reference benchmark.

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

The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

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

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

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

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

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

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

  The methodology used for the Index can be found here.

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

More product specific information can be found on the website: here.

## SUPPLEMENT XII

## NT WORLD SMALL CAP LOW CARBON EQUITY INDEX FGR FEEDER FUND

This Supplement contains specific information in relation to the NT World Small Cap Low Carbon Equity Index FGR Feeder Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**The Fund is a feeder fund which will invest 85% or more of its assets permanently in the NT World Small Cap Low Carbon Equity Index Fund (the "Master Fund") a Sub-Fund of the Northern Trust UCITS Common Contractual Fund. The Northern Trust UCITS Common Contractual Fund is an open-ended umbrella common contractual fund divided into a number of Sub-Funds established under the laws of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. 352 of 2011), as may be amended, consolidated or substituted from time to time. The Master Fund is authorised in Ireland and regulated by the Central Bank of Ireland. The Master Fund is not subject to supervision by the AFM or any other regulatory authority in the Netherlands.**

**The Fund and Master 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).**

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

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

### 1 INVESTMENT OBJECTIVE AND POLICIES

#### Fund

#### Investment Objective

The investment objective of the Fund is to invest at least 85% of its assets in the Master Fund, the investment objective of which is to closely match the risk and return characteristics of the MSCI World Small Cap Select Low Carbon Index (the "**Index**") with net dividends reinvested. Any change of investment objective of the Fund shall only be made with the prior approval of the unitholders of the Fund.

#### Investment Policy

In addition to investing at least 85% of its assets in the Master Fund, the Fund may also invest up to 15% of its assets in aggregate in ancillary liquid assets including cash deposits, cash equivalents, certificates of

deposits and Money Market Instruments which may be held by the Fund to meet expenses or pending investment.

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

Except as stated in this Supplement, it is not intended that the Fund will make any direct investments and all monies received by it will be invested in the Master Fund as soon as reasonably practicable.

**Master Fund Investment Objective**

The investment objective of the Master Fund is to closely match the risk and return characteristics of the Index with net dividends reinvested. Any change of investment objective of the Master Fund shall only be made with the prior approval of the unitholders of the Master Fund.

**Investment Policy**

The Master Fund seeks to achieve its investment objective through investment primarily in a diversified portfolio of transferable equity and (where considered by the Investment Manager to be necessary or appropriate) equity related securities issued by companies or linked to companies within the Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of a fund's Net Asset Value), convertible securities which do not embed FDI or leverage (such as convertible preference shares, share purchase rights and convertible equity corporate linked bonds which may be fixed and/or floating rate received via a corporate action or other non-elective corporate event). Such Equity and Equity Related Securities shall be listed on stock exchanges or Regulated Markets in countries comprised within the Index, and therefore located in Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Israel, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The prime criterion for selecting such Equities and/or Equity Related Securities is their suitability in terms of achieving the investment objective of the Master Fund in closely matching the risk and return characteristics of the Index. Based on this analysis, the Master Fund may from time to time hold suitable securities which are not included in the Index constituents including companies not considered to meet environmental, social and governance ("**ESG**") criteria. In such event, the Master Fund will sell such securities in a reasonable amount of time taking into account the best interests of the unitholders of the Master Fund.

The Master Fund operates an index tracking/replication strategy as further set out in the section "**Index Tracking Strategy**" below. The Master Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the base currency as further disclosed in the section entitled "**Hedging**" in the prospectus of the Master Fund. The Master Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" below. Any exchange traded FDI the Master Fund invests in will be listed or traded on Regulated Markets.

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

**Index Tracking Strategy**

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

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

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 0.50% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

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

The Master Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilized where the Fund is investing directly in constituents of the Index

**Index Description**

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

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

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

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May, August and November with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Master Fund or on transaction costs associated with the Master Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Master Fund than would otherwise be the case.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: www.msci.com/index/methodology/latest/SmallCapSelLC and https://www.msci.com/constituents.

The investment objectives and investment policies of the Fund and the Master Fund are identical. The investment objective and the investment policy is to track as closely as possible the risk and return characteristics of the Index.

**Internal Conduct of Business Rules**

The Manager on behalf of the Fund has put in place internal conduct of business rules in relation to the investment by the Fund in the shares of the Master Fund (the "Business Rules"). The Business Rules refer to the classes of units of the Master Fund available for investment by the Fund, details of the charges and expenses to be borne by the Fund, the standard dealing arrangements and events affecting dealing arrangements. The internal conduct of business rules also regulate the exchange of information between the Fund and the Master Fund.

The Depositary and the custodian of the Master Fund (Northern Trust Fiduciary Services (Ireland) Limited) have entered into an agreement regarding the exchange of information. Information on this agreement is available from the Depositary of the Fund at their offices in Amsterdam, the Netherlands and can be requested by sending an email to NT_Depositary_Services_NL@ntrs.com.

Further information relating to the Master Fund, the internal conduct of business rules between the Master Fund and the Fund and the Master Fund's prospectus and relevant supplement are available from the Manager at their offices in Dublin, Ireland and at https://www.northerntrust.com/europe/what-we-do/investment-management/pooled-funds.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

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 Master Fund and the Fund with an acceptably low level of risk.

**The Fund**

The Fund may use the following instruments for EPM namely: currency forwards and exchange traded futures (details of which are outlined below under **The Master Fund**).

**The Master Fund**

The Master Fund may use the following instruments for EPM namely: currency forwards and exchange traded futures (details of which are outlined below).

Exchange traded futures are used exclusively for efficient portfolio management purposes, mainly to "equitise" cash contributions into the Master Fund, hedge index exposure for limited periods when immediate purchase/sale of the underlying is not feasible or in the best interests of the Master Fund and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash equity position.

Forward currency contracts may be used to maintain the currency exposure within the Master Fund against currency exposure within the Index that has resulted from assets held by the Master Fund that are not in the base currency of the Master Fund.

The Master Fund may use forwards and exchange traded futures for EPM and hedging purposes as further described in the Master Prospectus.

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

As a result of currency hedging, hedged share classes may be exposed to counterparty risk as further detailed in the section of the Master Prospectus entitled "Credit Risk and Counterparty Risk".

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 Master Prospectus.

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of Efficient Portfolio Management Techniques. Please refer to the section of the Master Fund Prospectus entitled "Collateral Policy" for further details.

The use of FDI for the purposes outlined above may expose the Master Fund to the risks disclosed in the Prospectus under the heading "**Risk Factors**". The Master Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

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

The Master Fund may utilise FDI as referred to above in the "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" section of the Prospectus.

Global exposure and leverage as a result of the Master Fund's 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.

## 5 RISK FACTORS

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

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in February of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

### Classes of Units Available

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

### Currencies Available

Each of the above referenced Unit Classes are available in U.S. Dollar (USD $), Euro (EUR), Sterling (GBP) and Danish Krone (DKK).

### Base Currency

Euro

### Initial Issue Price

USD $ 10 per Unit for the US Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

DKK 100 per Unit for the Danish Krone A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

DKK 1,000 per Unit for the Danish Krone B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

### Anti-Dilution Levy

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

### Initial Offer Period

The Initial Offer Period in relation to the Unit Class A EUR, Unit Class B EUR, Unit Class E EUR, Unit Class F EUR and Unit Class H EUR has closed.

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 5 June 2019 and will close at 10am Dutch time 180 days thereafter (or such earlier or later date as the Manager may determine).

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Dutch time on the Business Day prior to the relevant Dealing Day. The Directors of the Manager may waive the notice at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no Minimum Initial Investment Amount.

**Minimum Additional Investment**

There is no Minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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**

USD $ 30 million.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 0.60 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below.

The maximum total fees and expenses for the Master Fund are 1 per cent of the Net Asset Value of the Master Fund.

**Incorporation Fees and Expenses of the Fund**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed EUR 25,000 for the Fund.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.55 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.01 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.50 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Administrator and Depositary*



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The maximum of these fees and expenses will be 0.04 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The maximum of these fees and expenses will be 0.05 per cent of the Net Asset Value of the Fund and is part of the maximum total fees and expenses for the Fund.

**Master Fund Anti-Dilution Levy**

While the Fund's investment in the Master Fund may not be subject to a preliminary charge or a repurchase charge at the Master Fund level, an anti-dilution levy may be applied by the Master Fund to its investors, including the Fund.

An anti-dilution levy will typically be applied by the Master Fund on any Dealing Day where there are net subscriptions and/or net redemptions, in order to cover any duties, charges and dealing costs in the various markets and to preserve the value of the underlying Assets of the Master Fund.

The application of an anti-dilution levy to an investment by the Fund in the Master Fund will contribute to the potential for a performance divergence between the Fund and the Master Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of these fees and expenses are set out in the "Other Fees and Expenses" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time but is part of the maximum total fees and expenses for the Fund.

## 10 GERMAN TAXATION

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



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**Annex - 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:** NT World Small Cap Low Carbon Equity Index FGR Feeder Fund (the "**Fund**")
**Legal entity identifier:** 549300AR69DZPILRT274

# Environmental and/or social characteristics

**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.

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

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☒ It promotes E/S characteristics, but **will not make any sustainable investments** |

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

The Fund promotes environmental and social characteristics through its investment in the Master Fund which tracks the risk and return characteristics of the Index which has been designated as a reference benchmark by the Master Fund.

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

The Fund promotes the following environmental characteristics:

- reduction of carbon reserves, carbon intensity and absolute emissions;
- reduction of investments in oil and gas activities;
- of investments in thermal coal mining; and
- of investments in fossil fuel-based power generation.

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

- avoiding investments in controversial weapons;
- reducing specific investment in business activities with adverse health and social impacts including gambling, adult entertaiment, tobacco, nuclear weapons, civilian firearms, aggregate weapons, and for-profit prisons; and
- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

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

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

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

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

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

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Fund will not make any sustainable investments.

The intended objectives of the sustainable investments of the Master Fund are to positively contribute towards environmental and social objectives such as avoiding adverse business activities or human rights violations. An investee company must promote good governance practices without causing significant adverse impact through its product and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Fund will not make any sustainable investments.

With respect to the Master Fund, in order to deem an investment a sustainable investment, the investee company must 'do no significant harm' (DNSH) to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

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

In addition to:

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

In addition to the DNSH test detailed in the previous response, the Master Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;
- excluding certain companies from the Parent Index not considered to meet ESG characteristics,
- excluding certain companies with exposure to carbon and fossil fuels, and;
- excluding companies which do not conform to certain governance requirements.

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Master Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm. Examples include avoidance of controversial weapons and human rights violations, reducing carbon footprint and exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund will not make any sustainable investments.

The Master Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises; and
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly and is based on any investee company being directly involved in very severe and ongoing controversies in relation to its operations, products and services.

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

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

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

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

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

**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.

✖ Yes

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

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

- GHG emissions (Scope 1 and Scope 2);
- Carbon footprint;
- GHG intensity;
- Exposure to companies active in the fossil fuels sector;
- Violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Master Fund's investment manager's direct engagement and voting, the Master Fund aims to encourage investee companies to improve their ESG practices and disclosures.

No

## What investment strategy does this financial product follow?

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

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

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product*?**

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

The following are the investment strategy's binding elements used to promote the environmental and social characteristics. These elements form part of the Index design and are coded by MSCI as part of the Index methodology construction.

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

(a) companies that are directly involved in ongoing controversies classified as "very severe" in the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;

(b) companies deriving 5% or more revenue from gambling-related business activities;

(c) companies deriving 5% or more revenue from adult entertainment-related business activities;

(d) companies that derive any revenue from the production of tobacco, or 5% or more revenue from the distribution of, supply of key products for, or retail of, tobacco and tobacco alternatives;

(e) 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;

(f) companies that manufacture civilian firearms or retail civilian firearms and derive 5% or more revenue from this sector;

(g) companies that manufacture aggregate weapons or provide support services to and derive 5% or more revenue from this sector;

(h) companies that derive 5% of revenue or more from thermal coal mining and extraction;

(i) companies that derive (i) 10% or more revenue from coal-fired power generation or (ii) between 5% and 10% revenue from this source and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(j) companies that derive (i) 50% or more revenue from unconventional oil and gas such as oil sands and shale gas, or (ii) between 5% and 50% revenue from these sources and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management

Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

(k) companies that derive (i) 50% or more revenue from Arctic oil or (ii) between 1% and 50% revenue from this source and have transition risk preparedness or carbon management that is considered weak, - i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles and;

(l) companies that derive 5% or more of their total annual revenues from activities related to for-profit prisons.

Additionally, to achieve a minimum 50% reduction in the carbon footprint compared to the Parent Index, the following companies will be excluded from the Parent Index based on research conducted by MSCI:

(i) companies with any ownership of fossil fuel reserves;

(ii) companies which are in the top 50% of absolute operational carbon emissions in total;

(iii) companies which are in the top 50% by operational emissions intensity in total. However, those companies which are classified within the Global Industry Classification Standard as sub-industry "Renewable Electricity" will not be excluded;

(iv) companies that derive 1% of revenue or more from the mining and sale of thermal coal;

(v) companies that derive 10% or more revenue from oil and gas production, refining, distribution or transportation; and

(vi) companies that derive 50% or more aggregate revenue from thermal coal, oil (liquid fuel), and/or natural gas-based power generation.

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

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

Any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation.

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

The Fund does not commit to a minimum reduction rate.

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

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

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

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

A very severe, ongoing controversy that directly implicates a company through its operations, products and services and will result in that company's exclusion from the Index. The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate:

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

- **Qualified Auditor Opinion:** all companies where the auditor expressed a qualified opinion or questioned the company's ability to remain a going concern as per the most recently reported period.

- **Controlling Shareholder Concerns:** all companies where the ownership structure or governance arrangements indicate special concerns for minority public shareholders. Companies are identified as having a Controlling Shareholder if a shareholder or shareholder bloc control more than 30% of the voting rights, or is able to elect more than 50% of the company's board.

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

- Any of the following Key Metrics (KM) are also flagged:
  - No Independent Directors
  - Leadership Concerns
  - Undersized Board

- Cross Shareholdings
- Poison Pill

- or any of the following apply:
  - The issuer has issued Golden Shares
  - The issuer is controlled via a stock pyramid
  - The issuer incorporated as a Partnership Limited by Shares
  - The largest shareholder holds more than 75% of the total voting rights.

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

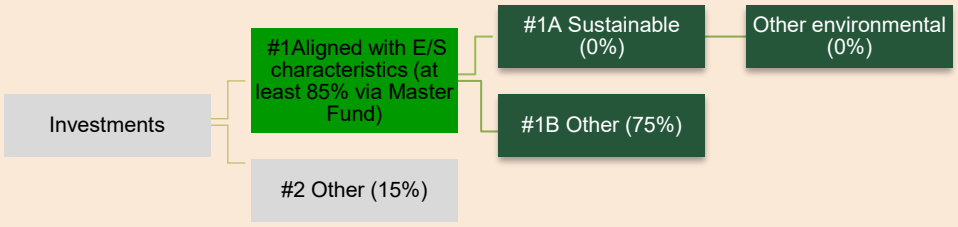
The Fund will invest 85% or more of its Net Asset Value permanently in the Master Fund.

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

The Master Fund intends to invest at least 90% of its net asset value in companies that are aligned with the environmental or social characteristics promoted by the Fund. Of this, a minimum of 10% of its net asset value will be invested in sustainable investments with an environmental objective.

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.

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




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

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

The Fund will not make any sustainable investments.

The Master Fund invests at least 10% of its net asset value in Sustainable Investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy

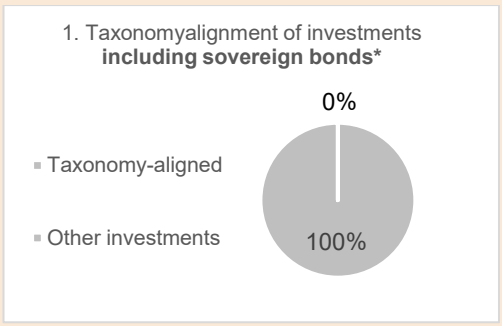
- ***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?*** [11]

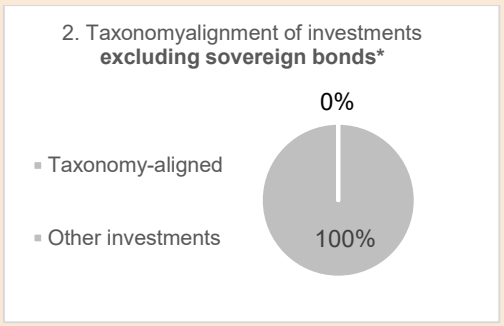
  No.

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

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

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




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

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

  Not applicable. The Fund will not make any investments in transitional and enabling activities.

[11] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund will not make any sustainable investments.

The Master Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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

The Master Fund product is not targeting socially sustainable investments hence anticipates 0% investments in social sustainable investments.

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

Derivatives and cash are the only two investment types categorised as 'other' and no other minimum environmental or social safeguards are applied.

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

- Cash and cash equivalents or money market instruments: The Fund may invest in Cash and cash equivalents or money market instruments.
- Derivatives: The Fund may use derivatives only for managing broad market exposure.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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

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

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

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

  The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

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

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

  Alignment of the investment strategy with the methodology of the Index is achieved on a continuous basis through the Master Fund tracking the Index, which incorporates the various binding elements, within the set tracking error tolerance and outlined in the Index Tracking Strategy section of this Supplement. In addition,

investment guidelines and restrictions are coded in the Investment Manager's order management system to enable pre and post-trade monitoring.

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

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

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

  The methodology used for the Index can be found here.

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

More product specific information can be found on the website: here.

## SUPPLEMENT XIII

## NTCM EUROPE LOW CARBON PLUS EQUITY INDEX FGR FEEDER FUND

This Supplement contains specific information in relation to the NTCM Europe Low Carbon Plus Equity Index FGR Feeder Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**The Fund is a feeder fund which will invest 85% or more of its assets permanently in the NTCM Europe Low Carbon Plus Equity Index Fund (the "Master Fund") a Sub-Fund of the Northern Trust UCITS Common Contractual Fund. The Northern Trust UCITS Common Contractual Fund is an open-ended umbrella common contractual fund divided into a number of Sub-Funds established under the laws of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. 352 of 2011), as may be amended, consolidated or substituted from time to time. The Master Fund is authorised in Ireland and regulated by the Central Bank of Ireland. The Master Fund Is not subject to supervision by the AFM or any other regulatory authority in the Netherlands.**

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

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

### 1 INVESTMENT OBJECTIVE AND POLICIES

#### Fund

#### Investment Objective

The investment objective of the Fund is to invest at least 85% of its assets in the Master Fund, the investment objective of which is to closely match the risk and return characteristics of the MSCI Europe Selection Low Carbon Plus G Series Index (the "**Index**") with net dividends reinvested.

#### Investment Policy

In addition to investing at least 85% of its assets in the Master Fund, the Fund may also invest up to 15% of its assets in aggregate in ancillary liquid assets including cash deposits, cash equivalents, certificates of deposits and Money Market Instruments which may be held by the Fund to meet expenses or pending investment.

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

Except as stated in this Supplement, it is not intended that the Fund will make any direct investments and all monies received by it will be invested in the Master Fund as soon as reasonably practicable.

**Master Fund**

**Investment Objective**

The investment objective of the Master Fund is to closely match the risk and return characteristics of the MSCI Europe Selection Low Carbon Plus G Series Index (the "**Index**") with net dividends reinvested. Any change of Index shall only be made with the prior approval of the Unitholders of the Master Fund.

**Investment Policy**

The Master Fund seeks to achieve its investment objective through investment primarily in a diversified portfolio of transferable Equity and (where considered by the Investment Manager to be necessary or appropriate) Equity Related Securities issued by companies or linked to companies within the **Index**.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, warrants (not more than 5% of a Fund's Net Asset Value), convertible securities which do not embed FDI or leverage (such as convertible preference shares, share purchase rights and corporate bonds which may be rated or unrated, fixed and/or floating rate) and convertible into common or preferred shares). Such Equity and Equity Related Securities shall be listed on stock exchanges or regulated markets in countries (within the list of Regulated Markets) comprised within the Index, details of which are set out below under the heading "**Index Description**". Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The prime criterion for selecting such Equities and/or Equity Related Securities is their suitability in terms of achieving the investment objective of the Master Fund in closely matching the risk and return characteristics of the Index. Based on this analysis, the Master Fund may from time to time hold securities which are not included in the Index constituents including companies not considered to meet environmental, social and governance (ESG) criteria as a result of corporate actions and other such activities such as immediately following index changes/rebalancing and/or changes in ESG rating where timing of the change in the index and execution of the change within the portfolio may not be perfectly aligned. In such event, the Master Fund will sell such securities in a reasonable amount of time taking into account the best interests of the Unitholders of the Master Fund.

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

The Master Fund operates an index tracking/replication strategy as further set out in the section "**Index Tracking Strategy**" below. The Master 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 as set out by the Central Bank in relation to techniques for efficient portfolio management purposes as further disclosed in the section titled "**Hedging**" in the Prospectus of the Master Fund. The Master Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" below. Any exchange traded FDI the Master Fund invests in will be listed or traded on Regulated Markets.

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

**Index Tracking Strategy**

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

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

The Master Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 0.50% should be anticipated. This tracking error can be attributed to transaction costs and the liquidity impact of the Fund's index tracking/replication strategy and the fact that the respective Class returns reflect the relevant withholding tax rates applicable to such Classes under the FGR structure. As outlined above the Master Fund seeks to track the Index.

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

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

**Index Description**

The starting universe for the Index is the MSCI Europe Index (the "**Parent Index**"). The Parent Index is designed to measure the equity market performance of developed markets and captures large and mid-cap issuers as determined by MSCI.

The Index is calculated and screened by MSCI based on predetermined and objective ESG criteria which (i) excludes certain companies from the Parent Index which are not considered to meet sustainability principles considering business involvement and ESG controversy screening criteria, as further detailed in the Annex, (ii) use best in class approach to increase exposure, when compared to the Parent Index, (iii) excludes companies with exposure to carbon emissions and reserves, fossil fuels, and nuclear power above thresholds specified within the Annex, and, (iv) tilts towards companies whose products and operations are aligned with specified the UN Sustainable Development Goals ("**SDGs**").

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

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May August and November, with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Master Fund or

on transaction costs associated with the Master Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Master Fund than would otherwise be the case. Further details of the Index constituents, weightings and methodology can be navigated to from the following links:

https://www.msci.com/index/methodology/latest/WRLDEUSelLCPlusGseries and https://www.msci.com/constituents.

It may not always be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to holders of units in the Master Fund (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Index, or in circumstances where a security in the Index becomes temporarily unavailable or less liquid, or as a result of legal restrictions that apply to the Master Fund but not to the Index). In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Index. Master Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of the Master Fund up to 0.75% should be anticipated. This is due to transaction costs and the liquidity impact of the Master Fund's index tracking/replication strategy and the fact that the respective Class returns reflect the relevant withholding tax rates applicable to such Classes under the FGR structure.

**Internal Conduct of Business Rules**

The Manager on behalf of the Fund has put in place internal conduct of business rules in relation to the investment by the Fund in the shares of the Master Fund (the "**Business Rules**"). The Business Rules refer to the classes of units of the Master Fund available for investment by the Fund, details of the charges and expenses to be borne by the Fund, the standard dealing arrangements and events affecting dealing arrangements. The internal conduct of business rules also regulate the exchange of information between the Fund and the Master Fund.

The Depositary and the custodian of the Master Fund (Northern Trust Fiduciary Services (Ireland) Limited) have entered into an agreement regarding the exchange of information. Information on this agreement is available from the Depositary of the Fund at their offices in Amsterdam, the Netherlands and can be requested by sending an email to NT_Depositary_Services_NL@ntrs.com.

Further information relating to the Master Fund, the internal conduct of business rules between the Master Fund and the Fund and the Master Fund's prospectus and relevant supplement are available from the Manager at their offices in Dublin, Ireland and at https://www.northerntrust.com/europe/what-we-do/investment-management/pooled-funds.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 Master Fund and the Feeder Fund with an acceptably low level of risk.

**The Fund**

The Fund may use the following instruments for EPM namely: exchange traded futures and currency forwards (details of which are outlined below under **The Master Fund**).

**The Master Fund**

The Master Fund may use the following instruments for EPM namely: currency forwards and exchange traded futures (details of which are outlined below).

Exchange traded futures are used exclusively for efficient portfolio management purposes, mainly to "equitise" cash contributions into the Master Fund, hedge index exposure for limited periods when immediate purchase/sale of the underlying is not feasible or in the best interests of the Master Fund and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash equity position.

Forward currency contracts may be used to hedge against currency risk that has resulted from assets held by the Master Fund that are not in the base currency of the Master Fund. The Master Fund may use forwards and exchange traded futures for EPM and hedging purposes as further described in the Master Fund Prospectus.

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

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

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

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of Efficient Portfolio Management Techniques. Please refer to the section of the Master Fund Prospectus entitled "**Collateral Policy**" for further details.

The use of FDI for the purposes outlined above may expose the Master Fund to the risks disclosed under the section of the Prospectus of the Master Fund entitled "**Risk Factors**". The Master Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

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

The Master 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 the Master Fund's 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.

## 5 RISK FACTORS

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

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in February of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

**Classes of Units Available**

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

**Currencies Available**

Each of the above referenced Unit Classes is available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

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



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**Initial Offer Period**

The Initial Offer Period in relation to the Unit Class A EUR and Unit Class B EUR has closed.

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 12 May 2020 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 11am Dutch time on the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no Minimum Initial Investment Amount.

**Minimum Additional Investment**

There is no Minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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**

EUR 30 million.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 0.50 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below.

The maximum total fees and expenses for the Master Fund are 1 per cent of the Net Asset Value of the Master Fund.

**Incorporation Fees and Expenses of the Fund**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

Sub-Fund Establishment Fees and Expenses

These fees and expenses did not exceed EUR 30,000 for the Fund.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.25 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.01 per cent of the Net Asset Value of the Fund.



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*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.20 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.04 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The maximum of these fees and expenses will be 0.05 per cent of the Net Asset Value of the Fund and is part of the maximum total fees and expenses for the Fund.

**Master Fund Anti-Dilution Levy**

While the Fund's investment in the Master Fund may not be subject to a preliminary charge or a repurchase charge at the Master Fund level, an anti-dilution levy may be applied by the Master Fund to its investors, including the Fund.

An anti-dilution levy will typically be applied by the Master Fund on any Dealing Day where there are net subscriptions and/or net redemptions, in order to cover any duties, charges and dealing costs in the various markets and to preserve the value of the underlying Assets of the Master Fund.

The application of an anti-dilution levy to an investment by the Fund in the Master Fund will contribute to the potential for a performance divergence between the Fund and the Master Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time but is part of the maximum total fees and expenses for the Fund.

**Annex - 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**: NTCM Europe Low Carbon Plus Equity Index FGR Feeder Fund ("the **Fund**")

**Legal entity identifier**: 635400DGEXAYUAQFVL14

**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.

# Environmental and/or social characteristics

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

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%<br>☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy<br>☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ 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 sustainable investments<br>☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy<br>☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy<br>☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective**: ___% | ☒ It promotes E/S characteristics, but **will not make any sustainable investments** |

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

The Fund promotes environmental and social characteristics through its investment in the Master Fund which tracks the risk and return characteristics of the Index which has been designated as a reference benchmark by the Master Fund.

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

- reducing carbon reserves versus the Parent Index aiming to reduce the weighted average greenhouse gas intensity relative to the MSCI Europe Index (the "**Parent Index**") by 60% and reduce the weighted average greenhouse gas ("GHG") intensity by 7% on an annualised basis;
- avoidance of companies with evidence of owning proven and probable coal reserves and/or proven oil and natural gas reserves used for energy purposes;
- avoidance of companies involved in thermal coal mining (not including metallurgical coal) and thermal coal based power generation and unconventional oil and gas extraction;
- avoidance of companies generating a specified level of revenue from fossil fuel based power generation; and
- avoidance of companies generating specified revenue from the production, refining, distribution or transportation of oil and gas.

The Fund promotes the following other environmental characteristics:

- avoiding investments in nuclear power.

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

- avoiding specific investment in business activities with adverse health and social impacts including tobacco, adult entertainment, gambling, alcohol, genetically modified organisms, nuclear weapons, civilian firearms, controversial weapons, aggregate weapons; and
- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

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

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

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- Scope 1 and Scope 2 carbon emissions intensity ;
- MSCI Controversies Score;
- MSCI ESG Ratings;
- MSCI SDG Net Alignment Score; and
- Specific revenue thresholds regarding tobacco, adult entertainment, gambling, alcohol, genetically modified organisms, nuclear weapons, civilian

firearms, controversial weapons, aggregate weapons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal based power generation, nuclear power.

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

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

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Fund will not make any sustainable investments.

The intended objectives of the sustainable investments of the Master Fund are to positively contribute towards environmental and social objectives such as avoiding adverse business activities or human rights violations. An investee company must promote good governance practices without causing significant adverse impact through its product and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Fund will not make any sustainable investments.

With respect to the Master Fund, in order to deem an investment a sustainable investment, the investee company must 'do no significant harm' (DNSH) to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which the Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby (i) it does not breach the PAI threshold as set by the Investment Manager (ii) meets the minimum positive contribution test; (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and

Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

The Fund will not make any sustainable investments.

The Master Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises; and
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly. Companies are required to have an MSCI Controversies Score of 1 or above to be eligible for inclusion in the index, in relation to its operations, products and services.

In practice, this means that all investee companies that form part of the Index are aligned with these minimum safeguards.

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?

**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.

☒ Yes

☐ No.

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

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

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

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

In addition, through the Investment Manager's direct engagement, the Fund aims to encourage investee companies to improve their ESG practices and disclosures. The Fund follows ISS SRI voting policy.

## What investment strategy does this financial product follow?

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

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

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

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following are the investment strategy's binding elements used to promote the environmental and social characteristics. These elements form part of the Index design and are coded by MSCI as part of the Index methodology construction.

The application of the following exclusions by the Master Fund seeks to attain the environmental and social characteristics promoted by the Fund through its investment in the Master Fund to:

- exclude companies that have an ESG controversy score of 0. Controversies cover the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;
- exclude all companies with any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons);
- exclude companies that derive 5% or more aggregate revenue from the production and distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use; or companies classified as "producer" of firearms and small arms ammunitions for civilian markets. It does not include companies that cater to the military, government, and law enforcement markets;
- exclude companies that manufacture nuclear weapons and components;
- exclude companies classified as a tobacco 'producer' or that derive 5% or more aggregate revenue from the production, distribution, retail, supply and licensing of tobacco-related products;

- exclude companies deriving 5% or more revenue from the production of adult entertainment materials, or companies deriving 15% or more aggregate revenue from the production, distribution and retail of adult entertainment materials;

- exclude companies deriving 5% or more revenue from the production of alcohol-related products, or companies deriving 15% or more aggregate revenue from the production, distribution, retail and supply of alcohol-related products;

- exclude companies deriving 5% or more revenue from the production of conventional weapons and components or companies deriving 15% or more aggregate revenue from weapons systems, components, and support systems and services;

- exclude companies that derive 5% or more revenue from ownership of operation of gambling- related business activities; or companies deriving 15% or more aggregate revenue from gambling-related business activities;

- exclude companies deriving 5% or more revenue from activities like genetically modifying plants, such as seeds and crops, and other organisms intended for agricultural use or human consumption;

- exclude companies generating 5% or more of their total electricity from nuclear power in a given year; companies that have 5% or more of installed capacity attributed to nuclear sources in a given fiscal year; companies deriving 15% or more aggregate revenue from nuclear power activities;

- exclude companies with evidence of owning proven and probable coal reserves and/or proven oil and natural gas reserves used for energy purposes;

- exclude companies deriving any revenue from thermal coal mining or unconventional oil and gas extraction;

- exclude all companies deriving 5% or more revenue from Arctic oil and gas production;

- exclude companies deriving 5% or more revenue from thermal coal- based power generation;

- exclude companies that derive 10% or more revenue from oil and gas production, refining, distribution or transportation;

- exclude companies that derive 50% or more aggregate revenue from thermal coal, oil (liquid fuel), and/or natural gas-based power generation;

- exclude companies deriving 5% or more revenue from the production of palm oil;

- include only companies that have a minimum ESG rating of 'BB' and above relative to the standards and performance of their industry. In each GICs sector, eligible securities are ranked and selected based on their ESG rating and ESG rating trends.

The next step is to reduce the carbon footprint by at least 60% when compared to the Parent index by excluding companies with higher carbon emissions subject to certain limits and reduce the weighted average GHG intensity by 7% on an annualised basis.

The index then tilts towards, i.e. increase exposure to; companies who are assessed to be aligned with specific SDGs through their products, services and operations. The targeted SDGs are SDG 3 (Good Health and Wealth Being), SDG 7 (Affordable and

Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

Finally a concentration limit is applied by MSCI as a final check to ensure that the index is highly diversified.

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

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

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

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

  The Fund does not commit to a minimum reduction rate.

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

  An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

  The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

  Companies are required to have an MSCI Controversies Score of 1 or above.

  The following indicators are used:

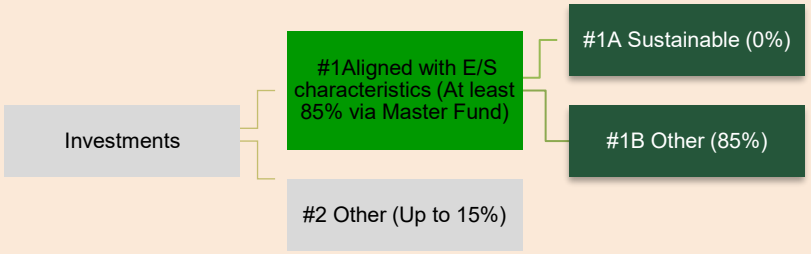
  - **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

  - **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

  - **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

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

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




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

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

The Master Fund intends to invest at least 90% of its net asset value in companies that are aligned with the environmental or social characteristics promoted by the Fund.

The "other" 15% of the Product is expected to be used for cash, hedging and other ancillary purposes.

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

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

**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.

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

The Fund will not make any sustainable investments.

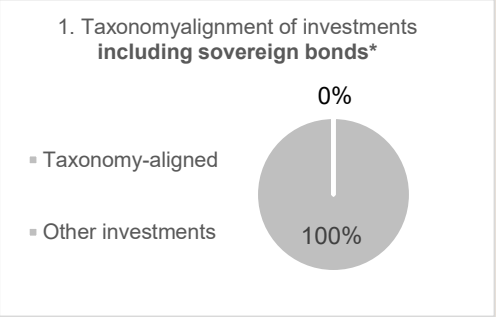
The Master Fund invests at least 10% of its net asset value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

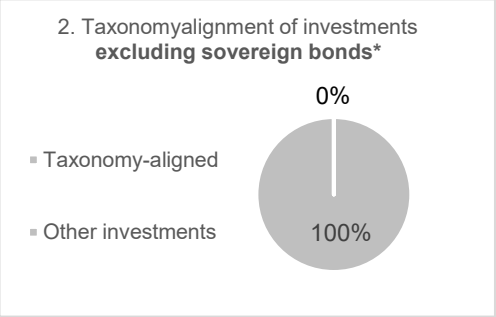
**Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**[12]

No.

[12] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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




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

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

Not applicable. The Fund will not make any investments in transitional and enabling activities.

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?

The Fund will not make any sustainable investments.

The Master Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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

Not applicable. The Fund will not make any investments in sustainable investments with a social objective.

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

Derivatives and cash are the only two investment types categorised as 'other' and no other minimum environmental or social safeguards are applied.

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

- Cash and cash equivalents or money market instruments: The Fund may invest in Cash and cash equivalents or money market instruments.
- Derivatives: The Fund may use derivatives only for managing broad market exposure.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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

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

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

The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

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

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

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

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

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

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

The methodology used for the Index can be found here.

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

More product-specific information regarding the Fund can be found here.

# SUPPLEMENT XIV

# NTCM WORLD LOW CARBON PLUS EQUITY INDEX FGR FEEDER FUND

This Supplement contains specific information in relation to the NTCM World Low Carbon Plus Equity Index FGR Feeder Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (fonds voor gemene rekening) governed by the laws of the Netherlands.

**The Fund is a feeder fund which will invest 85% or more of its assets permanently in the NTCM World Low Carbon Plus Equity Index Fund (the "Master Fund") a Sub-Fund of the Northern Trust UCITS Common Contractual Fund. The Northern Trust UCITS Common Contractual Fund is an open-ended umbrella common contractual fund divided into a number of Sub-Funds established under the laws of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. 352 of 2011), as may be amended, consolidated or substituted from time to time. The Master Fund is authorised in Ireland and regulated by the Central Bank of Ireland. The Master Fund is not subject to supervision by the AFM or any other regulatory authority in the Netherlands.**

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

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Fund

### Investment Objective

The investment objective of the Fund is to invest at least 85% of its assets in the Master Fund, the investment objective of which is to closely match the risk and return characteristics of the MSCI World Selection Low Carbon Plus G Series Index (the "**Index**") with net dividends reinvested.

### Investment Policy

In addition to investing at least 85% of its assets in the Master Fund, the Fund may also invest up to 15% of its assets in aggregate in ancillary liquid assets including cash deposits, cash equivalents, certificates of deposits and Money Market Instruments which may be held by the Fund to meet expenses or pending investment.

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

Except as stated in this Supplement, it is not intended that the Fund will make any direct investments and all monies received by it will be invested in the Master Fund as soon as reasonably practicable.

**Master Fund**

**Investment Objective**

The investment objective of the Master Fund is to closely match the risk and return characteristics of the MSCI World Selection Low Carbon Plus G Series Index (the "**Index**") with net dividends reinvested. Any change of Index shall only be made with the prior approval of the Unitholders of the Master Fund.

**Investment Policy**

The Master Fund seeks to achieve its investment objective through investment primarily in a diversified portfolio of transferable Equity and (where considered by the Investment Manager to be necessary or appropriate) Equity Related Securities issued by companies or linked to companies within the **Index**.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, warrants (not more than 5% of a Fund's Net Asset Value), convertible securities which do not embed FDI or leverage (such as convertible preference shares, share purchase rights and corporate bonds which may be rated or unrated, fixed and/or floating rate) and convertible into common or preferred shares). Such Equity and Equity Related Securities shall be listed on stock exchanges or regulated markets in countries (within the list of Regulated Markets) comprised within the Index, details of which are set out below under the heading "Index Description". Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The prime criterion for selecting such Equities and/or Equity Related Securities is their suitability in terms of achieving the investment objective of the Master Fund in closely matching the risk and return characteristics of the Index. Based on this analysis, the Master Fund may from time to time hold securities which are not included in the Index constituents including companies not considered to meet environmental, social and governance (ESG) criteria as a result of corporate actions and other such activities such as immediately following index changes/rebalancing and/or changes in ESG rating where timing of the change in the index and execution of the change within the portfolio may not be perfectly aligned. In such event, the Master Fund will sell such securities in a reasonable amount of time taking into account the best interests of the Unitholders of the Master Fund.

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

The Master Fund operates an index tracking/replication strategy as further set out in the section "**Index Tracking Strategy**" below. The Master 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 as set out by the Central Bank in relation to techniques for efficient portfolio management purposes as further disclosed in the section titled "**Hedging**" in the Prospectus of the Master Fund. The Master Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities**

**Financing Transactions**" below. Any exchange traded FDI the Master Fund invests in will be listed or traded on Regulated Markets.

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

**Index Tracking Strategy**

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

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

The Master Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 0.50% should be anticipated. This tracking error can be attributed to transaction costs and the liquidity impact of the Fund's index tracking/replication strategy and the fact that the respective Class returns reflect the relevant withholding tax rates applicable to such Classes under the FGR structure. As outlined above the Master Fund seeks to track the Index.

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

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

**Index Description**

The starting universe for the Index is the MSCI World Index (the "**Parent Index**"). The Parent Index is designed to measure the equity market performance of developed markets and captures large and mid-cap issuers as determined by MSCI.

The Index is calculated and screened by MSCI based on predetermined and objective ESG criteria which (i) excludes certain companies from the Parent Index which are not considered to meet sustainability principles considering business involvement and ESG controversy screening criteria, as further detailed in the Annex, (ii) use best in class approach to increase exposure, when compared to the Parent Index, (iii) excludes companies with exposure to carbon emissions and reserves, fossil fuels, and nuclear power above thresholds specified within the Annex, and, (iv) tilts towards companies whose products and operations are aligned with specified UN Sustainable Development Goals ("**SDG**").

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

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May August and November, with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Master Fund or on transaction costs associated with the Master Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Master Fund than would otherwise be the case. Further details of the Index constituents, weightings and methodology can be navigated to from the following link:

https://www.msci.com/index/methodology/latest/WRLDEUSelLCPlusGseries and
https://www.msci.com/constituents.

**Internal Conduct of Business Rules**

The Manager on behalf of the Fund has put in place internal conduct of business rules in relation to the investment by the Fund in the shares of the Master Fund (the "**Business Rules**"). The Business Rules refer to the classes of units of the Master Fund available for investment by the Fund, details of the charges and expenses to be borne by the Fund, the standard dealing arrangements and events affecting dealing arrangements. The internal conduct of business rules also regulate the exchange of information between the Fund and the Master Fund.

The Depositary and the custodian of the Master Fund (Northern Trust Fiduciary Services (Ireland) Limited) have entered into an agreement regarding the exchange of information. Information on this agreement is available from the Depositary of the Fund at their offices in Amsterdam, the Netherlands and can be requested by sending an email to NT_Depositary_Services_NL@ntrs.com.

Further information relating to the Master Fund, the internal conduct of business rules between the Master Fund and the Fund and the Master Fund's prospectus and relevant supplement are available from the Manager at their offices in Dublin, Ireland and at https://www.northerntrust.com/pooledfunds.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 Master Fund and the Feeder Fund with an acceptably low level of risk.

**The Fund**

The Fund may use the following instruments for EPM namely: exchange traded futures and currency forwards (details of which are outlined below under **The Master Fund**).

**The Master Fund**

The Master Fund may use the following instruments for EPM namely: currency forwards and exchange traded futures (details of which are outlined below).

Exchange traded futures are used exclusively for efficient portfolio management purposes, mainly to "equitise" cash contributions into the Master Fund, hedge index exposure for limited periods when immediate purchase/sale of the underlying is not feasible or in the best interests of the Master Fund and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash equity position.

Forward currency contracts may be used to hedge against currency risk that has resulted from assets held by the Master Fund that are not in the base currency of the Master Fund.

The Master Fund may use forwards and exchange traded futures for EPM and hedging purposes as further described in the Master Fund Prospectus.

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

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

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

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of Efficient Portfolio Management Techniques. Please refer to the section of the Master Fund Prospectus entitled "**Collateral Policy**" for further details.

The use of FDI for the purposes outlined above may expose the Master Fund to the risks disclosed under the section of the Prospectus of the Master Fund entitled "**Risk Factors**". The Master Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

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

The Master Fund may utilise FDI as referred to in the section headed "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques**. Financial Derivative Instruments and Securities Financing Transactions" above.

Global exposure and leverage as a result of the Master Fund's 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.

## 5 RISK FACTORS

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

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in February of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

The Investment Manager's main business activity is the provision of investment management services.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

### Classes of Units Available

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

### Currencies Available

Each of the above referenced Unit Classes is available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

### Base Currency

Euro

### Initial Issue Price

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

### Anti-Dilution Levy

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

### Initial Offer Period

The initial Offer Period in relation to Unit Class A EUR and Unit Class B EUR has closed.

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 10 March 2021 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 11am Dutch time on the Business Day prior to the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no Minimum Initial Investment Amount.

**Minimum Additional Investment**

There is no Minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed



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repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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**

EUR 30 million.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 0.30 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below.

The maximum total fees and expenses for the Master Fund are 1 per cent of the Net Asset Value of the Master Fund.

**Incorporation Fees and Expenses of the Fund**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

Sub-Fund Establishment Fees and Expenses

These fees and expenses did not exceed EUR 30,000 for the Fund.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.25 per cent of the Net Asset Value of the Fund.

Fees and Expenses of the Manager

The maximum of these fees and expenses will be 0.01 per cent of the Net Asset Value of the Fund.

Fees and Expenses of the Investment Manager

The maximum of these fees and expenses will be 0.20 per cent of the Net Asset Value of the Fund.

Fees and Expenses of the Administrator and Depositary

The maximum of these fees and expenses will be 0.04 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.



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The maximum of these fees and expenses will be 0.05 per cent of the Net Asset Value of the Fund and is part of the maximum total fees and expenses for the Fund.

**Master Fund Anti-Dilution Levy**

While the Fund's investment in the Master Fund may not be subject to a preliminary charge or a repurchase charge at the Master Fund level, an anti-dilution levy may be applied by the Master Fund to its investors, including the Fund.

An anti-dilution levy will typically be applied by the Master Fund on any Dealing Day where there are net subscriptions and/or net redemptions, in order to cover any duties, charges and dealing costs in the various markets and to preserve the value of the underlying Assets of the Master Fund.

The application of an anti-dilution levy to an investment by the Fund in the Master Fund will contribute to the potential for a performance divergence between the Fund and the Master Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time but is part of the maximum total fees and expenses for the Fund.

**Annex - Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

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

**Product name:** NTCM World Low Carbon Plus Equity Index FGR Feeder Fund (the "Fund")

**Legal entity identifier**: 635400D9UKNBKDIIRP73

# Environmental and/or social characteristics

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

☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: ___%

☒ **No**

☐ 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 sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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?

The Fund promotes environmental and social characteristics through its investment in the Master Fund which tracks the risk and return characteristics of the Index which has been designated as a reference benchmark by the Master Fund.

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

- reducing carbon reserves and emissions versus the Parent Index aiming to reduce the weighted average greenhouse gas intensity relative to the MSCI World Index (the "Parent Index") by 60% and reduce the weighted average greenhouse gas ("GHG") intensity by 7% on an annualised basis;

- avoidance of companies with evidence of owning proven and probable coal reserves and/or proven oil and natural gas reserves used for energy purposes;

- avoidance of companies involved in thermal coal mining (not including metallurgical coal) and thermal coal based power generation;

- avoidance of companies generating a specified level of revenue from fossil fuel based power generation; and

- avoidance of companies investment in unconventional oil and gas exploration.

The Fund promotes the following other environmental characteristics:

- avoiding investments in nuclear power.

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

- avoiding specific investment in business activities with adverse health and social impacts including tobacco, adult entertainment, gambling, alcohol, genetically modified organisms, nuclear weapons, civilian firearms, controversial weapons, aggregate weapons; and

- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

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

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

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- Scope 1 and Scope 2 carbon emissions intensity;

- MSCI ESG Controversies Score;

- MSCI ESG Ratings;

- MSCI SDG Net Alignment Score;

- Specific revenue thresholds regarding tobacco, nuclear weapons, civilian firearms, aggregate weapons, for-profit prisons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal-based power generation; and

- Any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons).

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

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

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Fund will not make any sustainable investments.

The intended objectives of the sustainable investments of the Master Fund are to positively contribute towards environmental and social objectives such as avoiding adverse business activities or human rights violations. An investee company must promote good governance practices without causing significant adverse impact through its product and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' (DNSH) to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

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

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

In addition to the DNSH test detailed in the previous response, the Master Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;
- excluding certain companies from the Parent Index not considered to meet ESG characteristics;
- excluding certain companies with exposure to carbon;
- increasing exposure, when compared to the Parent Index, to companies that positively contribute to sustainable products and services.

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring. For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm.

Examples include avoidance of controversial weapons and human rights violations, reducing carbon footprint and exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund will not make any sustainable investments.

The Master Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- OECD Guidelines for Multinational Enterprises; and
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly. Companies are required to have an MSCI Controversies Score of 1 or above to be eligible for inclusion in the index, in relation to its operations, products and services.

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

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

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

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

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

**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.

☒ Yes

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

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

- GHG emissions (Scope 1 and Scope 2);
- Carbon footprint;
- GHG intensity;
- Exposure to companies active in the fossil fuels sector;
- Violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and
- exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Investment Manager's direct engagement, the Fund aims to encourage investee companies to improve their ESG practices and disclosures. The Fund follows ISS SRI voting policy

☐ No

## What investment strategy does this financial product follow?

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

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

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

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following are the investment strategy's binding elements used to promote the environmental and social characteristics. These elements form part of the Index design and are coded by MSCI as part of the Index methodology construction.

The application of the following exclusions by the Master Fund seeks to attain the environmental and social characteristics promoted by the Fund through its investment in the Master Fund to:

(a) exclude companies that have an ESG controversy score of 0. Controversies cover the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;

(b) exclude all companies with any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons);

(c) exclude companies that derive 5% or more aggregate revenue from the production and distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use; or companies classified as "producer" of firearms and small arms ammunitions for civilian markets. It does not include companies that cater to the military, government, and law enforcement markets;

(d) exclude companies that manufacture nuclear weapons and components;

(e) exclude companies classified as a tobacco 'producer' or that derive 5% or more aggregate revenue from the production, distribution, retail, supply and licensing of tobacco-related products;

(f) exclude companies deriving 5% or more revenue from the production of adult entertainment materials, or companies deriving 15% or more aggregate revenue from the production, distribution and retail of adult entertainment materials;

(g) exclude companies deriving 5% or more revenue from the production of alcohol-related products, or companies deriving 15% or more aggregate revenue from the production, distribution, retail and supply of alcohol-related products;

(h) exclude companies deriving 5% or more revenue from the production of conventional weapons and components or companies deriving 15% or more aggregate revenue from weapons systems, components, and support systems and services;

(i) exclude companies that derive 5% or more revenue from ownership of operation of gambling- related business activities; or companies deriving 15% or more aggregate revenue from gambling-related business activities;

(j) exclude companies deriving 5% or more revenue from activities like genetically modifying plants, such as seeds and crops, and other organisms intended for agricultural use or human consumption;

(k) exclude companies generating 5% or more of their total electricity from nuclear power in a given year; companies that have 5% or more of installed capacity attributed to nuclear sources in a given fiscal year; companies deriving 15% or more aggregate revenue from nuclear power activities;

(l) exclude companies with evidence of owning proven and probable coal reserves and/or proven oil and natural gas reserves used for energy purposes;

(m) exclude companies deriving any revenue from thermal coal mining or unconventional oil and gas extraction;

(n) exclude all companies deriving 5% or more revenue from Arctic oil and gas production;

(o) exclude companies deriving 5% or more revenue from thermal coal- based power generation;

(p) exclude companies that derive 1% of revenue or more from the mining and sale of thermal coal;

(q) exclude companies that derive 10% or more revenue from oil and gas production, refining, distribution or transportation;

(r) exclude companies that derive 50% or more aggregate revenue from thermal coal, oil (liquid fuel), and/or natural gas-based power generation;

(s) exclude companies deriving 5% or more revenue from the production of palm oil; and

(t) include only companies that have a minimum ESG rating of 'BB' and above relative to the standards and performance of their industry peers. In each GICs sector, using best in class approach, eligible securities are ranked and selected based on their ESG rating and ESG rating trends.

The next step is to reduce the carbon footprint at least 60% when compared to the Parent Index by excluding companies with higher carbon emissions subject to certain limits and reduce the weighted average GHG intensity by 7% on an annualised basis.

The index then tilts towards, i.e. increase exposure to; companies who are assessed to be aligned with specific SDGs through their products, services and operations. The targeted SGDs are SDG 3 (Good Health and Wealth Being), SDG 7 (Affordable and Clean Energy) SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

Finally, a concentration limit is applied by MSCI as a final check to ensure that the index is highly diversified.

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

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

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

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

The Fund does not commit to a minimum reduction rate.

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

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

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

Companies are required to have an MSCI Controversies Score of 1 or above.

The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;
- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives, and;
- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

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

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

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

The Master Fund intends to invest at least 90% of its net asset value in companies that are aligned with the environmental or social characteristics promoted by the Fund.

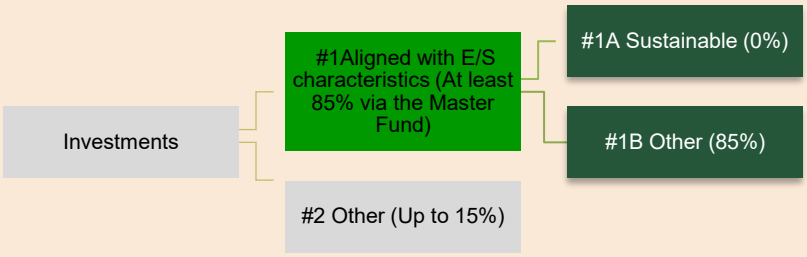
The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.

Taxonomy-aligned activities are expressed as a share of:

**turnover** reflecting the share of revenue from green activities of investee companies

**capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

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

  Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

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

  The Fund will not make any sustainable investments.

  The Master Fund invests at least 10% of its net asset value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

- **Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**[13]

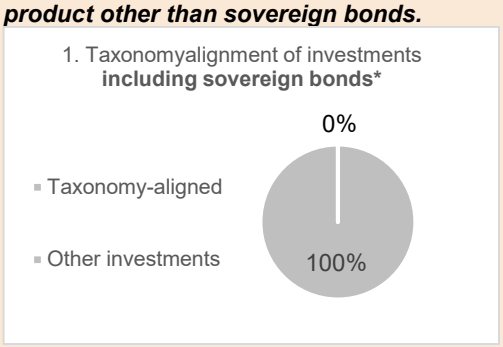
  No.

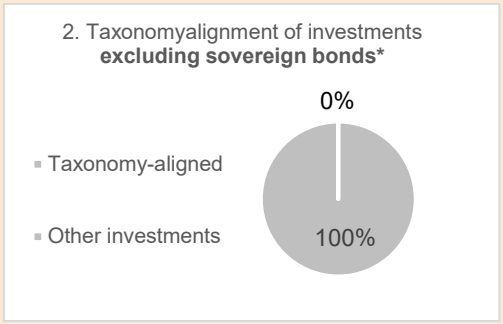
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**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.

[13] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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




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

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

Not applicable. The Fund will not make any investments in transitional and enabling activities.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0% of the Master Fund's sustainable investments commitment is expected to be aligned with the EU Taxonomy.

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

The Fund will not make any sustainable investments.

The Master Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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

Derivatives and cash are the only two investment types categorised as 'other' and no other minimum environmental or social safeguards are applied.

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

- Cash and cash equivalents or money market instruments: The Fund may invest in Cash and cash equivalents or money market instruments.
- Derivatives: The Master Fund product may use derivatives only for managing broad market exposure.

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

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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

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

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

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

  The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

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

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

  Alignment of the investment strategy with the methodology is achieved on a continuous basis through the Master Fund tracking the Index which incorporates the various binding elements within the set tracking error tolerance and outlined in the Index Tracking Strategy section of this Supplement.

  In addition, the investment guidelines and restrictions are coded in the Investment Manager's order management system to enable pre and post-trade monitoring.

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

  The custom Index differs from the Parent Index due to the ESG screening and tilts described in earlier responses.

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

  The methodology used for the Index can be found here.

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

More product specific information regarding the Fund can be found here.

# SUPPLEMENT XV

# NTCM EMERGING MARKETS PLUS EQUITY INDEX FGR FUND

This Supplement contains specific information in relation to the NTCM Emerging Markets Plus Equity Index FGR Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

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

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return characteristics of the MSCI Emerging Markets Selection Low Carbon Plus G-Series Index (the "**Index**") with net dividends reinvested. Any change of investment objective of the Fund shall only be made with the prior approval of the Unitholders.

### 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 Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of 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 in countries comprised within the Index, details of which are set out under the heading "**Index Description**" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "**Index Description**". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders.

The Fund operates an index tracking/replication strategy as further set out in the section "**Index Tracking Strategy**" below. The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

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

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

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 1% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

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

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

Foreign exchange rates may be more volatile in certain emerging markets when compared to developed markets and therefore can have a bigger impact on trading costs. Therefore, an increased dilution levy may apply to the costs of trading investor flows to take into account these potentially higher costs which may contribute to a higher tracking error.

In order to access Equity and Equity Related Securities issued by companies or linked to companies located in China or listed/traded on stock exchanges in China, the Fund may trade through the Shanghai and Shenzhen Stock Connect programs.

**Index Description**

The starting universe for the Index is the MSCI Emerging Markets Index (the "**Parent Index**").

The Parent Index is designed to measure the equity market performance of emerging markets and captures large and mid-cap issuers as determined by MSCI.

The Index is calculated and screened by MSCI based on predetermined and objective ESG criteria which (i) excludes certain companies from the Parent Index which are not considered to meet sustainability principles considering business involvement and ESG controversy screening criteria, as further detailed in the Annex, (ii) use best in class approach to increase exposure, when compared to the Parent Index, (iii) excludes companies with exposure to carbon emissions and reserves, fossil fuels, and nuclear power above thresholds specified within the Annex, and, (iv) tilts towards companies whose products and operations are aligned with specified UN Sustainable Development Goals ("**SDG**").

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

The Index is reviewed annually for any necessary rebalancing.

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

https://www.msci.com/index/methodology/latest/EMSelPlusG Series

and https://www.msci.com/constituents.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

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

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

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled "Collateral Policy" for further details.

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

## 2 INVESTMENT RESTRICTIONS

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

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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.

## 5 RISK FACTORS

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

The Fund may trade through the Shanghai and Shenzhen Stock Connect programs. Therefore, please refer to the section entitled "Stock Connect Risks" within the "Risk Factors" section of the Prospectus for more details on associated risks.

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

### Classes of Units Available

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

Classes A (Euro) and B (Euro) are only available to investors who have agreed specific terms of business with the Manager.

**Currency Hedged Unit Classes**

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

**Currencies Available**

Each of the above referenced Unit Classes is available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

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

**Initial Offer Period**

The Initial Offer Period in relation Unit Class B EUR has closed.

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 6 May 2022 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour



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to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 1pm Dutch time on the Business Day immediately preceding the each Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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

**Minimum Initial Investment Amount**

There is no Minimum Initial Investment Amount.

**Minimum Additional Investment**

There is no Minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund a Redemption Charge of up to two (2) per cent of the Net Asset Value per Unit payable to the Manager or its relevant distributor.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 1 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below. For the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

**Incorporation Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses are not expected to exceed €30,000.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.6 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of any other fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Annex - 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**: NTCM Emerging Markets Plus Equity Index FGR Fund (the "**Fund**")
**Legal entity identifier**: 635400POBPHKPI7BFX72

**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

# Environmental and/or social characteristics

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

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective**: ___% | ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective**: ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

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

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

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

- reducing carbon reserves and emissions versus the Parent Index aiming to reduce the weighted average greenhouse gas intensity relative to the MSCI Emerging Markets Index (the "Parent Index") by 60% and reduce the weighted average greenhouse gas ("GHG") intensity by 7% on an annualised basis;
- avoidance of companies with evidence of owning proven and probable coal reserves and/or proven oil and natural gas reserves used for energy purposes;
- avoidance of companies investment in thermal coal mining (not including metallurgical coal);
- avoidance of companies investment in unconventional oil and gas exploration and Arctic oil and gas;
- avoidance of companies generating a specified level of revenue from fossil fuel based power generation;
- avoidance of companies investment in unconventional oil and gas exploration; and
- avoidance of companies generating specified revenue from the production, refining, distribution or transportation of oil and gas.

The Fund promotes the following other environmental characteristics:

- avoiding investments in nuclear power.

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

- avoiding specific investment in business activities with adverse health and social impacts including tobacco, adult entertainment, gambling, alcohol, genetically modified organisms, nuclear weapons, civilian firearms, controversial weapons, aggregate weapons; and
- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

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

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

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- Scope 1 and Scope 2 carbon emissions intensity (t/USD million sales);
- MSCI ESG Controversies score;
- MSCI ESG Ratings;
- MSCI SDG Net Alignment Score; and
- Specific revenue thresholds regarding tobacco, adult entertainment, gambling, alcohol, genetically modified organisms, nuclear weapons, civilian firearms, controversial weapons, aggregate weapons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal based power generation, and nuclear power.

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

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

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The intended objectives of the sustainable investments of the Fund are to positively contribute towards environmental and social objectives such as reducing carbon emissions and avoiding adverse business activities or human rights violations.

An investee company must promote good governance practices without causing significant adverse impact through its product and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' (DNSH) to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where

the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

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

In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;
- excluding certain companies from the Parent Index not considered to meet ESG characteristics;
- excluding certain companies with exposure to carbon;
- increasing exposure, when compared to the Parent Index, to companies that positively contribute to sustainable products and services.

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring. For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm.

Examples include avoidance of controversial weapons and human rights violations, reducing carbon footprint and exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises and;
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

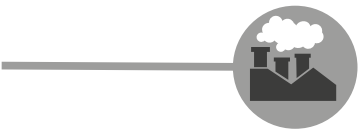
The implementation of these exclusions is quarterly. Companies are required to have an MSCI Controversies Score of 1 or above to be eligible for inclusion in relation to its operations, products and services.

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

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

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

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



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

**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.

✖ Yes.

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

- GHG emissions (Scope 1 and Scope 2);
- Carbon footprint;
- GHG intensity;
- Exposure to companies active in the fossil fuels sector;
- Violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and
- exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Investment Manager's direct engagement, the Fund aims to encourage investee companies to improve their ESG practices and disclosures. The Fund follows ISS SRI voting policy.

☐ No

## What investment strategy does this financial product follow?

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

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

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following are the binding elements of the investment strategy that are used to promote the environmental and social characteristics. These elements form part of the index design and are coded by MSCI as part of the Index methodology construction. The application of the following screens and tilts seeks to attain the environmental and social characteristics promoted by the Fund to:

- exclude companies that have an ESG controversy score of 0. Controversies cover the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;
- exclude companies with any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons);
- exclude companies that derive 5% or more aggregate revenue from the production and distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use; or companies classified as "producer" of firearms and small arms ammunitions for civilian markets. It does not include companies that cater to the military, government, and law enforcement markets;
- exclude companies that manufacture nuclear weapons and components;
- exclude companies classified as a tobacco 'producer' or that derive 5% or more aggregate revenue from the production, distribution, retail, supply and licensing of tobacco-related products;
- exclude companies deriving 5% or more revenue from the production of adult entertainment materials, or companies deriving 15% or more aggregate revenue from the production, distribution and retail of adult entertainment materials;
- exclude companies deriving 5% or more revenue from the production of alcohol-related products, or companies deriving 15% or more aggregate revenue from the production, distribution, retail and supply of alcohol-related products;
- exclude companies deriving 5% or more revenue from the production of conventional weapons and components or companies deriving 15% or more aggregate revenue from weapons systems, components, and support systems and services;
- exclude companies that derive 5% or more revenue from ownership of operation of gambling- related business activities; or companies deriving 15% or more aggregate revenue from gambling-related business activities;
- exclude companies deriving 5% or more revenue from activities like genetically modifying plants, such as seeds and crops, and other organisms intended for agricultural use or human consumption;

- exclude companies generating 5% or more of their total electricity from nuclear power in a given year; companies that have 5% or more of installed capacity attributed to nuclear sources in a given fiscal year; companies deriving 15% or more aggregate revenue from nuclear power activities;
- exclude companies with evidence of owning proven and probable coal reserves and/or proven oil and natural gas reserves used for energy purposes;
- exclude companies deriving any revenue (either reported or estimated) from thermal coal mining or unconventional oil and gas extraction;
- exclude all companies deriving any revenue from Arctic oil and gas production;
- exclude companies deriving 5% or more revenue (either reported or estimated) from thermal coal- based power generation.
- exclude companies that derive 10% or more revenue from oil and gas production, refining, distribution or transportation;
- exclude all companies with evidence of involvement in thermal coal distribution or transport involvement;
- exclude companies that derive 50% or more aggregate revenue from thermal coal, oil (liquid fuel), and/or natural gas based power generation;
- exclude companies deriving 5% or more revenue from the production of palm oil;
- include companies that have a minimum ESG rating of at least 'BB' relative to the standards and performance of their industry peers,

In each GICs sector, eligible securities are ranked and selected based on their ESG rating and ESG rating trends. The subsequent step is an optimisation which seeks to reduce carbon intensity (Scope 1 and Scope 2 / Sales) by 7% year-on-year, using a November 2019 baseline which is 60% lower than the parent index.

In addition, the index seeks to achieve an uplift on weighted average Sustainable Development Goal (SDG) alignment scores which measure company alignment through products, services and operations. The targeted SDGs are SDG 3 (Good Health and Wealth Being), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

Finally, a concentration limit is applied by MSCI as a final check to ensure that the index is highly diversified.

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

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

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

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

The Fund does not commit to a minimum reduction rate.

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

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

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

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

Companies are required to have an MSCI Controversies Score of 1 or above.

The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;
- **Corporate governance structure**s: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.
- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

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

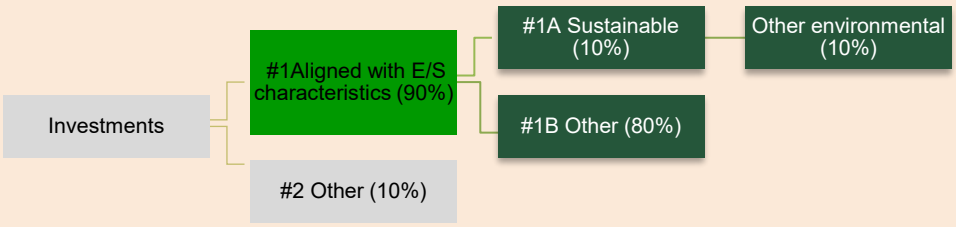
**Asset allocation** describes the share of investments in specific assets.

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

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

The "other" assets are expected to be for cash, and derivatives for hedging and other ancillary purposes.

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




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

  Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

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

The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with environmental objective aligned with the EU Taxonomy.

- ***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?*** [14]

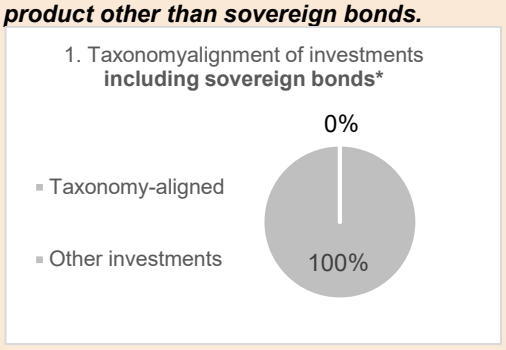
  No.

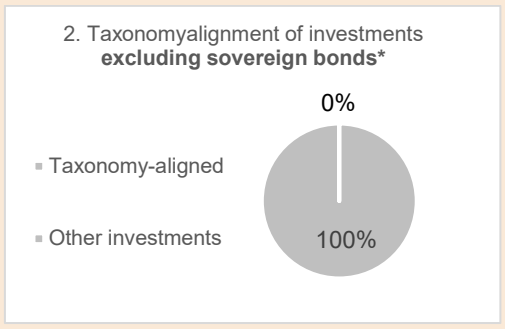
[14] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

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

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




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

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

Not applicable. The Fund will not make any investments in transitional and enabling activities.

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?

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

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

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied.

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

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.
- Derivatives: The Fund may use derivatives only for managing broad market exposure.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes, the Index has been designated as a reference benchmark.

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

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

  The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

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

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

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

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

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

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

The methodology used for the index can be found here.

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

More product specific information regarding the Fund can be found here.

## SUPPLEMENT XVI

## NTCM EMERGING MARKETS LOW CARBON PLUS EQUITY INDEX FGR FUND

This Supplement contains specific information in relation to the NTCM Emerging Markets Low Carbon Plus Equity Index FGR Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

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

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

### 1 INVESTMENT OBJECTIVE AND POLICIES

The investment objective of the Fund is to closely match the risk and return characteristics of the MSCI Emerging Markets Selection Low Carbon Plus G Series Index (the "**Index**") with net dividends reinvested. Any change of investment objective of the Fund shall only be made with the prior approval of the Unitholders.

**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 Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of 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 in countries comprised within the Index, details of which are set out under the heading "Index Description" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "**Index Description**". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such

time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders

The Fund operates an index tracking/replication strategy as further set out in the section "**Index Tracking Strategy**" below. The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

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

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

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 1% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

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

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

Foreign exchange rates may be more volatile in certain emerging markets when compared to developed markets and therefore can have a bigger impact on trading costs. Therefore, an increased dilution levy may apply to the costs of trading investor flows to take into account these potentially higher costs which may contribute to a higher tracking error.

In order to access Equity and Equity Related Securities issued by companies or linked to companies located in China or listed/traded on stock exchanges in China, the Fund may trade through the Shanghai and Shenzhen Stock Connect programs.

**Index Description**

The starting universe for the Index is the MSCI Emerging Markets Index (the "**Parent Index**").

The Parent Index is designed to measure the equity market performance of emerging markets and captures large and mid-cap issuers as determined by MSCI.

The Index is calculated and screened by MSCI based on predetermined and objective ESG criteria which (i) excludes certain companies from the Parent Index which are not considered to meet sustainability principles considering business involvement and ESG controversy screening criteria, as further detailed in the Annex, (ii) use best in class approach to increase exposure, when compared to the Parent Index, (iii) excludes companies with exposure to carbon emissions and reserves, fossil fuels, and nuclear power above thresholds specified within the Annex, and, (iv) tilts towards companies whose products and operations are aligned with specified UN Sustainable Development Goals ("**SDG**").

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

The Index is reviewed semi-annually for any necessary rebalancing.

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

https://www.msci.com/index/methodology/latest/EMSelLCPlusGSeries

and https://www.msci.com/constituents

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 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 and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash equity position.

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 use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

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

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

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled "Collateral Policy" for further details

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

## 2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in the "**Investment Restrictions**" section of the Prospectus apply to the Fund.

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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.

## 5 RISK FACTORS

The general risk factors as set out in the "**Risk Factors**" section of the Prospectus apply to the Fund.

The Fund may trade through the Shanghai and Shenzhen Stock Connect programs. Therefore, please refer to the section entitled "Stock Connect Risks" within the "Risk Factors" section of the Prospectus for more details on associated risks.

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

### Classes of Units Available

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

Classes A (Euro) and B (Euro) and Class A (STG) and B (STG) are only available to investors who have agreed specific terms of business with the Manager.

### Currency Hedged Unit Classes

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

### Currencies Available

Each of the above referenced Unit Classes is available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

### Base Currency

Euro

### Initial Issue Price

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

### Anti-Dilution Levy

The Directors or the Manager (or their duly appointed delegate) may impose a swing pricing adjustment as further detailed in the section of the Prospectus entitled "**Anti-Dilution Levy**".

### Initial Offer Period

The Initial Offer Period in relation to Unit Class A EUR, Unit Class B EUR, Unit Class A GBP and Unit Class B GBP has closed.



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The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 6 May 2022 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 1pm Dutch time on the Business Day immediately preceding the each Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no Minimum Initial Investment Amount.

**Minimum Additional Investment**

There is no Minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund a Redemption Charge of up to two (2) per cent of the Net Asset Value per Unit payable to the Manager or its relevant distributor.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 1 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below. For the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

**Incorporation Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses are not expected to exceed €30,000.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.6 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of any other fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Annex - 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**: NTCM Emerging Markets Low Carbon Plus Equity Index FGR Fund (the "**Fund**")
**Legal entity identifier**: 6354005BDOZ6MTUKXT89

**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.

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective**: ___% | ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective**: ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental and social characteristics through tracking the risk and return characteristics of the Index which has been designated as a reference benchmark.

The Fund promotes the following environmental characteristics related to climate change:

- reducing carbon reserves and emissions versus the Parent Index aiming to reduce the weighted average greenhouse gas intensity relative to the MSCI Emerging Markets Index (the "Parent Index") by 60% and reduce the weighted average greenhouse gas ("GHG") intensity by 7% on an annualised basis;
- avoidance of companies with evidence of owning proven and probable coal reserves and/or proven oil and natural gas reserves used for energy purposes;
- avoidance of companies involved in thermal coal mining (not including metallurgical coal) and unconventional oil and gas exploration and Artic oil and gas;
- avoidance of companies generating a specified level of revenue from fossil fuel based power generation;
- avoidance of companies investment in unconventional oil and gas exploration; and
- avoidance of companies generating specified revenue from the production, refining, distribution or transportation of oil and gas.

The Fund promotes the following other environmental characteristics:

- avoiding investments in nuclear power.

The Fund promotes the following social characteristics related to social norms and conventions:

- avoiding specific investment in business activities with adverse health and social impacts including tobacco, adult entertainment, gambling, alcohol, genetically modified organisms, nuclear weapons, civilian firearms, controversial weapons, aggregate weapons; and
- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- Scope 1 and Scope 2 carbon emissions intensity;
- MSCI ESG Controversies score;
- MSCI ESG Ratings;
- MSCI SDG Net Alignment Score; and
- Specific revenue thresholds regarding tobacco, adult entertainment, gambling, alcohol, genetically modified organisms, nuclear weapons, civilian firearms, controversial weapons, aggregate weapons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal based power generation, nuclear power.

Please also refer to the response below on binding elements of the investment strategy that form part of the Index design and are coded by MSCI as part of the Index methodology construction.

Further information on the methodology and specific thresholds of the Index can be found here.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The intended objectives of the sustainable investments of the Fund are to positively contribute towards environmental and social objectives such as reducing carbon emissions and avoiding adverse business activities or human rights violations.

An investee company must promote good governance practices without causing significant adverse impact through its product and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' (DNSH) to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;
- excluding certain companies from the Parent Index not considered to meet ESG characteristics;
- excluding certain companies with exposure to carbon;
- increasing exposure, when compared to the Parent Index, to companies that positively contribute to sustainable products and services.

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring. For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm.

Examples include avoidance of controversial weapons and human rights violations, reducing carbon footprint and exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises and;



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- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly. Companies are required to have an MSCI Controversies Score of 1 or above to be eligible for inclusion in the index in relation to its operations, products and services.

*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?

**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.

✖ Yes

The Fund considers as part of the investment strategy, the following principal adverse impact (PAI) indicators in Annex 1, Table 1 of the RTS:

- GHG emissions (Scope 1 and Scope 2);
- Carbon footprint;
- GHG intensity;
- Exposure to companies active in the fossil fuels sector;
- Violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and
- exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Investment Manager's direct engagement, the Fund aims to encourage investee companies to improve their ESG practices and disclosures. The Fund follows ISS SRI voting policy.

☐ No

## What investment strategy does this financial product follow?

The Fund has an Index tracking strategy whereby it seeks to track the risk and return characteristics of the Index by investing directly in assets that are Index constituents

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following are the binding elements of the investment strategy that are used to promote the environmental and social characteristics. These elements form part of the index design and are coded by MSCI as part of the Index methodology construction. The application of the following screens and tilts seeks to attain the environmental and social characteristics promoted by the Fund to:

- exclude companies that have an ESG controversy score of 0. Controversies cover the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;
- exclude all companies with any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons);
- exclude companies that derive 5% or more aggregate revenue from the production and distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use; or companies classified as "producer" of firearms and small arms ammunitions for civilian markets. It does not include companies that cater to the military, government, and law enforcement markets;
- exclude companies that manufacture nuclear weapons and components;
- exclude companies classified as a tobacco 'producer' or that derive 5% or more aggregate revenue from the production, distribution, retail, supply and licensing of tobacco-related products;
- exclude companies deriving 5% or more revenue from the production of adult entertainment materials, or companies deriving 15% or more aggregate revenue from the production, distribution and retail of adult entertainment materials;
- exclude companies deriving 5% or more revenue from the production of alcohol-related products, or companies deriving 15% or more aggregate revenue from the production, distribution, retail and supply of alcohol-related products;
- exclude companies deriving 5% or more revenue from the production of conventional weapons and components or companies deriving 15% or more aggregate revenue from weapons systems, components, and support systems and services;
- exclude companies that derive 5% or more revenue from ownership of operation of gambling- related business activities; or companies deriving 15% or more aggregate revenue from gambling-related business activities;

- exclude companies deriving 5% or more revenue from activities like genetically modifying plants, such as seeds and crops, and other organisms intended for agricultural use or human consumption;

- exclude companies generating 5% or more of their total electricity from nuclear power in a given year; companies that have 5% or more of installed capacity attributed to nuclear sources in a given fiscal year; companies deriving 15% or more aggregate revenue from nuclear power activities;

- exclude companies with evidence of owning proven and probable coal reserves and/or proven oil and natural gas reserves used for energy purposes;

- exclude companies deriving any revenue from thermal coal mining or unconventional oil and gas extraction;

- exclude all companies deriving any revenue from Arctic oil and gas production;

- exclude companies deriving 5% or more revenue (either reported or estimated) from thermal coal- based power generation.

- exclude companies that derive 10% or more revenue from oil and gas production, refining, distribution or transportation;

- exclude all companies with evidence of involvement in thermal coal distribution or transport involvement;

- exclude companies that derive 50% or more aggregate revenue from thermal coal, oil (liquid fuel), and/or natural gas-based power generation;

- exclude companies deriving 5% or more revenue from the production of palm oil; and

- include only companies that have a minimum ESG rating of 'BB' and above relative to the standards and performance of their industry peers.

In each GICs sector, eligible securities are ranked and selected based on their ESG rating and ESG rating trends. The subsequent step is an optimisation which seeks to reduce carbon intensity (Scope 1 and Scope 2 / Sales) by 7% year-on-year, using a November 2019 baseline which is 60% lower than the parent index.

In addition, the index seeks to achieve an uplift on weighted average Sustainable Development Goal (SDG) alignment scores which measure company alignment through products, services and operations. The targeted SDGs are SDG 3 (Good Health and Wealth Being), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

Finally a concentration limit is applied by MSCI as a final check to ensure that the index is highly diversified.



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These binding elements are non-exhaustive and subject to change.

Further information on the methodology and specific thresholds of the Index can be found here. Further information on the exclusions list and specific thresholds can be found here.

The Investment Manager shall also ensure that any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not commit to a minimum reduction rate.

While the investment universe of the Parent Index is reduced as a result of the application of ESG exclusions and tilting rules, the Fund does not commit to a minimum reduction rate. As such, the reduction of the universe may be subject to change.

***What is the policy to assess good governance practices of the investee companies?***

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

Companies are required to have an MSCI Controversies Score of 1 or above.

The following indicators are used:

- **Bribery and fraud: issues** such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

## What is the asset allocation planned for this financial product?

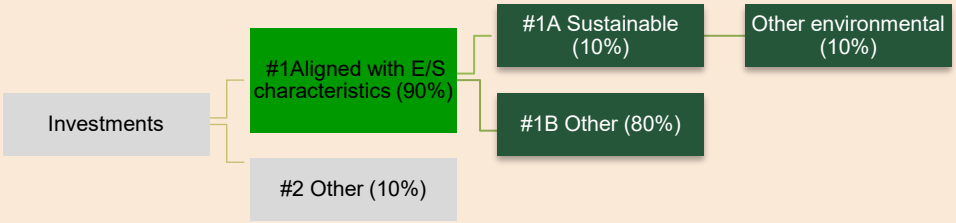
**Asset allocation** describes the share of investments in specific assets.

The Fund intends to invest at least 90% of its Net Asset Value in companies that are aligned with the environmental or social characteristics promoted by the Fund.

Of this, a minimum of 10% of its Net Asset Value will be invested in sustainable investments with an environmental objective.

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

  Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with environmental objective aligned with the EU Taxonomy.

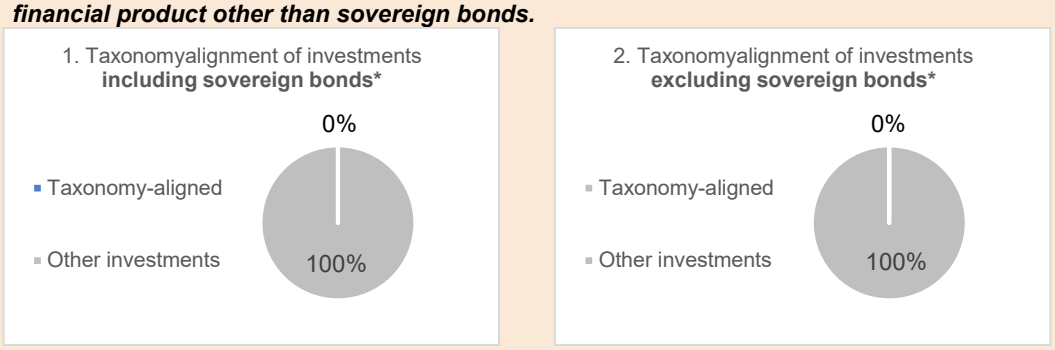
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**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.

- ***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?[15]***

No.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




* ***For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures***

- ***What is the minimum share of investments in transitional and enabling activities?***

Not applicable. The Fund will not make any investments in transitional and enabling activities.

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?

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

## What is the minimum share of socially sustainable investments?

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

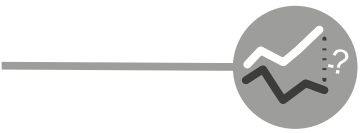
Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied.

[15] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Investments categorised as 'other' will be used for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.

- Derivatives: The Fund may use derivatives only for managing broad market exposure.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Yes, the Index has been designated as a reference benchmark.

***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

The Investment Manager evaluates the application of the binding elements through regular reviews to ensure that the Index continues to be aligned with each of the environmental or social characteristics promoted by the Fund.

***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

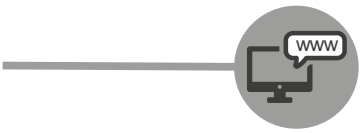
Alignment of the investment strategy with the methodology of the Index is achieved on a continuous basis through the Fund tracking the Index which incorporates the various binding elements, within the set tracking error tolerance and outlined in the Index Tracking Strategy section of this Supplement. In addition, investment guidelines and restrictions are coded in the Investment Manager's order management system to enable pre and post-trade monitoring.

***How does the designated index differ from a relevant broad market index?***

The Index differs from the Parent Index due to the application of the ESG screening and tilts described in earlier responses.

***Where can the methodology used for the calculation of the designated index be found?***

The methodology used for the Index can be found here.




## Where can I find more product specific information online?

More product specific information regarding the Fund can be found here.

# SUPPLEMENT XVII

# NT WORLD PAB PLUS EQUITY SELECT INDEX FGR FUND

This Supplement contains specific information in relation to the NT World PAB Plus Equity Select Index FGR Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return characteristics of the MSCI World PAB Plus Equity Select Index (the "**Index**") with net dividends reinvested.

### 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 Index.

"**Equity and Equity-Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of a Fund's Net Asset Value), convertible securities (such as convertible preference shares, share purchase rights and corporate bonds, convertible into common or preferred shares). Such Equity and Equity-Related Securities shall typically be listed on stock exchanges or Regulated Markets in countries comprised within the Index, details of which are set out below under the heading "Index Description" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity-Related Securities listed on markets elsewhere. The 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "**Index Description**". As the Fund is an index tracking

product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders.

The Fund is passively managed (i.e. its objective is to closely match the risk and return characteristics of the Index, with net dividends reinvested). The Fund operates an index tracking/replication strategy as further set out in the section entitled "**Index Tracking Strategy**" below. The Fund may invest in FDI for efficient portfolio management ("**EPM**") purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

The Fund operates an index tracking or physical replication strategy through investing directly in the Index constituents to replicate, to the extent possible, the composition of the Index by physically holding all the Index constituents in similar proportion to their weighting in the Index. Where direct investment is not achievable, direct substitutes for Index constituents, may be used.

It may not always be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to Unitholders (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Index, or in circumstances where a security in the Index becomes temporarily unavailable or less liquid, or as a result of legal restrictions that apply to the Fund but not to the Index). In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Index.

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 1% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

As the Fund does not pursue a synthetic index replication strategy, there is no associated counterparty risk.

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity-Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

**Index Description**

The Index is designed to meet the standards of the EU Paris Aligned Benchmark ("**PAB**"), aiming to reduce the weighted average greenhouse gas intensity relative to the MSCI World Index (the "**Parent Index**") by 50% and reduce the weighted average greenhouse gas ("GHG") intensity by 7% on an annualized basis. The Index additionally aims to reduce exposure to companies according to select indicators that are associated with adverse impact on natural resources, and to increase exposure to companies that are

associated with positive contribution to the environment through their products or services, or through their management of natural-capital related risks.

The starting universe for the Index corresponds with the Parent Index, the MSCI World Index, which includes large and mid-cap securities across developed market countries as determined by MSCI.

The eligible screened universe is constructed by excluding from the Index securities of companies based on exclusion criteria which are incorporated to align with the objectives detailed in the PAB and which are further supplemented pursuant to environmental, social and governance ("**ESG**"), ecosystem loss and water pollution criteria set out within the Annex.

The Index will also seek to tilt the screened universe by reweighting the Index constituents such that, compared to the Parent Index, there is a positive uplift:

i) in exposure to companies with revenues from clean technology themes, including alternative energy, energy efficiency, green building, pollution prevention and control, sustainable agriculture and water; and

ii) to those best-in-class companies, in sectors where land use and biodiversity, resource use and emissions, effluents and waste are material topics, based on their sector-relative management scores.

The exclusion lists and tilting rules, described in the Annex, are non-exhaustive and subject to change. Further details of the tilting rules can be navigated to from the following link: http://www.msci.com/index/methodology/latest/PABPlusSelCust.

The Index is reviewed semi-annually for any necessary rebalancing – typically in May and November – with the objective of reflecting change in the underlying equity markets in a timely manner, while minimising ex-ante tracking error relative to the Index and maximising replicability subject to climate and diversification objectives. Risk is controlled by applying a turnover constraint and limiting, relative to the Index, the weights of securities exposure by industry and country.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: http://www.msci.com/index/methodology/latest/PABPlusSelCust

and https://www.msci.com/constituents.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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: exchange traded futures and currency forwards (details of which are outlined below).

Exchange traded 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 and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash equity position.

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 of the Fund.

The Fund may use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

Warrants, share purchase rights and convertible securities may also be held for the purposes of EPM and traded or exercised when considered appropriate.

The Fund may also enter into certain currency related transactions in order to hedge exchange rate fluctuation risks between the denominated currencies of the Fund's assets and the designated currency of the relevant Class.

As a result of currency hedging, hedged Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled "**Credit Risk and Counterparty Risk**".

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled "**Collateral Policy**" for further details.

The use of FDI for the purposes outlined above may expose the Fund to the risks disclosed under the section of the Prospectus entitled "**Risk Factors**".

## 2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in the "**Investment Restrictions**" section of the Prospectus apply to the Fund.

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" above.

Global exposure and leverage as a result of the Fund's 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.

## 5 RISK FACTORS

The general risk factors as set out in the "**Risk Factors**" section of the Prospectus apply to the Fund.

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

The Investment Manager's main business activity is the provision of investment management services.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

**Classes of Units Available**

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the "**Taxable Classes of Units**") are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

**Currency Hedged Unit Classes**

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

**Currencies Available**

Each of the above referenced Unit Classes is available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

The Directors or the Manager (or their duly appointed delegate) may impose a swing pricing adjustment as further detailed in the section of the Prospectus entitled "**Anti-Dilution Levy**".



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**Initial Offer Period**

The Initial Offer Period in relation to Unit Class C EUR Hedged has closed

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 9 June 2023 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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 (except Saturday and Sunday) on which the banks in Ireland are open generally for business, or such other day as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Dutch time on the Business Day prior to the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no Minimum Initial Investment Amount.

**Minimum Additional Investment**

There is no Minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager will not apply a Redemption Charge.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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**

EUR 30 million.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 1 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below.

For the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

**Incorporation Fees and Expenses of the Fund**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

**Sub-Fund Establishment Fees and Expenses**

These fees and expenses are not estimated to exceed EUR 30,000.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.71 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.01 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.50 per cent of the Net Asset Value of the Fund.

*Fees and expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Annex - 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**: NT World PAB Plus Equity Select Index FGR Fund (the "Fund")
**Legal entity identifier**: 6354004AK7BHR8ILZN48

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☐ **Yes**

- ☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum of **sustainable investments with a social objective**: ___%

☒ **No**

- ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments
  - ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☒ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**

**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?

The Fund promotes environmental and social characteristics through tracking the risk and return characteristics of the MSCI World PAB Plus Equity Select Index (the "**Index**") which has been designated as a reference benchmark.

The Fund promotes the following environmental characteristics related to climate change:

- reduction of carbon emissions versus the Parent Index, with the Index being designed to meet the standards of the EU Paris Aligned Benchmark ("PAB"), aiming to reduce the weighted average greenhouse gas intensity relative to the MSCI World Index (the "Parent Index") by 50% and reduce the weighted average greenhouse gas ("GHG") intensity by 7% on an annualised basis.

The Fund promotes the following other environmental characteristics:

- reduction of exposure to companies according to select indicators that are associated with adverse impact on ecosystem and pollution criteria, and

- increasing exposure to companies that are associated with positive contribution to the environment through their products or services, upweighting companies with revenues from clean technology themes, including alternative energy, energy efficiency, green building, pollution prevention and control, sustainable agriculture and water; or through their management of natural-capital related risks, upweighting those best-in-class companies, in sectors where land use and biodiversity, resource use and emissions, effluents and waste are material topics based on their sector-relative management scores.

The Fund promotes the following social characteristics related to social norms and conventions:

- avoiding specific investment in business activities with adverse health and social impacts including gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, controversial weapons, conventional weapons, and for-profit prisons; and

- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

Please refer to the sustainability indicators stated below for further detail.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- Scope 1, 2 and 3 carbon emissions;

- MSCI Red Flag ESG Controversies, defined as Very Severe, Ongoing controversies that a company is directly involved in;
- Specific revenue thresholds regarding gambling, adult entertainment, tobacco, civilian firearms, for-profit prisons, unconventional oil and gas, arctic oil, thermal coal mining, thermal coal power, controversial and conventional weapons, palm oil;
- Revenues from clean technology themes, including alternative energy, energy efficiency, green building, pollution prevention and control, sustainable agriculture and water;
- Raw material sourcing score industry quartile;
- Water stress score industry quartile; and
- Low Carbon Transition (LCT) Management Score, which assesses current and potential exposure to transition risks and opportunities through companies' operations and business model.

This is not an exhaustive list and is subject to change.

Please also refer to the response below regarding binding elements of the investment strategy for further details of the sustainability indicators, including the thresholds applied.

Further information on the methodology and specific thresholds of the Index may be found here.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  The intended objectives of the sustainable investments of the Fund are to positively contribute towards the environmental and social objectives such as reducing carbon emissions and avoiding adverse business activities or human rights violations. An investee company must promote good governance practices without causing significant adverse impact through its products and services.

  An investee company is assessed as a sustainable investment using the Index methodology: here.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  In order to deem an investment a sustainable investment, the investee company must 'do no Significant Harm' (DNSH) to the environment or to society through its product and services.

  The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

  The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of

SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which the Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment where it:

(i) does not breach the PAI threshold as set by the Investment Manager;

(ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and

(iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy to track the Index, which seeks to exclude companies that:

- Are found to be directly involved in violation of international norms;
- Are not considered to meet ESG characteristics;
- 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;
- Derive revenue from the production or distribution of palm oil;
- Have a low raw material sourcing score in the bottom industry quartile;
- Have a water stress score in the bottom industry quartile.

This list may not be exhaustive, and these criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm. Examples include avoidance of controversial weapons and human rights violations, reducing carbon footprint and exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Index applies ESG screening criteria 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.

The implementation of these exclusions takes place semi-annually and is based on any investee company being directly involved in very severe and ongoing controversies in relation to its operations, products and services.

In practice, this means that all investee companies 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?

**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.

✖ Yes, the Product considers (as part of its investment strategy) the following Principal Adverse Impacts ("**PAI**") indicators in Table 1 of Annex 1 of the SFDR Regulatory Technical Standards ("**SFDR RTS**"):

- Greenhouse Gas (GHG) emissions (Scope 1, 2 and 3);
- Carbon footprint and GHG intensity of investee companies;
- Exposure to companies active in the fossil fuel sector;
- Violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Investment Manager's direct engagement and voting, the Fund aims to encourage investee companies to improve their ESG practices and disclosures.

No

## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund uses a passive strategy whereby it seeks to track the risk and return characteristics of the Index - the MSCI World PAB Plus Equity Select Index – by investing directly in securities that are Index constituents.

The Index is designed to meet the standards of the EU PAB, and additionally aims to reduce exposure to companies according to select indicators that are associated with adverse impact on natural resources, and to increase exposure to companies that are associated with positive contribution to the environment through their products or services, or through their management of natural-capital related risks.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following are the binding elements of the investment strategy, applied as part of the Index methodology construction by MSCI, that are used to promote the environmental and social characteristics promoted by the Fund.

Companies are excluded from the Index according to environmental, social and governance ("**ESG**") criteria, including:

- companies which cause environmental harm, meaning all companies which have faced controversies classified as "very severe" and "severe" pertaining to environmental issues;
- companies that are in breach of the UN's Global Compact Ten Principles due to being involved in controversies classified as "very severe" in the areas of Environment, Human Rights & Community, Labour Rights & Supply Chain, or Governance;
- companies deriving 5% or more revenue from gambling-related business activities;
- companies deriving 5% or more revenue from adult entertainment-related business activities;
- companies that derive any revenue from the production of tobacco, or those deriving 5% or more revenue from the distribution or retail of tobacco products, or those deriving 5% or more revenue from the supply of key products to the tobacco industry;
- 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 1% of revenue or more from the mining and sale of thermal coal;

- companies that derive 50% or more aggregate revenue from thermal coal, oil (liquid fuel), and/or natural gas-based power generation;

- companies that derive 10% or more revenue from thermal coal-based power generation

- companies that derive more than 5% revenue from thermal coal-based power generation and have transition risk preparedness or carbon management that is considered weak, i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management score quartiles;

- companies that derive 10% or more revenue from oil and gas production, refining, distribution or transportation;

- companies that derive (a) 50% or more revenue from unconventional oil and gas (oil sands, oil shale, shale gas, shale oil, coal bed methane and coal seam gas), or (b) between 5% and 50% revenue from these sources and have transition risk preparedness or carbon management that is considered weak, i.e. with an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

- companies that derive (a) 50% or more revenue from Arctic oil or (b) between 1% and 50% revenue from this source and have transition risk preparedness or carbon management that is considered weak, i.e., with an MSCI LCT Management score of 4 or below, or a score in the bottom two LCT Management score quartiles; and

- companies that derive 5% or more of their total annual revenues from activities related to for-profit prisons.

The Index also excludes companies linked to ecosystem loss and water pollution as per the following criteria:

- companies with an environment pillar controversy score of 1 or lower;

- companies that derive 5% or more of revenues from production or distribution of palm oil and less than 50% of their palm holdings are certified by the Roundtable on Sustainable Palm Oil;

- companies with a raw material sourcing score in the bottom industry quartile for material issues with a score in the bottom raw material sourcing quartile;

- companies with a water stress score (which considers consumption and intensity) in the bottom industry quartile for material issues, excepting those which are water utilities; and

- companies which score as "strongly mis-aligned" to SDG 14 (Life below Water) or to SDG 15 (Life on Land), and those which score as "mis-aligned" where they

derive less than 20% green revenue, being cumulative revenue derived from clean technology themes including alternative energy, energy efficiency, green building, pollution prevention, sustainable water, or sustainable agriculture.

The Index will also seek to tilt the screened universe by reweighting the Index constituents such that, compared to the Parent Index:

- there is a positive uplift in exposure to companies with revenues from clean technology themes, including alternative energy, energy efficiency, green building, pollution prevention and control, sustainable agriculture and water; and

- there is a positive uplift in exposure to best-in-class companies, in sectors where land use and biodiversity, resource use and emissions, effluents and waste are material topics, based on their sector-relative management scores.

MSCI ESG Research revenue estimates are utilised for all revenue-based exclusions.

These exclusion lists and tilting rules are non-exhaustive and subject to change.

Further details of the Index methodology and specific thresholds can be found here.

***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.

***What is the policy to assess good governance practices of the investee companies?***

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

An assessment of good governance of investee companies of the Product forms a foundational part of the ESG screening criteria applied to the Parent Index. The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

A very severe, ongoing controversy directly implicates a company through its operations, products and services and will result in that company's exclusion from the Index. The following indicators are used:

- **Bribery and fraud: issues** such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.



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- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

## What is the asset allocation planned for this financial product?

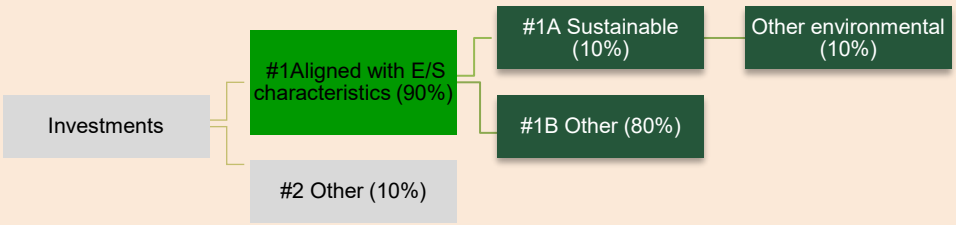
**Asset allocation** describes the share of investments in specific assets.

The Fund intends to be at least 90% invested in companies that are aligned with the environmental and social characteristics promoted by the Fund.

Of this, a minimum of 10% of its Net Asset Value will be invested in sustainable investments with an environmental objective.

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

  The Fund 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?

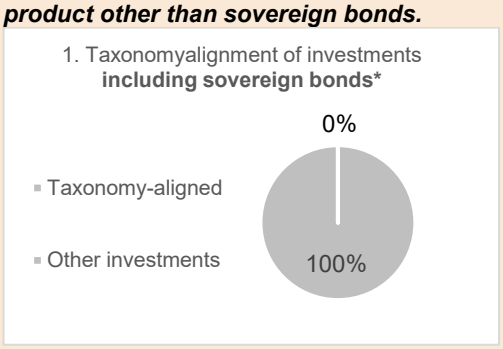
The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

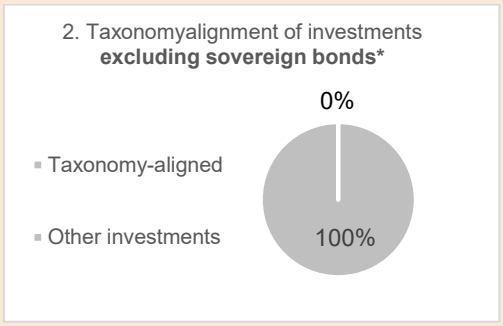
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- ***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?[16]***

  No.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




* ***For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures***

- ***What is the minimum share of investments in transitional and enabling activities?***

  Not applicable. The Fund will not make any investments in transitional and enabling activities.

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?*

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

### *What is the minimum share of socially sustainable investments?*

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

### *What investments are included under "#2 Other", what is their purpose and are* **there any minimum environmental or social safeguards?**

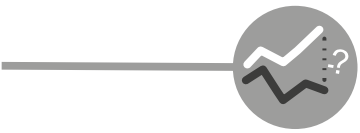
Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied.

[16] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Investments categorised as 'other' for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.

- Derivatives: The Fund may use derivatives for hedging and managing broad market exposure.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Yes, the Index has been designated as a reference benchmark.

***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the semi-annual rebalance. The Investment Manager evaluates the application of the binding elements through regular reviews to ensure that the Index continues to be aligned with each of the environmental or social characteristics promoted by the Fund.

***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Alignment of the investment strategy with the methodology of the Index is achieved on a continuous basis through the Fund tracking the Index which incorporates the various binding ESG criteria, within a set tracking error tolerance and outlined in the Index Tracking Strategy section of this Supplement.

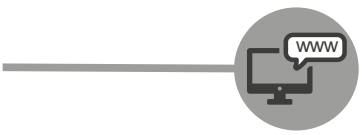
In addition, to the extent possible, the investment guidelines and restrictions are coded into the investment Manager's order management system to enable pre- and post-trade monitoring.

***How does the designated index differ from a relevant broad market index?***

The Index differs from the Parent Index in the application of the screening and tilts described in earlier responses.

***Where can the methodology used for the calculation of the designated index be found?***

The Index methodology for the Index can be found here.




## Where can I find more product specific information online?

More product specific information regarding the Fund can be found here.

## SUPPLEMENT XVIII

## NT EMERGING MARKETS SELECTION P-SERIES EQUITY INDEX FGR FUND

This Supplement contains specific information in relation to the NT Emerging Markets Selection P-Series Equity Index FGR Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

### 1 INVESTMENT OBJECTIVE AND POLICIES

#### Investment Objective

The investment objective of the Fund is to closely match the risk and return characteristics of the MSCI Emerging Markets ESG Selection P-Series Index (the "**Index**") with net dividends reinvested. Any change of investment objective of the Fund shall only be made with the prior approval of the Unitholders.

#### 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 Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of 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 in countries comprised within the Index, details of which are set out under the heading "**Index Description**" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "**Index Description**". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders.

The Fund operates an index tracking/replication strategy as further set out in the section "**Index Tracking Strategy**" below. The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

The Fund operates an index tracking or physical replication strategy through investing directly in the Index constituents to replicate, to the extent possible, the composition of the Index by physically holding all the Index constituents in similar proportion to their weighting in the Index. Where direct investment is not achievable, direct substitutes for Index constituents, may be used.

It may not always be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to Unitholders (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Index, or in circumstances where a security in the Index becomes temporarily unavailable or less liquid, or as a result of legal restrictions that apply to the Fund but not to the Index). In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Index.

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 0.5% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

As the Fund does not pursue a synthetic index replication strategy, there is no associated counterparty risk.

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

In order to access Equity and Equity Related Securities issued by companies or linked to companies located in China or listed/traded on stock exchanges in China, the Fund may trade through the Shanghai and Shenzhen Stock Connect programs.

**Index Description**

The Index is a free float-adjusted market capitalization-weighted indexes designed to represent the performance of companies that are selected from an underlying index based on Environmental, Social and Governance (ESG) criteria across 24 Emerging Markets (EM) countries. The Index is derived from the MSCI Emerging Markets Index (the "**Parent Index**") and aims to achieve sector weights that reflect the sector weights of the MSCI Emerging Markets Index. The Index is constructed by excluding constituents based on ESG ratings, exposure to ESG controversies or involvement in specific business activities and target 50% free float-adjusted market capitalization coverage of each Global Industry Classification Standard (GICS®) sector by selecting constituents primarily based on criteria including the ESG rating and the company's industry-adjusted ESG score. The Index is a member of the MSCI Selection Index series.

Further information about the ESG criteria applied to the Index, including exclusions and specified thresholds, is provided in the Annex.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May, August and November with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated with the Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: www.msci.com/index/methodology/latest/ESGSelPSeries and

https://www.msci.com/constituents.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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: exchange traded futures and currency forwards (details of which are outlined below).

Exchange traded 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 and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash equity position.

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 of the Fund.

The Fund may use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

Warrants, share purchase rights and convertible securities may also be held for the purposes of EPM and traded or exercised when considered appropriate.

The Fund may also enter into certain currency related transactions in order to hedge exchange rate fluctuation risks between the denominated currencies of the Fund's assets and the designated currency of the relevant Class.

As a result of currency hedging, hedged Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled "**Credit Risk and Counterparty Risk**".

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled "**Collateral Policy**" for further details.

The use of FDI for the purposes outlined above may expose the Fund to the risks disclosed under the section of the Prospectus entitled "**Risk Factors**".

## 2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in the "**Investment Restrictions**" section of the Prospectus apply to the Fund.

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" above.

Global exposure and leverage as a result of the Fund's 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.

## 5 RISK FACTORS

The general risk factors as set out in the "**Risk Factors**" section of the Prospectus apply to the Fund.

The Fund may trade through the Shanghai and Shenzhen Stock Connect programs. Therefore, please refer to the section entitled "**Stock Connect Risks**" within the "**Risk Factors**" section of the Prospectus for more details on associated risks.

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

### Classes of Units Available

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D , F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

Classes A (Euro) and B (Euro) and Class A (STG) and B (STG) are only available to investors who have agreed specific terms of business with the Manager

### Currency Hedged Unit Classes

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

### Currencies Available

Each of the above referenced Unit Classes is available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

### Base Currency

Euro

### Initial Issue Price

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

### Anti-Dilution Levy

The Directors or the Manager (or their duly appointed delegate) may impose a swing pricing adjustment as further detailed in the section of the Prospectus entitled "**Anti-Dilution Levy**".

### Initial Offer Period

The Initial Offer Period in relation to the Classes of Units commenced at 9am Dutch time on 6 August 2025 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.



NTAC:3NS-20

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Dutch time on the Business Day prior to the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no Minimum Initial Investment Amount.

**Minimum Additional Investment**

There is no Minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.



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**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 0.5 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below. For the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

**Incorporation Fees and Expenses of the Fund**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed EUR 20,000.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.5 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The Manager shall be entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket expenses incurred by the Manager in the performance of its duties. The maximum of these fees and expenses will be 0.1 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses"** section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Annex - 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**: NT Emerging Markets Selection P-Series Equity Index FGR Fund (the "**Fund**")
**Legal entity identifier**: 635400SHLBMRX9PZUL62

# Environmental and/or social characteristics

**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.

**Does this financial product have a sustainable investment objective?**

☐ **Yes**

- ☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum of **sustainable investments with a social objective**: ___%

☒ **No**

- ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments
  - ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☒ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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?

The Fund promotes environmental and social characteristics through tracking the risk and return of the Index which has been designated as a reference benchmark.

The Fund promotes the following environmental characteristics:

- reducing investments in conventional oil and gas activities;
- reducing investments in unconventional oil and gas extraction and Arctic oil and gas;
- reducing investments in nuclear power;
- reducing investments in thermal coal power generation and thermal coal mining;
- reducing investments in palm oil; and,
- reducing of investments in fossil fuel-based power generation

The Fund promotes the following social characteristics related to social norms and conventions:

- avoiding investments in controversial weapons,
- reducing specific investment in business activities with adverse health and social impacts including tobacco, alcohol, gambling, nuclear weapons, civilian firearms, aggregate weapons, and
- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Please also refer to the response below on binding elements of the investment strategy that form part of the Index design and are coded by MSCI as part of the Index methodology construction.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- MSCI ESG Controversies Score;
- Specific revenue thresholds regarding tobacco, gambling, alcohol, nuclear weapons, civilian firearms, palm oil, conventional oil and gas, unconventional oil and gas, Arctic oil and gas, thermal coal mining (not including metallurgical coal), thermal coal-based power generation, nuclear power suppliers, fossil fuel-based power generation;

- Any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), and;

- MSCI ESG Ratings to identify companies that have demonstrated an ability to manage their ESG risks and opportunities effectively using a seven point scale from 'AAA' to 'CCC'. Companies are only eligible for inclusion if they have an MSCI ESG Rating of 'BB' or above.

Please also refer to the response below on the binding elements of the investment strategy for further details of the sustainability indicators, including the thresholds applied

Further information on the methodology and specific thresholds of the Index can be found here.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The intended objectives of the sustainable investments of the Fund are to positively contribute towards the environmental and social objectives including reducing exposure to fossil fuels (conventional oil and gas, unconventional oil and gas, Arctic oil and gas, thermal coal mining, thermal coal-based power generation, fossil fuel-based power generation, nuclear power suppliers) and reducing business activities with adverse health and social impacts including tobacco, nuclear power, nuclear weapons, civilian firearms, controversial weapons, conventional weapons, civilian firearms, gambling, alcohol, nuclear weapons, palm oil or human or labour rights violations as set out in the principles of the UN Global Compact. An investee company must promote good governance practices without causing significant adverse impact through its products and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' ("**DNSH**") to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee

company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms; and

- excluding certain companies from the Parent Index not considered to meet ESG characteristics.

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund applies ESG Controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- OECD Guidelines for Multinational Enterprises; and

- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight Fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly. Companies are required to have an MSCI Controversies Score of 3 or above to be eligible for inclusion in the index. However, existing constituents of the index are maintained in the eligible universe if they have a Controversy Score of 1 or above.

In practice, this means that all investee companies that form part of the Index are aligned with these minimum safeguards, not only the sustainable investments.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

## Does this financial product consider principal adverse impacts on sustainability factors?

**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.

✖ Yes

The Fund considers as part of the investment strategy, the following principal adverse impact (PAI) indicators in Annex 1, Table 1 of the RTS:

- Exposure to companies active in the fossil fuels sector;
- Violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Investment Manager's direct engagement and voting, the Fund aims to encourage investee companies to improve their ESG practices and disclosures.

No

## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund has an index tracking strategy whereby it seeks to track the risk and return characteristics of the Index by investing directly in assets that are Index constituents.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following are the investment strategy's binding elements used to promote the environmental and social characteristics. These elements form part of the Index design and are coded by MSCI as part of the Index methodology construction.

The application of the following exclusions seeks to attain the environmental and social characteristics promoted by the Fund:

(a) to exclude companies that have an ESG controversy score of 2 and below (with '0' being the most severe), unless a company is an existing index constituent. Companies with a controversy score of '0' are excluded in all cases. Controversies cover the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;

(b) to exclude all companies with any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons);

(c) to exclude all companies that manufacture nuclear warheads and/or whole nuclear missiles, manufacture components that were developed or are significantly modified for exclusive use in nuclear weapons (warheads and missiles), that manufacture or assemble delivery platforms that were developed or significantly modified for the exclusive delivery of nuclear weapons; that provide auxiliary services related to nuclear weapons; that manufacture components that were not developed or not significantly modified for exclusive use in nuclear weapons (warheads and missiles) but can be used in nuclear weapons; that manufacture or assemble delivery platforms that were not developed or not significantly modified for the exclusive delivery of nuclear weapons but have the capability to deliver nuclear weapons and that manufacture components for nuclear- exclusive delivery platforms;

(d) to exclude all companies deriving any revenue from the production of firearms and small arms ammunitions for civilian markets. It does not include companies that cater to the military, government, and law enforcement markets an; all companies deriving 5% or more aggregate revenue from the production and distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use;

(e) to exclude all companies deriving any revenue from the production of tobacco related products;

(f) To exclude all companies deriving 5% or more aggregate revenue from the production, distribution, retail, supply and licensing of tobacco-related products;

(g) to exclude all companies deriving 10% or more revenue from the production of alcohol related products;

(h) to exclude all companies deriving 10% or more aggregate revenue from the production of conventional weapons, components, support systems and services, controversial weapons and nuclear weapons;

(i) to exclude all companies deriving 10% or more revenue from ownership of operation of gambling- related business activities;

(j) to exclude all companies deriving 10% or more revenue from the ownership or operation of nuclear power generation; and

(k) to exclude all companies deriving 1% or more aggregate revenue from thermal coal mining (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It does not cover revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading;

(l) to exclude all companies with evidence of involvement in thermal coal distribution or transport involvement;

(m) to exclude all companies deriving 10% or more aggregate revenue from oil-related activities;

(n) to exclude all companies deriving 50% or more aggregate revenue from gas-related activities;

(o) to exclude all companies deriving 5% or more revenue from unconventional oil and gas extraction such as oil sands, oil shale (kerogen- rich deposits), shale gas, shale oil, coal seam gas, and coal bed methane;

(p) to exclude all companies deriving 5% or more revenue from Arctic oil and gas;

(q) to exclude all companies deriving 5% or more revenue from thermal coal power;

(r) companies that derive 50% or more aggregate revenue from fossil fuel based power generation; and,

(s) companies that derive 5% or more revenue from the production of palm oil.

Once the constituents that fail to pass the screening criteria detailed above are removed, the MSCI ESG Ratings are used to identify companies that have demonstrated an ability to manage their ESG risks and opportunities effectively using a seven point scale from 'AAA' to 'CCC'. Companies are only eligible for inclusion if they have an MSCI ESG Rating of 'BB' or above.

In each GICs sector, eligible securities are ranked and selected based on their ESG rating, ESG score and Market Cap.

These binding elements are non-exhaustive and subject to change.

Further information on the methodology and specific thresholds of the Index can be found here.

Any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

While the investment universe of the Parent Index is reduced as a result of the application of ESG exclusions and ESG ratings, the Fund does not commit to a

minimum reduction rate. As such, the reduction of the universe may be subject to change.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

Companies are required to have an MSCI Controversies Score of 3 or above to be eligible for inclusion in the index. However, existing constituents of the index are maintained in the eligible universe if they have a Controversy Score of 1 or above

The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;
- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.
- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

## What is the asset allocation planned for this financial product?

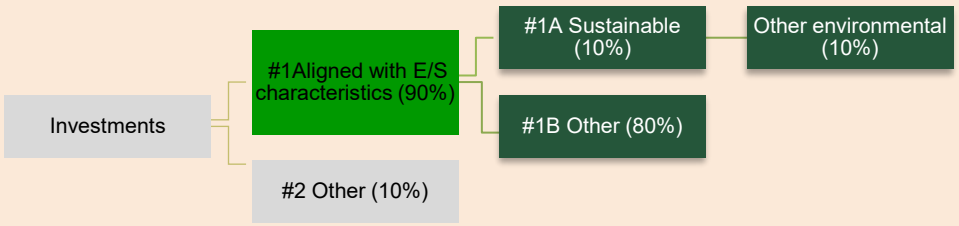
**Asset allocation** describes the share of investments in specific assets.

The Fund intends to invest at least 90% of its Net Asset Value in companies that are aligned with the environmental and social characteristics promoted by the Fund.

Of this, a minimum of 10% of its Net Asset Value will be invested in sustainable investments with an environmental objective.

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

  Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

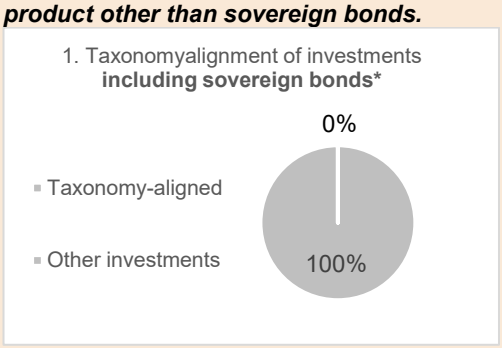
- ***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?***[17]

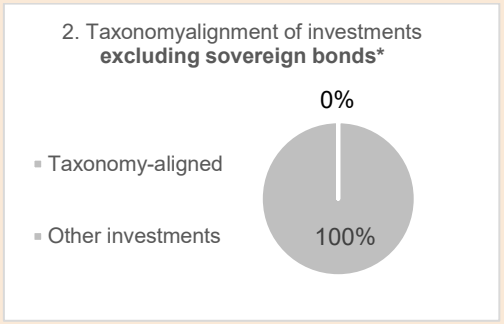
  No.

[17] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

***What is the minimum share of investments in transitional and enabling activities?***

Not applicable. The Fund will not make any investments in transitional and enabling activities.

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?

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

## What is the minimum share of socially sustainable investments?

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied.

Investments categorised as 'other will be used for the following reasons.

- Cash and cash equivalents or money market instruments: the Fund may invest in Cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.
- Derivatives: The Fund may use derivatives for hedging and managing broad market exposure.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Yes, the Index has been designated as a reference benchmark.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

  The Investment Manager evaluates the application of the binding elements through regular reviews to ensure that the Index continues to be aligned with each of the environmental or social characteristics promoted by the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Alignment of the investment strategy with the methodology of the Index is achieved on a continuous basis through the Fund tracking the Index, which incorporates the various binding elements, within the set tracking error tolerance and outlined in the Index Tracking Strategy section of this Supplement. In addition, investment guidelines and restrictions are coded in the Investment Manager's order management system to enable pre and post-trade monitoring.

- ***How does the designated index differ from a relevant broad market index?***

  The Index differs from the Parent Index due to the application of the ESG screening described in earlier responses.

- ***Where can the methodology used for the calculation of the designated index be found?***

The Index methodology for the Index can be found here.

## Where can I find more product specific information online?

More product-specific information regarding the Product can be found on the website: here.

# SUPPLEMENT XIX

# NTCM NORTH AMERICA LOW CARBON PLUS EQUITY INDEX FGR FUND

This Supplement contains specific information in relation to the NTCM North America Low Carbon Plus Equity Index FGR Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return characteristics of the MSCI North America Selection Low Carbon Plus G Series Index (the "**Index**") with net dividends reinvested. Any change of Index shall only be made with the prior approval of the Unitholders.

### 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 Index.

**"Equity and Equity Related Securities"** includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of a Fund's Net Asset Value), convertible securities (such as convertible preference shares, share purchase rights and corporate bonds, convertible into common or preferred shares). Such Equity and Equity Related Securities shall typically be listed on stock exchanges or Regulated Markets in countries comprised within the Index, details of which are set out below under the heading "Index Description" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "**Index Description**". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders.

The Fund operates an index tracking/replication strategy through investment directly in assets that are Index constituents, or (where direct investment is not achievable) direct substitutes for Index constituents as further set out in the section entitled "**Index Tracking Strategy**" below.

The Fund may invest in FDI for efficient portfolio management ("**EPM**") purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

The Fund operates an index tracking or physical replication strategy through investing directly in the Index constituents to replicate, to the extent possible, the composition of the Index by physically holding all the Index constituents in similar proportion to their weighting in the Index. Where direct investment is not achievable, direct substitutes for Index constituents, may be used.

It may not always be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to Unitholders (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Index, or in circumstances where a security in the Index becomes temporarily unavailable or less liquid, or as a result of legal restrictions that apply to the Fund but not to the Index). In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Index.

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 0.50% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

As set out in the section entitled "**Investment Policy**", the Fund may obtain exposure through FDI, other CIS (including ETFs) where it is more efficient to do so, and/or may underweight illiquid securities in order to achieve representative exposure in the more illiquid and accessible securities within the Index. Employing such techniques necessarily results in individual security overweights and underweights.

As the Fund does not pursue a synthetic index replication strategy, there is no counterparty risk related to the index replication strategy.

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same

body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

**Index Description**

The starting universe for the Index is the MSCI North America Index (the "**Parent Index**"). The Parent Index is a free float-adjusted market capitalisation weighted index designed to measure the equity performance of North American markets and captures large and mid-cap issuers across developed market countries as determined by MSCI.

The Index is calculated and screened by MSCI based on predetermined and objective ESG criteria which (i) excludes certain companies from the Parent Index which are not considered to meet sustainability principles considering business involvement and ESG controversy screening criteria, as further detailed in the Annex, (ii) use best in class approach to increase exposure, when compared to the Parent Index, (iii) excludes companies with exposure to carbon emissions and reserves, fossil fuels, and nuclear power above thresholds specified within the Annex, and, (iv) tilts towards companies whose products and operations are aligned with specified UN Sustainable Development Goals ("**SDG**").

Further information about the ESG criteria applied to the Index, including exclusions, specified thresholds, and tilting rules, is provided in the Annex.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May August and November, with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated with the Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: https://www.msci.com/index/methodology/latest/EMSelLCPlusGSeries

and https://www.msci.com/constituents.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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: exchange traded futures and currency forwards (details of which are outlined below).

Exchange traded 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 and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash equity position.

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 of the Fund.

The Fund may use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

Warrants, share purchase rights and convertible securities may also be held for the purposes of EPM and traded or exercised when considered appropriate.

The Fund may also enter into certain currency related transactions in order to hedge exchange rate fluctuation risks between the denominated currencies of the Fund's assets and the designated currency of the relevant Class.

As a result of currency hedging, hedged Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled "**Credit Risk and Counterparty Risk**".

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled "**Collateral Policy**" for further details.

The use of FDI for the purposes outlined above may expose the Fund to the risks disclosed under the section of the Prospectus entitled "**Risk Factors**".

## 2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in the "**Investment Restrictions**" section of the Prospectus apply to the Fund.

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" above.

Global exposure and leverage as a result of the Fund's 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.

## 5 RISK FACTORS

The general risk factors as set out in the "**Risk Factors**" section of the Prospectus apply to the Fund.

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

The Investment Manager's main business activity is the provision of investment management services.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

**Classes of Units Available**

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the "**Taxable Classes of Units**") are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

**Currency Hedged Unit Classes**

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

**Currencies Available**

Each of the above referenced Unit Classes is available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

The Directors or the Manager (or their duly appointed delegate) may impose a swing pricing adjustment as further detailed in the section of the Prospectus entitled "**Anti-Dilution Levy**".



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**Initial Offer Period**

The Initial Offer Period in relation to Unit Class C EUR Hedged has closed

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 9 June 2023 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 1pm Dutch time on the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no Minimum Initial Investment Amount.

**Minimum Additional Investment**

There is no Minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.



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**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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**

EUR 30 million.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 0.9 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below.

For the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

**Incorporation Fees and Expenses of the Fund**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

**Sub-Fund Establishment Fees and Expenses**

These fees and expenses are not estimated to exceed EUR 30,000.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.9 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.5 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Annex - 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**: NTCM North America Low Carbon Plus Equity Index FGR Fund (the "Fund")
**Legal entity identifier**: 635400FP5FOL3XDA7J33

**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.

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective**: ___% | ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective**: ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental and social characteristics through tracking the risk and return characteristics of the Index which has been designated as a reference benchmark.

The Fund promotes the following environmental characteristics related to climate change:

- reducing carbon reserves and emissions versus the Parent Index aiming to reduce the weighted average greenhouse gas intensity relative to the MSCI North America Index (the "Parent Index") by 60% and reduce the weighted average greenhouse gas ("GHG") intensity by 7% on an annualised basis;

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- avoidance of companies with evidence of owning proven and probable coal reserves and/or proven oil and natural gas reserves used for energy purposes;
- avoidance of companies involved in thermal coal mining (not including metallurgical coal) and unconventional oil and gas extraction and Artic oil and gas;
- avoidance of companies generating a specified level of revenue from fossil fuel based power generation;
- avoidance of companies investment in unconventional oil and gas exploration; and
- avoidance of companies generating specified revenue from the production, refining, distribution or transportation of oil and gas.

The Fund promotes the following other environmental characteristics:

- avoiding investments in nuclear power.

The Fund promotes the following social characteristics related to social norms and conventions:

- avoiding specific investment in business activities with adverse health and social impacts including tobacco, adult entertainment, gambling, alcohol, genetically modified organisms, nuclear weapons, civilian firearms, controversial weapons, aggregate weapons; and
- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- Scope 1 and Scope 2 carbon emissions intensity;
- MSCI ESG Controversies Score;
- MSCI ESG Ratings;
- MSCI SDG Net Alignment Score; and
- Specific revenue thresholds regarding tobacco, adult entertainment, gambling, alcohol, genetically modified organisms, nuclear weapons, civilian firearms, controversial weapons, aggregate weapons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal based power generation, and nuclear power

Please also refer to the response below on binding elements of the investment strategy that form part of the Index design and are coded by MSCI as part of the Index methodology construction.

Further information on the methodology and specific thresholds of the Index can be found here.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The intended objectives of the sustainable investments of the Fund are to positively contribute towards the environmental and social objectives such as reducing carbon emissions and avoiding adverse business activities or human rights violations. An investee company must promote good governance practices without causing significant adverse impact through its products and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' (DNSH) to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*



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In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;
- excluding certain companies from the Parent Index not considered to meet ESG characteristics;
- excluding certain companies with exposure to carbon;
- increasing exposure, when compared to the Parent Index, to companies that positively contribute to sustainable products and services.

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring. For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm.

Examples include avoidance of controversial weapons and human rights violations, reducing carbon footprint and exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises and;
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly. Companies are required to have an MSCI Controversies Score of 1 or above to be eligible for inclusion in the index in relation to its operations, products and services.

In practice, this means that all investee companies that form part of the index are aligned with these minimum safeguards, not only the sustainable investments.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

## Does this financial product consider principal adverse impacts on sustainability factors?

**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.

☒ Yes.

The Fund considers as part of the investment strategy, the following principal adverse impact (PAI) indicators in Annex 1, Table 1 of the RTS:

- GHG emissions (Scope 1 and Scope 2);
- Carbon footprint;
- GHG intensity;
- Exposure to companies active in the fossil fuels sector;
- Violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and
- exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Investment Manager's direct engagement, the Fund aims to encourage investee companies to improve their ESG practices and disclosures. The Fund follows ISS SRI voting policy.

☐ No

## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund has an Index tracking strategy whereby it seeks to track the risk and return characteristics of the Index by investing directly in assets that are Index constituents:

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following are the binding elements of the investment strategy that are used to promote the environmental and social characteristics. These elements form part of the index design and are coded by MSCI as part of the Index methodology construction. The application of the following screens and tilts seeks to attain the environmental and social characteristics promoted by the Fund to:

- exclude companies that have an ESG controversy score of 0. Controversies cover the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;
- exclude all companies with any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons);
- exclude companies that derive 5% or more aggregate revenue from the production and distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use; or companies classified as "producer" of firearms and small arms

ammunitions for civilian markets. It does not include companies that cater to the military, government, and law enforcement markets;

- exclude companies that manufacture nuclear weapons and components;
- exclude companies classified as a tobacco 'producer' or that derive 5% or more aggregate revenue from the production, distribution, retail, supply and licensing of tobacco-related products;
- exclude companies deriving 5% or more revenue from the production of adult entertainment materials, or companies deriving 15% or more aggregate revenue from the production, distribution and retail of adult entertainment materials;
- exclude companies deriving 5% or more revenue from the production of alcohol-related products, or companies deriving 15% or more aggregate revenue from the production, distribution, retail and supply of alcohol-related products;
- exclude companies deriving 5% or more revenue from the production of conventional weapons and components or companies deriving 15% or more aggregate revenue from weapons systems, components, and support systems and services;
- exclude companies that derive 5% or more revenue from ownership of operation of gambling- related business activities; or companies deriving 15% or more aggregate revenue from gambling-related business activities;
- exclude companies deriving 5% or more revenue from activities like genetically modifying plants, such as seeds and crops, and other organisms intended for agricultural use or human consumption;
- exclude companies generating 5% or more of their total electricity from nuclear power in a given year; companies that have 5% or more of installed capacity attributed to nuclear sources in a given fiscal year; companies deriving 15% or more aggregate revenue from nuclear power activities;
- exclude companies with evidence of owning proven and probable coal reserves and/or proven oil and natural gas reserves used for energy purposes;
- exclude companies deriving any revenue from thermal coal mining or unconventional oil and gas extraction;
- exclude all companies deriving 5% or more revenue from Arctic oil and gas production;
- exclude companies deriving 5% or more revenue from thermal coal- based power generation;
- exclude companies that derive 10% or more revenue from oil and gas production, refining, distribution or transportation;
- exclude companies that derive 50% or more aggregate revenue from thermal coal, oil (liquid fuel), and/or natural gas-based power generation;
- exclude companies deriving 5% or more revenue from the production of palm oil;

- include companies that have a minimum ESG rating of 'BB' and above relative to the standards and performance of their industry peers. In each GICs sector, using best in class approach, eligible securities are ranked and selected based on their ESG rating and ESG rating trends.

The next step is to reduce the carbon footprint by at least 60% when compared to the Parent Index by excluding companies with higher carbon emissions subject to certain limits and reduce the weighted average GHG intensity by 7% on an annualised basis.

The index then tilts towards, i.e. increase exposure to companies who are assessed to be aligned with specific SDGs through their products, services and operations. The targeted SDGs are specifically SDG 3 (Good Health and Wealth Being), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

Finally, a concentration limit is applied by MSCI as a final check to ensure that the index is highly diversified.

These binding elements are non-exhaustive and subject to change.

Further information on the methodology and specific thresholds of the Index can be found here. Further information on the exclusions list and specific thresholds can be found here.

The Investment Manager shall also ensure that any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not commit to a minimum reduction rate.

While the investment universe of the Parent Index is reduced as a result of the application of ESG exclusions and tilting rules, the Fund does not commit to a minimum reduction rate. As such, the reduction of the universe may be subject to change.

***What is the policy to assess good governance practices of the investee companies?***

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

Companies are required to have an MSCI Controversies Score of 1 or above.

The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

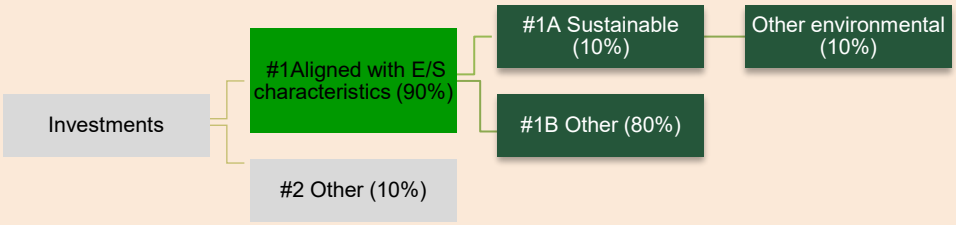
**What is the asset allocation planned for this financial product?**

The Fund intends to invest at least 90% of its Net Asset Value in companies that are aligned with the environmental or social characteristics promoted by the Fund.

**Asset allocation** describes the share of investments in specific assets.

Of this, a minimum of 10% of its Net Asset Value will be invested in sustainable investments with an environmental objective.

The "other" assets are expected to be for cash, and derivatives for hedging and other ancillary purposes.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 environmental or social characteristics promoted by the financial product?***

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with environmental objective aligned with the EU Taxonomy.

- **Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**[18]

No.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

* ***For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures***

- ***What is the minimum share of investments in transitional and enabling activities?***

Not applicable. The Fund will not make any investments in transitional and enabling activities.

[18] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

## What is the minimum share of socially sustainable investments?

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied.

Investments categorised as 'other' will be used for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.
- Derivatives: The Fund may use derivatives only for managing broad market exposure.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes, the Index has been designated as a reference benchmark.

***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

The Investment Manager evaluates the application of the binding elements through regular reviews to ensure that the Index continues to be aligned with each of the environmental or social characteristics promoted by the Fund.

***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Alignment of the investment strategy with the methodology of the Index is achieved on a continuous basis through the Fund tracking the Index which incorporates the various binding elements, within the set tracking error tolerance and outlined in the Index Tracking Strategy section of this Supplement. In addition, investment guidelines and restrictions are coded in the Investment Manager's order management system to enable pre and post-trade monitoring.

- ***How does the designated index differ from a relevant broad market index?***

The Index differs from the Parent Index due to the application of the ESG screening and tilts described in earlier responses.

- ***Where can the methodology used for the calculation of the designated index be found?***

The methodology used for the Index can be found here.

## Where can I find more product specific information online?

More product specific information regarding the Fund can be found here.

# SUPPLEMENT XX

# NTCM PACIFIC LOW CARBON PLUS EQUITY INDEX FGR FUND

This Supplement contains specific information in relation to the NTCM Pacific Low Carbon Plus Equity Index FGR Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (fonds *voor gemene rekening*) governed by the laws of the Netherlands.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return characteristics of the MSCI Pacific Selection Low Carbon Plus G Series Index (the "**Index**") with net dividends reinvested. Any change of Index shall only be made with the prior approval of the Unitholders.

### 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 Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of a Fund's Net Asset Value), convertible securities (such as convertible preference shares, share purchase rights and corporate bonds, convertible into common or preferred shares). Such Equity and Equity Related Securities shall typically be listed on stock exchanges or Regulated Markets in countries comprised within the Index, details of which are set out below under the heading "**Index Description**" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "**Index Description**". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders.

The Fund operates as an index tracking/replication strategy through investment directly in assets that are Index constituents, or (where direct investment is not achievable), direct substitutes for Index constituents as further set out in the section "**Index Tracking Strategy**" below.

The Fund may invest in FDI for efficient portfolio management ("**EPM**") purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

The Fund operates an index tracking or physical replication strategy through investing directly in the Index constituents to replicate, to the extent possible, the composition of the Index by physically holding all the Index constituents in similar proportion to their weighting in the Index. Where direct investment is not achievable, direct substitutes for Index constituents, may be used.

It may not always be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to Unitholders (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Index, or in circumstances where a security in the Index becomes temporarily unavailable or less liquid, or as a result of legal restrictions that apply to the Fund but not to the Index). In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Index.

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 0.50% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

As set out in the section entitled "**Investment Policy**", the Fund may obtain exposure through FDI, other CIS (including ETFs) where it is more efficient to do so, and/or may underweight illiquid securities in order to achieve representative exposure in the more illiquid and accessible securities within the Index. Employing such techniques necessarily results in individual security overweights and underweights.

As the Fund does not pursue a synthetic index replication strategy, there is no corresponding counterparty risk related to the index replication strategy.

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same

body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

**Index Description**

The starting universe for the Index is the MSCI Pacific Index (the "**Parent Index**"). The Parent Index is designed to measure the equity performance of developed markets and captures large and mid-cap issuers across Pacific market countries as determined by MSCI.

The Index is calculated and screened by MSCI based on predetermined and objective ESG criteria which (i) excludes certain companies from the Parent Index which are not considered to meet sustainability principles considering business involvement and ESG controversy screening criteria, as further detailed in the Annex, (ii) use best in class approach to increase exposure, when compared to the Parent Index, (iii) excludes companies with exposure to carbon emissions and reserves, fossil fuels, and nuclear power above thresholds specified within the Annex, and, (iv) tilts towards companies whose products and operations are aligned with specified UN Sustainable Development Goals ("**SDG**").

Further information about the ESG criteria applied to the Index, including exclusions, specified thresholds, and tilting rules, is provided in the Annex.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May August and November, with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated with the Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links:

https://www.msci.com/index/methodology/latest/EMSelLCPlusGSeries and
https://www.msci.com/constituents.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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: exchange traded futures and currency forwards (details of which are outlined below).

Exchange traded 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 and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash equity position.

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 of the Fund. The Fund may use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

The Fund may also enter into certain currency related transactions in order to hedge exchange rate fluctuation risks between the denominated currencies of the Fund's assets and the designated currency of the relevant Class.

As a result of currency hedging, hedged Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled "**Credit Risk and Counterparty Risk**".

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled "**Collateral Policy**" for further details.

The use of FDI for the purposes outlined above may expose the Fund to the risks disclosed under the section of the Prospectus entitled "**Risk Factors**".

## 2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in the "**Investment Restrictions**" section of the Prospectus apply to the Fund.

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" above.

Global exposure and leverage as a result of the Fund's 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.

## 5 RISK FACTORS

The general risk factors as set out in the "**Risk Factors**" section of the Prospectus apply to the Fund.

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

The Investment Manager's main business activity is the provision of investment management services.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

### Classes of Units Available

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the "**Taxable Classes of Units**") are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtsvermindering*).

### Currency Hedged Unit Classes

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

### Currencies Available

Each of the above referenced Unit Classes is available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

### Base Currency

Euro

### Initial Issue Price

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

### Anti-Dilution Levy

The Directors or the Manager (or their duly appointed delegate) may impose a swing pricing adjustment as further detailed in the section of the Prospectus entitled "**Anti-Dilution Levy**".

### Initial Offer Period

The Initial Offer Period in relation to Unit Class A EUR and Unit Class B EUR has closed.

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 6 September 2023 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 1pm Dutch time on the Business Day immediately preceding each Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no Minimum Initial Investment Amount.

**Minimum Additional Investment**

There is no Minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.



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**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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**

EUR 30 million.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 0.9 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below.

For the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

**Incorporation Fees and Expenses of the Fund**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

**Sub-Fund Establishment Fees and Expenses**

These fees and expenses are not estimated to exceed EUR 30,000.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.9 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.5 per cent of the Net Asset Value of the Fund.

*Fees and expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Annex - Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

**Product name**: NTCM Pacific Low Carbon Plus Equity Index FGR Fund (the "**Fund**")
**Legal entity identifier**: 6354003HKPGS9YZQKV52

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☐ **Yes**

- ☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum of **sustainable investments with a social objective**: ___%

☒ **No**

- ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments
  - ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☒ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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?

The Fund promotes environmental and social characteristics through tracking the risk and return characteristics of the Index which has been designated as a reference benchmark.

The Fund promotes the following environmental characteristics related to climate change:

- reducing carbon reserves and emissions versus the Parent Index aiming to reduce the weighted average greenhouse gas intensity relative to the MSCI Pacific Index (the "**Parent Index**") by 60% and reduce the weighted average greenhouse gas ("**GHG**") intensity by 7% on an annualised basis;

- avoidance of companies with evidence of owning proven and probable coal reserves and/or proven oil and natural gas reserves used for energy purposes;
- avoidance of companies involved in thermal coal mining (not including metallurgical coal) and unconventional oil and gas extraction and Articl oil and gas;
- avoidance of companies generating a specified level of revenue from fossil thermal coal based power generation;
- avoidance of companies investment in unconventional oil and gas exploration;
- avoidance of companies generating specified revenue from the production, refining, distribution or transportation of oil and gas.

The Fund promotes the following other environmental characteristics:

- avoiding investments in nuclear power.

The Fund promotes the following social characteristics related to social norms and conventions:

- avoiding specific investment in business activities with adverse health and social impacts including tobacco, adult entertainment, gambling, alcohol, genetically modified organisms, nuclear weapons, civilian firearms, controversial weapons, aggregate weapons; and
- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- Scope 1 and Scope 2 carbon emissions intensity;
- MSCI ESG Controversies Score;
- MSCI ESG Ratings;
- MSCI SDG Net Alignment Score; and
- Specific revenue thresholds regarding tobacco, adult entertainment, gambling, alcohol, genetically modified organisms, nuclear weapons, civilian firearms, controversial weapons, aggregate weapons, unconventional oil and gas, Arctic oil, thermal coal mining (not including metallurgical coal), thermal coal based power generation, and nuclear power.

Please also refer to the response below on binding elements of the investment strategy that form part of the Index design and are coded by MSCI as part of the Index methodology construction.

Further information on the methodology and specific thresholds of the Index can be found here.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The intended objectives of the sustainable investments of the Fund are to positively contribute towards the environmental and social objectives such as reducing carbon emissions and avoiding adverse business activities or human rights violations.

An investee company must promote good governance practices without causing significant adverse impact through its products and services.

An investee company is assessed as a sustainable investment using the following methodology found here

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' (DNSH) to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms;
- excluding certain companies from the Parent Index not considered to meet ESG characteristics;
- excluding certain companies with exposure to carbon;
- increasing exposure, when compared to the Parent Index, to companies that positively contribute to sustainable products and services.

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring. For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm.

Examples include avoidance of controversial weapons and human rights violations, reducing carbon footprint and exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises and;
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly. Companies are required to have an MSCI Controversies Score of 1 or above to be eligible for inclusion in the index in relation to its operations, products and services.

In practice, this means that all investee companies that form part of the index are aligned with these minimum safeguards, not only the sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

## Does this financial product consider principal adverse impacts on sustainability factors?

**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.

☒ Yes

The Fund considers as part of the investment strategy, the following principal adverse impact (PAI) indicators in Annex 1, Table 1 of the RTS:

- GHG emissions (Scope 1 and Scope 2);
- Carbon footprint;
- GHG intensity;
- Exposure to companies active in the fossil fuels sector;
- Violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and
- exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Investment Manager's direct engagement, the Fund aims to encourage investee companies to improve their ESG practices and disclosures. The Fund follows ISS SRI voting policy.

☐ No

## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund has an Index tracking strategy whereby it seeks to track the risk and return characteristics of the Index by investing directly in assets that are Index constituents:

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following are the binding elements of the investment strategy that are used to promote the environmental and social characteristics. These elements form part of the index design and are coded by MSCI as part of the Index methodology construction. The application of the following screens and tilts seeks to attain the environmental and social characteristics promoted by the Fund to:

- exclude companies that have an ESG controversy score of 0. Controversies cover the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;
- exclude all companies with any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons);

- exclude companies that derive 5% or more aggregate revenue from the production and distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use; or companies classified as "producer" of firearms and small arms ammunitions for civilian markets. It does not include companies that cater to the military, government, and law enforcement markets;

- exclude companies that manufacture nuclear weapons and components;

- exclude companies classified as a tobacco 'producer' or that derive 5% or more aggregate revenue from the production, distribution, retail, supply and licensing of tobacco-related products;

- exclude companies deriving 5% or more revenue from the production of adult entertainment materials, or companies deriving 15% or more aggregate revenue from the production, distribution and retail of adult entertainment materials;

- exclude companies deriving 5% or more revenue from the production of alcohol-related products, or companies deriving 15% or more aggregate revenue from the production, distribution, retail and supply of alcohol-related products;

- exclude companies deriving 5% or more revenue from the production of conventional weapons and components or companies deriving 15% or more aggregate revenue from weapons systems, components, and support systems and services;

- exclude companies that derive 5% or more revenue from ownership of operation of gambling- related business activities; or companies deriving 15% or more aggregate revenue from gambling-related business activities;

- exclude companies deriving 5% or more revenue from activities like genetically modifying plants, such as seeds and crops, and other organisms intended for agricultural use or human consumption;

- exclude companies generating 5% or more of their total electricity from nuclear power in a given year; companies that have 5% or more of installed capacity attributed to nuclear sources in a given fiscal year; companies deriving 15% or more aggregate revenue from nuclear power activities;

- exclude companies with evidence of owning proven and probable coal reserves and/or proven oil and natural gas reserves used for energy purposes;

- exclude companies deriving any revenue from thermal coal mining or unconventional oil and gas extraction.

- exclude all companies deriving 5% or more revenue from Arctic oil and gas production;

- exclude companies deriving 5% or more revenue from thermal coal- based power generation;

- exclude companies that derive 10% or more revenue from oil and gas production, refining, distribution or transportation;

- exclude companies that derive 50% or more aggregate revenue from thermal coal, oil (liquid fuel), and/or natural gas-based power generation;

- exclude companies deriving 5% or more revenue from the production of palm oil;

- include only companies that have a minimum ESG rating of 'BB' and above relative to the standards and performance of their industry peers. In each GICs sector, using best in class approach, eligible securities are ranked and selected based on their ESG rating and ESG rating trends.

The next step is to reduce the carbon footprint by at least 60% when compared to the Parent Index by excluding companies with higher carbon emissions subject to certain limits and reduce the weighted average GHG intensity by 7% on an annualised basis.

The index then tilts towards, i.e. increase exposure to; companies who are assessed to be aligned with specific SDGs through their products, services and operations. The targeted SDGs are SDG 3 (Good Health and Wealth Being), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

Finally a concentration limit is applied by MSCI as a final check to ensure that the index is highly diversified.

These binding elements are non-exhaustive and subject to change.

Further information on the methodology and specific thresholds of the Index can be found here.

The Investment Manager shall also ensure that any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not commit to a minimum reduction rate.

While the investment universe of the Parent Index is reduced as a result of the application of ESG exclusions and tilting rules, the Fund does not commit to a minimum reduction rate. As such, the reduction of the universe may be subject to change.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

Companies are required to have an MSCI Controversies Score 1 or above.

The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

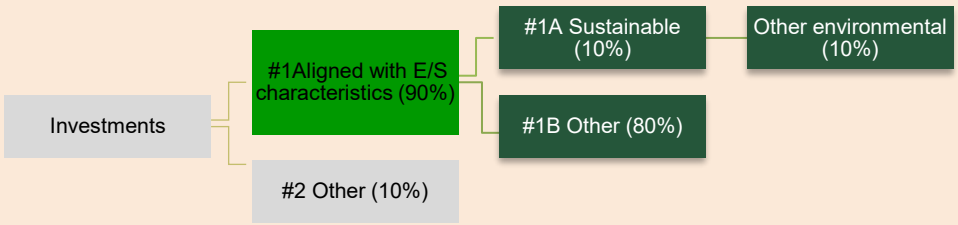
## What is the asset allocation planned for this financial product?

The Fund intends to invest at least 90% of its Net Asset Value in companies that are aligned with the environmental or social characteristics promoted by the Fund.

**Asset allocation** describes the share of investments in specific assets.

Of this, a minimum of 10% of its Net Asset Value will be invested in sustainable investments with an environmental objective.

The "other" assets are expected to be for cash, and derivatives for hedging and other ancillary purposes.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

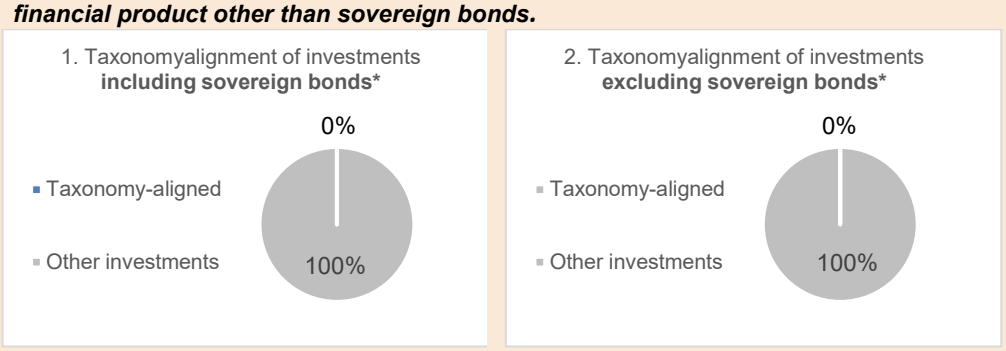
The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with environmental objective aligned with the EU Taxonomy.

**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.

- **Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?[19]**
  No

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




***For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures***

- ***What is the minimum share of investments in transitional and enabling activities?***

Not applicable. The Fund will not make any investments in transitional and enabling activities.

[19] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

## What is the minimum share of socially sustainable investments?

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied.

Investments categorised as 'other' will be used for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.
- Derivatives: The Fund may use derivatives only for managing broad market exposure.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes, the Index has been designated as a reference benchmark.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

The Investment Manager evaluates the application of the binding elements through regular reviews to ensure that the Index continues to be aligned with each of the environmental or social characteristics promoted by the Fund.

***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Alignment of the investment strategy with the methodology of the Index is achieved on a continuous basis through the Fund tracking the Index which incorporates the various binding elements, within the set tracking error tolerance and outlined in the Index Tracking Strategy section of this Supplement. In addition, investment guidelines and restrictions are coded in the Investment Manager's order management system to enable pre and post-trade monitoring.

***How does the designated index differ from a relevant broad market index?***

The Index differs from the Parent Index due to the application of the ESG screening and tilts described in earlier responses.

- ***Where can the methodology used for the calculation of the designated index be found?***

The methodology used for the Index can be found here.

### *Where can I find more product specific information online?*

More product specific information regarding the Fund can be found here.

# SUPPLEMENT XXI

# NTCM WORLD JOURNEY EQUITY INDEX FUND

This Supplement contains specific information in relation to the NTCM World Journey Equity Index Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return characteristics of the MSCI World **Journey Select** Index (the "**Index"**) with net dividends reinvested. Any change of Index shall only be made with the prior approval of the Unitholders.

### 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 Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of a Fund's Net Asset Value), convertible securities (such as convertible preference shares, share purchase rights and corporate bonds, convertible into common or preferred shares). Such Equity and Equity Related Securities shall typically be listed on stock exchanges or Regulated Markets in countries comprised within the Index, details of which are set out below under the heading "**Index Description**" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "**Index Description**". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders.

The Fund is passively managed (i.e. its objective is to closely match the risk and return characteristics of the Index, with net dividends reinvested). The Fund operates an index tracking/replication strategy as further set out in the section entitled "**Index Tracking Strategy**" below. The Fund may invest in FDI for **EPM** purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

The Fund operates an index tracking or physical replication strategy through investing directly in the Index constituents to replicate, to the extent possible, the composition of the Index by physically holding all the Index constituents in similar proportion to their weighting in the Index. Where direct investment is not achievable, direct substitutes for Index constituents, may be used.

It may not always be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to Unitholders (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Index, or in circumstances where a security in the Index becomes temporarily unavailable or less liquid, or as a result of legal restrictions that apply to the Fund but not to the Index). In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Index.

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 0.50% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

As the Fund does not pursue a synthetic index replication strategy, there is no associated counterparty risk.

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

**Index Description**

The Index is designed to reduce the weighted average greenhouse gas ("**GHG**") intensity by Enterprise Value Including Cash ("**EVIC**") relative to the MSCI World Index (the "**Parent Index**") by 50% and reduce the weighted average GHG intensity by 7% by EVIC on an annualized basis. The Index additionally aims to

increase exposure to companies that are well prepared for the transition to the low carbon economy, or through their positive management of environmental and social risk factors, while reducing exposure to companies according to select indicators that are associated with adverse impact on natural resources.

The starting universe for the Index is the "Parent Index. The Parent Index is designed to measure the equity performance of large and mid-cap securities across developed market countries as determined by MSCI.

The Index is calculated and screened by MSCI based on predetermined and objective ESG criteria which (i) excludes certain companies from the Parent Index which are not considered to meet sustainability principles considering business involvement and ESG controversy screening criteria, as further detailed in the Annex, (ii) excludes companies with exposure to carbon emissions and reserves, fossil fuels, above thresholds specified within the Annex, (iii) increases exposure to companies assessed as outperforming peers, in the management of risk and opportunities associated with the low carbon transition (iv) increases exposure, when compared to the Parent Index, to companies deemed to manage their environmental and social risks well, relative to the standards and performance of their industry peers, and, (v) increases exposure to companies with effective waste and water management.

Further information about the ESG criteria applied to the Index, including exclusions, specified thresholds, and tilting process, is provided in the Annex.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May, August and November with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated with the Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: www.msci.com/index/methodology/latest/JourneySel and https://www.msci.com/constituents

**Efficient Portfolio Management (EPM) and Use of Derivatives**

The purpose of EPM 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: exchange traded futures and currency forwards (details of which are outlined below).

Exchange traded futures are used exclusively for EPM 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 and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash equity position.

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 of the Fund.

The Fund may use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

Warrants, share purchase rights and convertible securities may also be held for the purposes of EPM and traded or exercised when considered appropriate.

The Fund may also enter into certain currency related transactions in order to hedge exchange rate fluctuation risks between the denominated currencies of the Fund's assets and the designated currency of the relevant Class.

As a result of currency hedging, hedged Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled "**Credit Risk and Counterparty Risk**".

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled "**Collateral Policy**" for further details.

The use of FDI for the purposes outlined above may expose the Fund to the risks disclosed under the section of the Prospectus entitled "**Risk Factors**".

## 2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in the "Investment Restrictions" section of the Prospectus apply to the Fund.

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" above.

Global exposure and leverage as a result of the Fund's 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.

## 5 RISK FACTORS

The general risk factors as set out in the "**Risk Factors**" section of the Prospectus apply to the Fund.

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

The Investment Manager's main business activity is the provision of investment management services.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

**Classes of Units Available**

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the "**Taxable Classes of Units**") are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtsvermindering*).

**Currency Hedged Unit Classes**

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

**Currencies Available**

Each of the above referenced Unit Classes is available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

The Directors or the Manager (or their duly appointed delegate) may impose a swing pricing adjustment as further detailed in the section of the Prospectus entitled "**Anti-Dilution Levy**".

**Initial Offer Period**

The Initial Offer Period in relation to all Classes of Units commenced at 9am Dutch time on 18 February 2025 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

After the close of the relevant Initial Offer Period, the Fund will be continuously open for subscriptions on each Dealing Day.



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**Business Day**

Any day other than a Saturday and Sunday on which the banks in Ireland are open generally for business, or such other day as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Dutch time on the Business Day immediately preceding each Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**Valuation Point**

Close of business in the relevant market that closes last on each Dealing Day.

**Minimum Initial Investment Amount**

There is no Minimum Initial Investment Amount.

**Minimum Additional Investment**

There is no Minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager will not apply a Redemption Charge.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed

repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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**

EUR 30 million.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 1 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below.

For the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

**Incorporation Fees and Expenses of the Fund**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

**Sub-Fund Establishment Fees and Expenses**

These fees and expenses are not estimated to exceed EUR 30,000.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.6 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.01 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.50 per cent of the Net Asset Value of the Fund.

*Fees and expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.20 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.



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**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Annex - Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

**Product name**: NTCM World Journey Equity Index Fund (the "**Fund**")
**Legal entity identifier**: 635400W48YYNKGBIWZ82

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective**: ___% | ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective**: ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

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?

The Fund promotes environmental and social characteristics through tracking the risk and return characteristics of the Index which has been designated as a reference benchmark.

The Fund promotes the following environmental characteristics related to climate change through the:

- reduction of carbon emissions versus the Parent Index, with the Index aiming to reduce the weighted average GHG intensity by EVIC relative to the MSCI World Index (the "**Parent Index**") by 50% and reduce the weighted average GHG intensity by 7% on an annualised basis;

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- increase of exposure to certain companies that are leaders when compares to peers in their preparedness of risks and opportunities associated with the low carbon transition;

- reduction of exposure to companies with evidence of owning proven and probable coal reserves and/or proven oil and natural gas reserves used for energy purposes;

- reduction of exposure to companies with evidence of production or distribution of unsustainable palm oil;

- reduction of exposure to companies with investment in thermal coal mining (not including metallurgical coal) and thermal coal based power generation, and;

- reduction of exposure to companies with investment in unconventional oil and gas exploration;

The Fund promotes the following other environmental characteristics:

- increase of exposure to companies that are in the top decile by sector waste and water management scoring.

The Fund promotes the following social characteristics related to social norms and conventions through the:

(a) reduction of specific investment in business activities with adverse health and social impacts including for-profit prisons, adult entertainment, gambling, the arms trade with entities under arms embargo, tobacco, nuclear weapons, civilian firearms, controversial weapons, conventional weapons; and

(b) avoidance of violations of human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- Scope 1 and Scope 2 carbon emissions ("EVIC");

- MSCI Red Flag ESG Controversies, defined as very severe, ongoing controversies that a company is directly involved in;

- MSCI Low Carbon Transition ("LCT") Score;

- MSCI Sector Relative Waste Management Score;

- MSCI ESG Rating Score;

- Specific revenue thresholds regarding palm oil, for-profit prisons, adult entertainment, gambling, tobacco, civilian firearms, unconventional oil and gas,

Arctic oil, thermal coal mining, thermal coal power, controversial and conventional weapons; and

- Securities flagged on violations of International Standards of Business Conduct and controversial behaviour countries.

This is not an exhaustive list and is subject to change.

Please also refer to the response below on binding elements of the investment strategy that form part of the Index design and are coded by MSCI as part of the Index methodology construction.

Further information on the methodology and specific thresholds of the Index can be found here.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The intended objectives of the sustainable investments of the Fund are to positively contribute towards the environmental and social objectives such as reducing carbon emissions and avoiding adverse business activities or human rights violations.

An investee company must promote good governance practices without causing significant adverse impact through its products and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' (DNSH) to the environment or society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United

Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy to track the Index, which seeks to exclude companies that:

- are found to be directly involved in violations of international norms;
- are not considered to meet ESG characteristics;
- derive revenue from the production or distribution of tobacco;
- derive revenue from the production or distribution of palm oil;
- derive revenue from for-profit prisons;
- manufacture civilian firearms, controversial and conventional weapons;
- derive revenue from fossil fuels such as thermal coal power, thermal coalmining, unconventional oil and gas; and
- do not score well in their sector for waste and water management.

The list may not be exhaustive, and these criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm. Examples include avoidance of controversial weapons and human rights violations, reducing carbon footprint and exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Index applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms – such as:

- OECD Guidelines for Multinational Enterprises; and
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly and is based on any investee company being directly involved in very severe and ongoing controversies in relation to its operations, products and services.

In practice, this means that all investee companies are aligned with these minimum safeguards, not only the sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

## Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes

The Fund considers (as part of its investment strategy) the following Principal Adverse Impacts ("PAI") indicators in Table 1 of Annex 1 of the SFDR Regulatory Technical Standards ("SFDR RTS"):

- GHG emissions (Scope 1 and 2);
- carbon footprint and GHG intensity of investee companies;
- exposure to companies active in the fossil fuels sector;
- violations of UNGC principles and OECD Guidelines for Multinational Enterprises;
- water emissions;
- hazardous waste;
- exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Investment Manager's direct engagement, the Fund aims to encourage investee companies to improve their ESG practices and disclosures. The Fund follows ISS SRI voting policy.

☐ No



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## What investment strategy does this financial product follow?

The Fund has an Index tracking strategy whereby it seeks to track the risk and return characteristics of the Index by investing directly in assets that are Index constituents:

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following are the binding elements of the investment strategy that are used to promote the environmental and social characteristics. These elements form part of the index design and are coded by MSCI as part of the Index methodology construction. The application of the following screens and tilts seeks to attain the environmental and social characteristics promoted by the Fund to:

- exclude certain companies using a custom exclusion list provided by the client, including but not limited to companies that have demonstrable activities with central governments or with non-state actors under a UN or EU arms embargo;
- exclude companies that are in breach of the UN's Global Compact Ten Principles due to being involved in controversies classified as "very severe" in the areas of Environment, Human Rights and Community, Labour Rights and Supply Chian, or Governance;
- exclude companies that derive any revenue from the production of tobacco, or those deriving 5% or more revenue from the retail sales of tobacco products;
- exclude companies deriving 5% or more aggregate revenue from gambling-related business activities;
- exclude companies deriving 5% or more aggregate revenue from producing, directing, or publishing adult entertainment materials that fall into the following categories: producer of X-rated films, producer of pay-per-view programming or channels, producer of sexually explicit video games, producer of books or magazines with adult content, live entertainment of an adult nature and producer of adults-only material on the internet and exclude all companies deriving 5% or more aggregate revenue from the retail sale of adult entertainment products through specialty stores or online sites;
- exclude 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;
- exclude companies that derive 5% or more of revenues from production or distribution of palm oil and less than 50% of their palm holdings are certified by the Roundtable on Sustainable Palm Oil;
- exclude companies that derive 5% or more of their total annual revenues from activities related to for-profit prisons;
- exclude companies that manufacture civilian firearms or retail civilian firearms and derive 5% or more revenue from this sector;
- exclude companies that manufacture conventional weapons or provide support services to and derive 5% or more revenue from this sector;

- exclude companies that derive 5% or more of their revenue from the extraction of thermal coal;

- exclude companies that derive 5% of energy production from thermal coal; and

- exclude companies that derive 5% or more of their total annual revenues from unconventional oil and gas (oil sands, oil shale, shale gas, shale oil, coal bed methane and coal seam gas) or involved in drilling for Arctic oil and gas.

The Index will also seek to tilt the screened universe by reweighting the Index constituents such that, compared to the Parent Index:

- there is a positive uplift in exposure by increasing in aggregate weight the top decile stocks selected on the MSCI Sector Relative Waste (electronic, toxic and package) and Water Management Score;

- there is a 3% positive uplift in exposure to certain companies deemed to be well prepared for the low carbon transition when assessed using the MSCI Low Carbon Transition Score, and;

- there is a 10% positive uplift in exposure to best-in-class companies, based on the MSCI ESG IVA Rating Score.

These exclusion lists and tilting rules are non-exhaustive and subject to change.

Further details of the Index methodology and specific thresholds can be found here.

The Investment Manager shall also ensure that any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

While the Fund's investible universe is reduced as a result of the 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 of the Product forms a foundational part of the ESG screening criteria applied to the Parent Index. The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

A very severe, ongoing controversy directly implicates a company through its operations, products and services and will result in that company's exclusion from the Index. The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

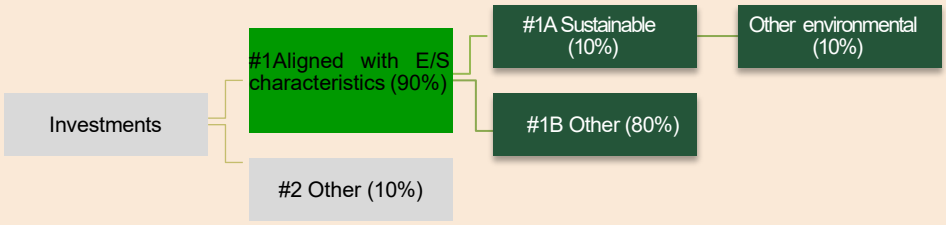
## What is the asset allocation planned for this financial product?

The Fund intends to invest at least 90% of its Net Asset Value in companies that are aligned with the environmental or social characteristics promoted by the Fund.

Of this, a minimum of 10% of its Net Asset Value will be invested in sustainable investments with an environmental objective.

The "other" assets are expected to be for cash, and derivatives for hedging and other ancillary purposes.

**Asset allocation** describes the share of investments in specific assets.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with environmental objective aligned with the EU Taxonomy.

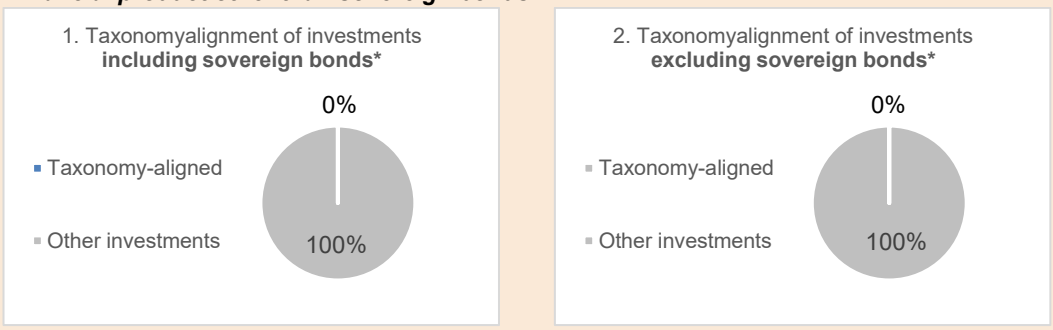
- **Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?[20]**

  No.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- ***What is the minimum share of investments in transitional and enabling activities?***

Not applicable. The Fund will not make any investments in transitional and enabling activities.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

## What is the minimum share of socially sustainable investments?

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

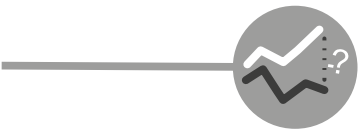
## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

[20] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied.

Investments categorised as 'other' will be used for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.
- Derivatives: The Fund may use derivatives for hedging and managing broad market exposure.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Yes, the Index has been designated as a reference benchmark.

***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

The Investment Manager evaluates the application of the binding elements through regular reviews to ensure that the Index continues to be aligned with each of the environmental or social characteristics promoted by the Fund.

***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Alignment of the investment strategy with the methodology of the Index is achieved on a continuous basis through the Fund tracking the Index which incorporates the various binding ESG criteria, within the set tracking error tolerance and outlined in the Index Tracking Strategy section of this Supplement.

In addition, investment guidelines and restrictions are coded in the Investment Manager's order management system to enable pre and post-trade monitoring.

***How does the designated index differ from a relevant broad market index?***

The Index differs from the Parent Index due to the application of the ESG screening and tilts described in earlier responses.

***Where can the methodology used for the calculation of the designated index be found?***

The Index methodology for the Index can be found here.

## *Where can I find more product specific information online?*

More product specific information regarding the Fund can be found here.

# SUPPLEMENT XXII

# NT EUROPE SELECTION P-SERIES EQUITY INDEX FGR FUND

This Supplement contains specific information in relation to the NT Europe Selection P-Series Equity Index FGR Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return of the MSCI Europe Region ESG Selection P-Series Index (the "**Index**") with net dividends reinvested. Any change of investment objective of the Fund shall only be made with the prior approval of the Unitholders.

### 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 Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of 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 in countries comprised within the Index, details of which are set out under the heading "**Index Description**" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "**Index Description**". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders.

The Fund operates an index tracking/replication strategy as further set out in the section "**Index Tracking Strategy**" below. The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

The Fund operates an index tracking or physical replication strategy through investing directly in the Index constituents to replicate, to the extent possible, the composition of the Index by physically holding all the Index constituents in similar proportion to their weighting in the Index. Where direct investment is not achievable, direct substitutes for Index constituents, may be used.

It may not always be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to Unitholders (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Index, or in circumstances where a security in the Index becomes temporarily unavailable or less liquid, or as a result of legal restrictions that apply to the Fund but not to the Index). In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Index.

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 0.5% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

As the Fund does not pursue a synthetic index replication strategy, there is no associated counterparty risk.

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

**Index Description**

The Index is a free float-adjusted market capitalization-weighted indexes designed to represent the performance of companies that are selected from an underlying index based on Environmental, Social and Governance (ESG) criteria across 15 Developed Markets (DM) countries in Europe. The Index is derived from MSCI Europe Index (the "**Parent Index**") to limit the systematic risk and country/region-specific risk

introduced by the ESG selection process. The Index is constructed by applying the index construction rules at the level of MSCI Europe Index. It aims to target sector weights that reflect the relative sector weights of the MSCI Europe Index. It excludes constituents based on ESG ratings, exposure to ESG controversies or involvement in specific business activities and targets 50% free float-adjusted market capitalization coverage of each Global Industry Classification Standard (GICS®) sector by selecting constituents primarily based on criteria including the ESG rating and the company's industry-adjusted ESG score.

Further information about the ESG criteria applied to the Index, including exclusions and specified thresholds, is provided in the Annex.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing - typically in February, May, August and November with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated with the Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: www.msci.com/index/methodology/latest/ESGSelPSeries and https://www.msci.com/constituents.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 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 and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash position.

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 use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

The Fund may also enter into certain currency related transactions in order to hedge exchange rate fluctuation risks between the denominated currencies of the Fund's assets and the designated currency of the relevant Class.

As a result of currency hedging, hedged Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled Credit Risk and Counterparty Risk.

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled Collateral Policy for further details.

The use of FDI for the purposes outlined above may expose the Fund to the risks disclosed under the section of the Prospectus entitled "**Risk Factors**".

## 2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in the "**Investment Restrictions**" section of the Prospectus apply to the Fund.

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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.

## 5 RISK FACTORS

The general risk factors set out in the "**Risk Factors**" section of the Prospectus apply to the Fund.

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

**Classes of Units Available**

A, B, C, D, E, F, G, H

The A, C, E and G Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F and H Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

**Currency Hedged Unit Classes**

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

**Currencies Available**

Each of the above referenced Unit Classes are available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E and G Classes

EUR 10 per Unit for the Euro A, C, E and G Classes

GBP 10 per Unit for the Sterling A, C, E and G Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F and H Classes

EUR 1,000 per Unit for the Euro B, D, F and H Classes

GBP 1,000 per Unit for the Sterling B, D, F and H Classes

**Anti-Dilution Levy**

The Directors or the Manager (or their duly appointed delegate) may impose a swing pricing adjustment as further detailed in the section of the Prospectus entitled “Anti-Dilution Levy”.

**Initial Offer Period**

The Initial Offer Period in relation to the Classes of Units commenced at 9am Dutch time on 17 March 2025 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Dutch time on the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no minimum initial Investment Amount.

**Minimum Additional Investment**

There is no minimum Additional Investment.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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.

## 9 FEES AND EXPENSES

### General

The maximum total fees and expenses for the Fund will be 0.5 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below. For the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

### Incorporation Fees and Expenses

The particulars of these fees and expenses are set out in the "Incorporation Fees and Expenses" section of the Prospectus.

*FGR Establishment Fees and Expenses*

These fees and expenses did not exceed EUR 70,000 for the Fund.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed EUR 20,000.

### Manager, Investment Manager, Administrator and Depositary Fees and Expenses

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.5 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The Manager shall be entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket expenses incurred by the Manager in the performance of its duties. The maximum of these fees and expenses will be 0.1 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

### Ongoing Fees and Expenses

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

### Rebalancing and Transaction Fees and Expenses



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The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of any other fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Annex - 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**: NT Europe Selection P-Series Equity Index FGR Fund (the "**Fund**")
**Legal entity identifier**: 98450043A88292C70D48

# Environmental and/or social characteristics

**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.

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental and social characteristics through tracking the risk and return characteristics of the Index which has been designated as a reference benchmark. The Fund promotes the following environmental characteristics:

a) reducing investments in conventional oil and gas activities;

b) reducing investments in unconventional oil and gas extraction and Arctic oil and gas;

c) reducing investments in nuclear power;

d) reducing investments in thermal coal power generation and thermal coal mining;

e) reducing investments in palm oil; and

f) reducing of investments in fossil fuel-based power generation.

The Fund promotes the following social characteristics related to social norms and conventions:

a) avoiding investments in controversial weapons,

b) reducing specific investment in business activities with adverse health and social impacts including tobacco, alcohol, gambling, nuclear weapons, civilian firearms, aggregate weapons, and;

c) human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Please also refer to the response below on binding elements of the investment strategy that form part of the Index design and are coded by MSCI as part of the Index methodology construction.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- MSCI ESG Controversies Score;
- Specific revenue thresholds regarding tobacco, gambling, alcohol, nuclear weapons, civilian firearms, palm oil, conventional oil and gas, unconventional oil and gas, Arctic oil and gas, thermal coal mining (not including metallurgical coal), thermal coal-based power generation, nuclear power suppliers and fossil fuel-based power generation;
- Any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), and;
- MSCI ESG Ratings to identify companies that have demonstrated an ability to manage their ESG risks and opportunities effectively using a seven point scale from 'AAA' to 'CCC'. Companies are only eligible for inclusion if they have an MSCI ESG Rating of 'BB' or above.

Please also refer to the response below on binding elements of the investment strategy for further details of the sustainability indicators, including the thresholds applied.

Further information on the methodology and specific thresholds of the Index can be found here.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  The intended objectives of the sustainable investments of the Fund are to positively contribute towards the environmental and social objectives including reducing exposure to fossil fuels (conventional oil and gas, unconventional oil and gas, Arctic oil and gas, thermal coal mining, thermal coal-based power generation, fossil fuel-based power generation, nuclear power suppliers) and reducing business activities with adverse health and social impacts including tobacco, nuclear power, nuclear weapons, civilian firearms, controversial weapons, conventional weapons, civilian firearms, gambling, alcohol, palm oil or human or labour rights violations as set out in the principles of the UN Global Compact. An investee company must promote good governance practices without causing significant adverse impact through its products and services.

  An investee company is assessed as a sustainable investment using the following methodology found here.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' ("**DNSH**") to the environment or society through its product and services.

  The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

  The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

  These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

  *How have the indicators for adverse impacts on sustainability factors been taken into account?*

  In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy through:



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- excluding companies found to be directly involved in violation of international norms; and

- excluding certain companies from the Parent Index not considered to meet ESG characteristics.

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises; and

- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly. Companies are required to have an MSCI Controversies Score of 3 or above to be eligible for inclusion in the index. However, existing constituents of the index are maintained in the eligible universe if they have a Controversy Score of 1 or above.

In practice, this means that all investee companies that form part of the Index are aligned with these minimum safeguards, not only the sustainable investments.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

## Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes

**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.

The Fund considers as part of the investment strategy, the following principal adverse impact (PAI) indicators in Annex 1, Table 1 of the RTS:

- Exposure to companies active in the fossil fuels sector;
- Violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Investment Manager's direct engagement and voting, the Fund aims to encourage investee companies to improve their ESG practices and disclosures.

☐ No

## What investment strategy does this financial product follow?

The Fund has an index tracking strategy whereby it seeks to track the risk and return characteristics of the Index by investing directly in assets that are Index constituents.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product***?

The following are the investment strategy's binding elements used to promote the environmental and social characteristics. These elements form part of the Index design and are coded by MSCI as part of the Index methodology construction.

The application of the following exclusions seeks to attain the environmental and social characteristics promoted by the Fund:

a) to exclude companies that have an ESG controversy score of 2 and below (with '0' being the most severe), unless a company is an existing index constituent. Companies with a controversy score of '0' are excluded in all cases. Controversies cover the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;

b) to exclude all companies with any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons);

c) to exclude all companies that manufacture nuclear warheads and/or whole nuclear missiles, manufacture components that were developed or are significantly modified for exclusive use in nuclear weapons (warheads and missiles), that manufacture or assemble delivery platforms that were developed or significantly modified for the exclusive delivery of nuclear weapons; that provide auxiliary services related to nuclear weapons; that manufacture components that were not developed or not significantly modified for exclusive use in nuclear weapons (warheads and missiles) but can be used in nuclear weapons; that manufacture or assemble delivery platforms that were not developed or not significantly modified for the exclusive delivery of nuclear weapons but have the capability to deliver nuclear weapons and that manufacture components for nuclear- exclusive delivery platforms;

d) to exclude all companies deriving any revenue from the production of firearms and small arms ammunitions for civilian markets. It does not include companies that cater to the military, government, and law enforcement markets and; all companies deriving 5% or more aggregate revenue from the production and distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use;

e) to exclude all companies deriving any revenue from the production of tobacco related products;

f) to exclude all companies deriving 5% or more aggregate revenue from the production, distribution, retail, supply and licensing of tobacco-related products;

g) to exclude all companies deriving 10% or more revenue from the production of alcohol related products;

h) to exclude all companies deriving 10% or more aggregate revenue from the production of conventional weapons, components, support systems and services, controversial weapons and nuclear weapons;

i) to exclude all companies deriving 10% or more revenue from ownership of operation of gambling- related business activities;

j) to exclude all companies deriving 10% or more revenue from the ownership or operation of nuclear power generation; and

k) to exclude all companies deriving 1% or more aggregate revenue from thermal coal mining (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It does not cover revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading;

l) to exclude all companies with evidence of involvement in thermal coal distribution or transport involvement;

m) to exclude all companies deriving 10% or more aggregate revenue from oil-related activities;

n) to exclude all companies deriving 50% or more aggregate revenue from gas-related activities;

o) to exclude all companies deriving 5% or more revenue from unconventional oil and gas extraction such as oil sands, oil shale (kerogen- rich deposits), shale gas, shale oil, coal seam gas, and coal bed methane;

p) to exclude all companies deriving 5% or more revenue from Arctic oil and gas;

q) to exclude all companies deriving 5% or more revenue from thermal coal power;

r) companies that derive 50% or more aggregate revenue from fossil fuel based power generation; and,

s) companies that derive 5% or more revenue from the production of palm oil.

Once the constituents that fail to pass the screening criteria detailed above are removed, the MSCI ESG Ratings are used to identify companies that have demonstrated an ability

to manage their ESG risks and opportunities effectively using a seven point scale from 'AAA' to 'CCC'. Companies are only eligible for inclusion if they have an MSCI ESG Rating of 'BB' or above.

In each GICs sector, eligible securities are ranked and selected based on their ESG rating, ESG score and Market Cap.

These binding elements are non-exhaustive and subject to change.

Further information on the methodology and specific thresholds of the Index can be found here.

Any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

While the investment universe of the Parent Index is reduced as a result of the application of ESG exclusions and ESG ratings, the Fund does not commit to a minimum reduction rate. As such, the reduction of the universe may be subject to change.

***What is the policy to assess good governance practices of the investee companies?***

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

Companies are required to have an MSCI Controversies Score of 3 or above to be eligible for inclusion in the index. However, existing constituents of the index are maintained in the eligible universe if they have a Controversy Score of 1 or above.

The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and

similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

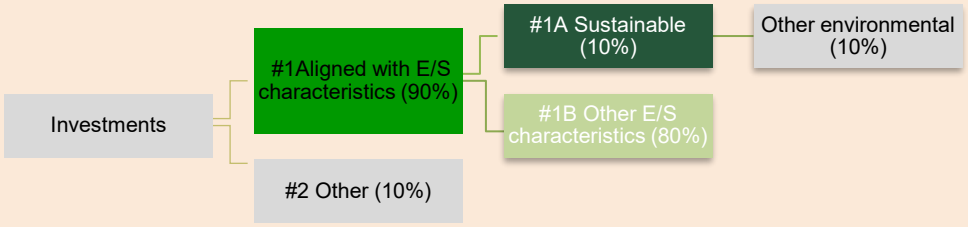
## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

The Fund intends to invest at least 90% of its Net Asset Value in companies that are aligned with the environmental or social characteristics promoted by the Fund.

Of this, a minimum of 10% of its Net Asset Value will be invested in sustainable investments with an environmental objective.

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

### *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

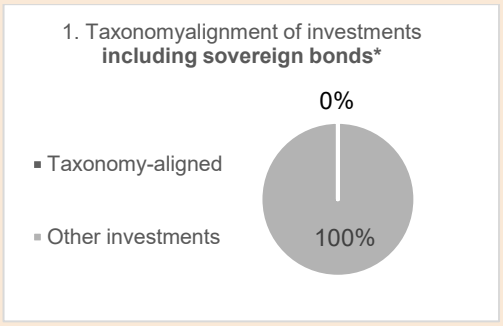
### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

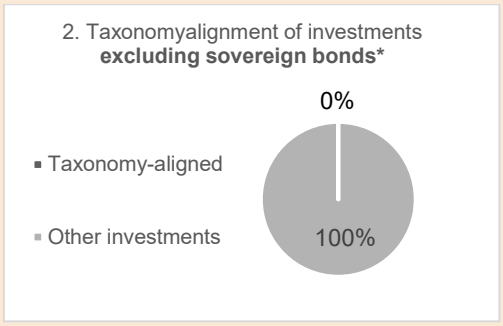
The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

- ***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?*** [21]

No.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




* ***For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures***

**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

- ***What is the minimum share of investments in transitional and enabling activities?***

Not applicable. The Fund will not make any investments in transitional and enabling activities.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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 socially sustainable investments?

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

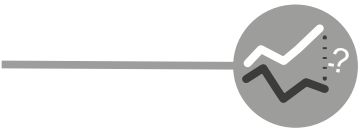
## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied. Investments categorised as 'other' will be used for the following reasons:

[21] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.

- Derivatives: The Fund may use derivatives only for hedging and managing broad market exposure.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Yes, the Index has been designated as a reference benchmark.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

  The Investment Manager evaluates the application of the binding elements through regular reviews to ensure that the Index continues to be aligned with each of the environmental or social characteristics promoted by the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Alignment of the investment strategy with the methodology of the Index is achieved on a continuous basis through the Fund tracking the Index, which incorporates the various binding elements, within the set tracking error tolerance and outlined in the Index Tracking Strategy section of this Supplement. In addition, investment guidelines and restrictions are coded in the Investment Manager's order management system to enable pre and post-trade monitoring.

- ***How does the designated index differ from a relevant broad market index?***

  The index differs from the Parent Index due to the application of the ESG screening described in earlier responses.

- ***Where can the methodology used for the calculation of the designated index be found?***

  The methodology used for the Index can be found here.

**Where can I find more product specific information online?**

More product specific information can be found here.

# SUPPLEMENT XXIII

# NT USA SELECTION P-SERIES EQUITY INDEX FGR FUND

This Supplement contains specific information in relation to the NT USA Selection P-Series Equity Index FGR Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return of the MSCI USA ESG Selection P-Series Index (the "**Index**") with net dividends reinvested. Any change of investment objective of the Fund shall only be made with the prior approval of the Unitholders.

### 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 Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of 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 in countries comprised within the Index, details of which are set out under the heading "**Index Description**" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "**Index Description**". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders.

The Fund operates an index tracking/replication strategy as further set out in the section "**Index Tracking Strategy**" below. The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

The Fund operates an index tracking or physical replication strategy through investing directly in the Index constituents to replicate, to the extent possible, the composition of the Index by physically holding all the Index constituents in similar proportion to their weighting in the Index. Where direct investment is not achievable, direct substitutes for Index constituents, may be used.

It may not always be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to Unitholders (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Index, or in circumstances where a security in the Index becomes temporarily unavailable or less liquid, or as a result of legal restrictions that apply to the Fund but not to the Index). In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Index.

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 0.5% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

As the Fund does not pursue a synthetic index replication strategy, there is no associated counterparty risk.

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

**Index Description**

The Index is a free float-adjusted market capitalization-weighted indexes designed to represent the performance of companies that are selected from an underlying index based on ESG criteria across the US market. The Index is derived from the MSCI USA index (the "**Parent Index**") and aims to achieve sector weights that reflect the sector weights of the Parent Index. The Index is constructed by excluding

constituents based on ESG ratings, exposure to ESG controversies or involvement in specific business activities and target 50% free float-adjusted market capitalization coverage of each Global Industry Classification Standard (GICS®) sector by selecting constituents primarily based on criteria including the ESG rating and the company's industry-adjusted ESG score.

Further information about the ESG criteria applied to the Index, including exclusions and specified thresholds, is provided in the Annex.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May, August and November with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated with the Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: www.msci.com/index/methodology/latest/ESGSelPSeries and https://www.msci.com/constituents.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 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 and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash position.

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 use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

The Fund may also enter into certain currency related transactions in order to hedge exchange rate fluctuation risks between the denominated currencies of the Fund's assets and the designated currency of the relevant Class.

As a result of currency hedging, hedged Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled Credit Risk and Counterparty Risk.

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled Collateral Policy for further details.

The use of FDI for the purposes outlined above may expose the Fund to the risks disclosed under the section of the Prospectus entitled "**Risk Factors**".

## 2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in the "**Investment Restrictions**" section of the Prospectus apply to the Fund.

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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.

## 5 RISK FACTORS

The general risk factors set out in the "**Risk Factors**" section of the Prospectus apply to the Fund.

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

### Classes of Units Available

A, B, C, D, E, F, G, H

The A, C, E and G Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F and H Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

### Currency Hedged Unit Classes

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

**Currencies Available**

Each of the above referenced Unit Classes are available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, and G Classes

EUR 10 per Unit for the Euro A, C, E, and G Classes

GBP 10 per Unit for the Sterling A, C, E, and G Classes

USD $1,000 per Unit for the U.S. Dollar B, D F and H Classes

EUR 1,000 per Unit for the Euro B, D, F and H Classes

GBP 1,000 per Unit for the Sterling B, D, F and H Classes

**Anti-Dilution Levy**

The Directors or the Manager (or their duly appointed delegate) may impose a swing pricing adjustment as further detailed in the section of the Prospectus entitled “Anti-Dilution Levy”.

**Initial Offer Period**

The Initial Offer Period in relation to the Classes of Units commenced at 9am Dutch time on 17 March 2025 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.



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**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Dutch time on the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no minimum initial Investment Amount.

**Minimum Additional Investment**

There is no minimum Additional Investment.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 0.5 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below. For

the avoidance of doubt, the fees and expenses which are set out in the “**Rebalancing and Transaction Fees and Expenses**” section of the Prospectus are not part of the maximum total fees and expenses.

**Incorporation Fees and Expenses**

The particulars of these fees and expenses are set out in the "Incorporation Fees and Expenses" section of the Prospectus.

*FGR Establishment Fees and Expenses*

These fees and expenses did not exceed EUR 70,000 for the Fund.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed EUR 20,000.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.5 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The Manager shall be entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket expenses incurred by the Manager in the performance of its duties. The maximum of these fees and expenses will be 0.1 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**



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The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of any other fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Annex - 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**: NT USA Selection P-Series Equity Index FGR Fund (the "**Fund**")
**Legal entity identifier**: 984500HR51DB02ACBC84

# Environmental and/or social characteristics

**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.

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental and social characteristics through tracking the risk and return characteristics of the Index which has been designated as a reference benchmark.

a) reducing investments in conventional oil and gas activities;

b) reducing investments in unconventional oil and gas extraction and Arctic oil and gas;

c) reducing investments in nuclear power;

d) reducing investments in thermal coal power generation and thermal coal mining;

e) reducing investments in palm oil; and,

f) reducing of investments in fossil fuel-based power generation.

The Fund promotes the following social characteristics related to social norms and conventions:

a) avoiding investments in controversial weapons,

b) reducing specific investment in business activities with adverse health and social impacts including tobacco, alcohol, gambling, nuclear weapons, civilian firearms, aggregate weapons, and for-profit prisons, and

c) human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Please also refer to the response below on binding elements of the investment strategy that form part of the Index design and are coded by MSCI as part of the Index methodology construction.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- MSCI ESG Controversies Score;
- Specific revenue thresholds regarding tobacco, gambling, nuclear weapons, civilian firearms, palm oil, conventional oil and gas, unconventional oil and gas, Arctic oil and gas, thermal coal mining (not including metallurgical coal), thermal coal-based power generation, nuclear power suppliers and fossil fuel power generation;
- Any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), and;
- MSCI ESG Ratings to identify companies that have demonstrated an ability to manage their ESG risks and opportunities effectively using a seven point scale from 'AAA' to 'CCC'. Companies are only eligible for inclusion if they have an MSCI ESG Rating of 'BB' or above.

Please also refer to the response below on binding elements of the investment strategy for further details of the sustainability indicators, including the thresholds applied.

Further information on the methodology and specific thresholds of the Index can be found here.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  The intended objectives of the sustainable investments of the Fund are to positively contribute towards the environmental and social objectives including reducing exposure to fossil fuels (conventional oil and gas, unconventional oil and gas, Arctic oil and gas, thermal coal mining, thermal coal-based power generation, fossil fuel-based power generation, nuclear power suppliers) and reducing business activities with adverse health and social impacts including tobacco, nuclear power, nuclear weapons, civilian firearms, controversial weapons, conventional weapons, civilian firearms, gambling, alcohol, palm oil or human or labour rights violations as set out in the principles of the UN Global Compact. An investee company must promote good governance practices without causing significant adverse impact through its products and services.

  An investee company is assessed as a sustainable investment using the following methodology found here.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' ("**DNSH**") to the environment or society through its product and services.

  The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

  The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

  These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

  *How have the indicators for adverse impacts on sustainability factors been taken into account?*

  In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy through:



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- excluding companies found to be directly involved in violation of international norms; and

- excluding certain companies from the Parent Index not considered to meet ESG characteristics.

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises; and

- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly. Companies are required to have an MSCI Controversies Score of 3 or above to be eligible for inclusion in the index. However, existing constituents of the index are maintained in the eligible universe if they have a Controversy Score of 1 or above.

In practice, this means that all investee companies that form part of the Index are aligned with these minimum safeguards, not only the sustainable investments.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Does this financial product consider principal adverse impacts on sustainability factors?**

✖ Yes

**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.

The Fund considers as part of the investment strategy, the following principal adverse impact (PAI) indicators in Annex 1, Table 1 of the RTS:

- Exposure to companies active in the fossil fuels sector;
- Violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Investment Manager's direct engagement and voting, the Fund aims to encourage investee companies to improve their ESG practices and disclosures.

No

## What investment strategy does this financial product follow?

The Fund has an index tracking strategy whereby it seeks to track the risk and return characteristics of the Index by investing directly in assets that are Index constituents.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product***?

The following are the investment strategy's binding elements used to promote the environmental and social characteristics. These elements form part of the Index design and are coded by MSCI as part of the Index methodology construction.

The application of the following exclusions seeks to attain the environmental and social characteristics promoted by the Fund:

a) to exclude companies that have an ESG controversy score of 2 and below (with '0' being the most severe), unless a company is an existing index constituent. Companies with a controversy score of '0' are excluded in all cases. Controversies cover the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;

b) to exclude all companies with any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons);

c) to exclude all companies that manufacture nuclear warheads and/or whole nuclear missiles, manufacture components that were developed or are significantly modified for exclusive use in nuclear weapons (warheads and missiles), that manufacture or assemble delivery platforms that were developed or significantly modified for the exclusive delivery of nuclear weapons; that provide auxiliary services related to nuclear weapons; that manufacture components that were not developed or not significantly modified for exclusive use in nuclear weapons (warheads and missiles) but can be used in nuclear weapons; that manufacture or assemble delivery platforms that were not developed or not significantly modified for the exclusive delivery of nuclear weapons but have the capability to deliver nuclear weapons and that manufacture components for nuclear- exclusive delivery platforms;

d) to exclude all companies deriving any revenue from the production of firearms and small arms ammunitions for civilian markets. It does not include companies that cater to the military, government, and law enforcement markets an; all companies deriving 5% or more aggregate revenue from the production and distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use;

e) to exclude all companies deriving any revenue from the production of tobacco related products;

f) to exclude all companies deriving 5% or more aggregate revenue from the production, distribution, retail, supply and licensing of tobacco-related products;

g) to exclude all companies deriving 10% or more revenue from the production of alcohol related products;

h) to exclude all companies deriving 10% or more aggregate revenue from the production of conventional weapons, components, support systems and services, controversial weapons and nuclear weapons;

i) to exclude all companies deriving 10% or more revenue from ownership of operation of gambling- related business activities;

j) to exclude all companies deriving 10% or more revenue from the ownership or operation of nuclear power generation; and

k) to exclude all companies deriving 1% or more aggregate revenue from thermal coal mining (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It does not cover revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading;

l) to exclude all companies with evidence of involvement in thermal coal distribution or transport involvement;

m) to exclude all companies deriving 10% or more aggregate revenue from oil-related activities;

n) to exclude all companies deriving 50% or more aggregate revenue from gas-related activities;

o) to exclude all companies deriving 5% or more revenue from unconventional oil and gas extraction such as oil sands, oil shale (kerogen- rich deposits), shale gas, shale oil, coal seam gas, and coal bed methane;

p) to exclude all companies deriving 5% or more revenue from Arctic oil and gas;

q) to exclude all companies deriving 5% or more revenue from thermal coal power;

r) companies that derive 50% or more aggregate revenue from fossil fuel based power generation; and,

s) companies that derive 5% or more revenue from the production of palm oil.

Once the constituents that fail to pass the screening criteria detailed above are removed, the MSCI ESG Ratings are used to identify companies that have demonstrated an ability

to manage their ESG risks and opportunities effectively using a seven point scale from 'AAA' to 'CCC'. Companies are only eligible for inclusion if they have an MSCI ESG Rating of 'BB' or above.

In each GICs sector, eligible securities are ranked and selected based on their ESG rating, ESG score and Market Cap.

These binding elements are non-exhaustive and subject to change.

Further information on the methodology and specific thresholds of the Index can be found here.

Any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

While the investment universe of the Parent Index is reduced as a result of the application of ESG exclusions and ESG ratings, the Fund does not commit to a minimum reduction rate. As such, the reduction of the universe may be subject to change.

***What is the policy to assess good governance practices of the investee companies?***

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

Companies are required to have an MSCI Controversies Score of 3 or above to be eligible for inclusion in the index. However, existing constituents of the index are maintained in the eligible universe if they have a Controversy Score of 1 or above.

The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

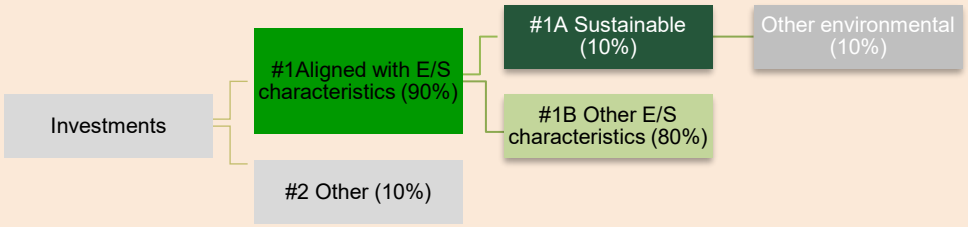
## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

The Fund intends to invest at least 90% of its Net Asset Value in companies that are aligned with the environmental or social characteristics promoted by the Fund.

Of this, a minimum of 10% of its Net Asset Value will be invested in sustainable investments with an environmental objective.

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

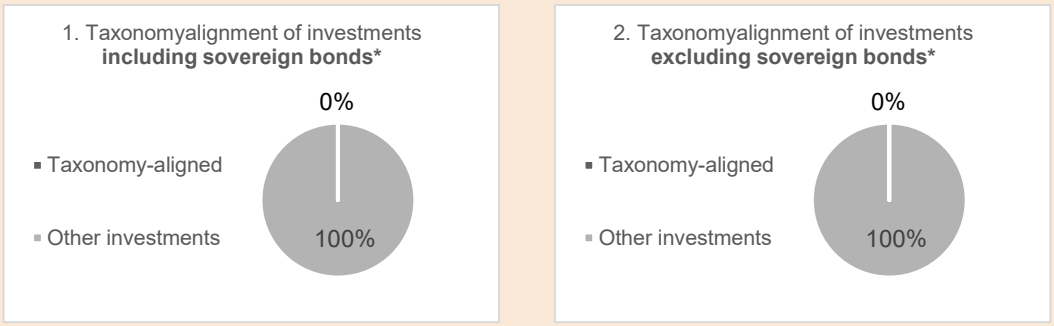
The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?*** [22]

[22] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

No.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




* ***For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures***

**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.

***What is the minimum share of investments in transitional and enabling activities?***

Not applicable. The Fund will not make any investments in transitional and enabling activities.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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 socially sustainable investments?

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied. Investments categorised as 'other' will be used for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.
- Derivatives: The Fund may use derivatives only for hedging and managing broad market exposure.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Yes, the Index has been designated as a reference benchmark.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

The Investment Manager evaluates the application of the binding elements through regular reviews to ensure that the Index continues to be aligned with each of the environmental or social characteristics promoted by the Fund.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Alignment of the investment strategy with the methodology of the Index is achieved on a continuous basis through the Fund tracking the Index, which incorporates the various binding elements, within the set tracking error tolerance and outlined in the Index Tracking Strategy section of this Supplement. In addition, investment guidelines and restrictions are coded in the Investment Manager's order management system to enable pre and post-trade monitoring.

- ***How does the designated index differ from a relevant broad market index?***

The index differs from the Parent Index due to the application of the ESG screening described in earlier responses.

- ***Where can the methodology used for the calculation of the designated index be found?***

The methodology used for the Index can be found found here.

## Where can I find more product specific information online?

More product specific information can be found here.

# SUPPLEMENT XXIV

# NTCM EMERGING MARKETS JOURNEY EQUITY INDEX FUND

This Supplement contains specific information in relation to the NTCM Emerging Markets Journey Equity Index Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return characteristics of the MSCI Emerging Markets **Journey Select** Index (the "**Index**") with net dividends reinvested. Any change of Index shall only be made with the prior approval of the Unitholders.

### 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 Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of a Fund's Net Asset Value), convertible securities (such as convertible preference shares, share purchase rights and corporate bonds, convertible into common or preferred shares). Such Equity and Equity Related Securities shall typically be listed on stock exchanges or Regulated Markets in countries comprised within the Index, details of which are set out below under the heading "Index Description" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. In order to access Equity and Equity Related Securities issued by companies or linked to companies located in China or listed/traded on stock exchanges in China, the Fund may trade through the Shanghai and Shenzhen Stock Connect programmes. 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "**Index Description**". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders.

The Fund is passively managed (i.e. its objective is to closely match the risk and return characteristics of the Index, with net dividends reinvested). The Fund operates an index tracking/replication strategy as further set out in the section entitled "**Index Tracking Strategy**" below. The Fund may invest in FDI for **EPM** purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

The Fund operates an index tracking or physical replication strategy through investing directly in the Index constituents to replicate, to the extent possible, the composition of the Index by physically holding all the Index constituents in similar proportion to their weighting in the Index. Where direct investment is not achievable, direct substitutes for Index constituents, may be used.

It may not always be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to Unitholders (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Index, or in circumstances where a security in the Index becomes temporarily unavailable or less liquid, or as a result of legal restrictions that apply to the Fund but not to the Index). In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Index.

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 1% should be anticipated . The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

As the Fund does not pursue a synthetic index replication strategy, there is no associated counterparty risk.

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

**Index Description**

The Index is designed to reduce the weighted average greenhouse gas ("GHG") intensity by Enterprise Value Including Cash ("EVIC") relative to the MSCI Emerging Markets Index (the "Parent Index") by 50% and reduce the weighted average GHG intensity by 7% by EVIC on an annualized basis. The Index additionally aims to increase exposure to companies that are well prepared for the transition to the low carbon economy, or through their positive management of environmental and social risk factors, while reducing exposure to companies according to select indicators that are associated with adverse impact on natural resources.

The starting universe for the Index is the Parent Index. The Parent Index is designed to measure the equity performance of large and mid-cap securities across emerging markets countries as determined by MSCI.

The Index is calculated and screened by MSCI based on predetermined and objective ESG criteria which (i) excludes certain companies from the Parent Index which are not considered to meet sustainability principles considering business involvement and ESG controversy screening criteria, as further detailed in the Annex, (ii) excludes companies with exposure to carbon emissions and reserves, fossil fuels, above thresholds specified within the Annex, (iii) increases exposure to companies assessed as outperforming o peers, in the management of risk and opportunities associated with the low carbon transition (iv) increases exposure, when compared to the Parent Index, to companies deemed to manage their environmental and social risks well, relative to the standards and performance of their industry peers, and, (v) increases exposure to companies with effective waste and water management.

Further information about the ESG criteria applied to the Index, including exclusions, specified thresholds, and tilting process, is provided in the Annex.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May, August and November with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated with the Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: www.msci.com/index/methodology/latest/JourneySel and https://www.msci.com/constituents.

**Efficient Portfolio Management (EPM) and Use of Derivatives**

The purpose of EPM 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: exchange traded futures and currency forwards (details of which are outlined below).

Exchange traded futures are used exclusively for EPM 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 and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash equity position.

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 of the Fund.

The Fund may use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

Warrants, share purchase rights and convertible securities may also be held for the purposes of EPM and traded or exercised when considered appropriate.

The Fund may also enter into certain currency related transactions in order to hedge exchange rate fluctuation risks between the denominated currencies of the Fund's assets and the designated currency of the relevant Class.

As a result of currency hedging, hedged Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled "**Credit Risk and Counterparty Risk**".

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled "**Collateral Policy**" for further details.

The use of FDI for the purposes outlined above may expose the Fund to the risks disclosed under the section of the Prospectus entitled "**Risk Factors**".

## 2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in the "**Investment Restrictions**" section of the Prospectus apply to the Fund.

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" above.

Global exposure and leverage as a result of the Fund's 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.

## 5 RISK FACTORS

The general risk factors as set out in the "**Risk Factors**" section of the Prospectus apply to the Fund.

The Fund may trade through the Shanghai and Shenzhen Stock Connect programs. Therefore, please refer to the section entitled "Stock Connect Risks" within the "Risk Factors" section of the Prospectus for more details on associated risks.

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

The Investment Manager's main business activity is the provision of investment management services.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITES

**Classes of Unites Available**

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the "**Taxable Classes of Units**") are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

**Currency Hedged Unit Classes**

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

**Currencies available**

Each of the above referenced Unit Classes is available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

EUR

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

The Directors or the Manager (or their duly appointed delegate) may impose a swing pricing adjustment as further detailed in the section of the Prospectus entitled "**Anti-Dilution Levy**".

**Initial Offer Period**

The Initial Offer Period in relation to Unit Class A EUR has closed

The Initial Offer Period in relation to the other Classes of Units commenced at 9am Dutch time on 2 May 2025 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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 and Sunday on which the banks in Ireland are open generally for business, or such other day as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Dutch time on the Business Day prior to the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**Valuation Point**

Close of business in the relevant market that closes last on each Dealing Day.

**Minimum Initial Investment Amount**

There is no Minimum Initial Investment Amount.

**Minimum Additional Investment**

There is no Minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager will not apply a Redemption Charge.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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**

EUR 30 million.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 1 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below.

For the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

**Incorporation Fees and Expenses of the Fund**

The particulars of these fees and expenses are set out in the "**Incorporation Fees and Expenses**" section of the Prospectus.

**Sub-Fund Establishment Fees and Expenses**

These fees and expenses are not estimated to exceed EUR 30,000.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.6 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.01 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.50 per cent of the Net Asset Value of the Fund.

*Fees and expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Annex - 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**: NTCM Emerging Markets Journey Equity Index (the "Fund")
**Legal entity identifier**: 635400PPHPKWQWAP5736

# Environmental and/or social characteristics

**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.

**Does this financial product have a sustainable investment objective?**

| ☐ Yes | ☒ No |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental and social characteristics through tracking the risk and return characteristics of the Index which has been designated as a reference benchmark. The Fund promotes the following environmental characteristics related to climate change through the:

a) reduction of carbon emissions versus the Parent Index, with the Index aiming to reduce the weighted average GHG intensity by EVIC relative to the MSCI Emerging Markets Index (the “Parent Index”) by 50% and reduce the weighted average GHG intensity by 7% on an annualised basis;

b) increase of exposure to certain companies that are leaders when compared to peers in their preparedness of risks and opportunities associated with the low carbon transition;

c) reduction of exposure to companies with evidence of owning proven and probable coal reserves and/or proven oil and natural gas reserves used for energy purposes;

d) reduction of exposure to companies with evidence of production or distribution of unsustainable palm oil;

e) reduction of exposure to companies with investment in thermal coal mining (not including metallurgical coal) and thermal coal based power generation, and;

f) reduction of exposure to companies with investment in unconventional oil and gas exploration.

The Fund promotes the following other environmental characteristics:

a) increase of exposure to companies that are in the top decile by sector waste and water management scoring.

The Fund promotes the following social characteristics related to social norms and conventions:

a) reduction of specific investment in business activities with adverse health and social impacts including for-profit prisons, adult entertainment, gambling, the arms trade with entities under arms embargo, tobacco, nuclear weapons, civilian firearms, controversial weapons, conventional weapons, and;

b) avoidance of violations of human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Please also refer to the response below on binding elements of the investment strategy that form part of the Index design and are coded by MSCI as part of the Index methodology construction.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- Scope 1, and 2 carbon emissions (EVIC);
- MSCI Red Flag ESG Controversies, defined as very severe, ongoing controversies that a company is directly involved in;
- MSCI Low Carbon Transition ("LCT") Score;
- MSCI Sector Relative Waste Management Score;

- MSCI Sector Relative Water Management Score;
- MSCI ESG Rating Score;
- Specific revenue thresholds regarding palm oil, for-profit prisons, adult entertainment, gambling tobacco, civilian firearms, unconventional oil and gas, arctic oil, thermal coal mining, thermal coal power, controversial and conventional weapons, and;
- Securities flagged on violations of International Standards of Business Conduct and controversial behaviour countries.

This is not an exhaustive list and is subject to change.

Please also refer to the response below on binding elements of the investment strategy that form part of the Index design and are coded by MSCI as part of the Index methodology construction.

Further information on the methodology and specific thresholds of the Index may be found here.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The intended objectives of the sustainable investments of the Fund are to positively contribute towards the environmental and social objectives such as reducing carbon emissions and avoiding adverse business activities or human rights violations.

An investee company must promote good governance practices without causing significant adverse impact through its products and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, the investee company must 'do no Significant Harm' (DNSH) to the environment or to society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standard (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which the Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment where it (i) does not breach the PAI threshold as set by the Investment Manager, (ii) meets the minimum positive contribution test

(please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy to track the Index, which seeks to exclude companies that:

- are found to be directly involved in violation of international norms;
- are not considered to meet ESG characteristics;
- derive revenue from the production or distribution of tobacco;
- derive revenue from the production or distribution of palm oil;
- derive revenue from for-profit prisons;
- manufacture civilian firearms, controversial and conventional weapons;
- derive revenue from fossil fuels such as thermal coal power, thermal coal mining, unconventional oil and gas, and;
- do not score well in their sector for waste and water management.

This list may not be exhaustive, and these criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm. Examples include avoidance of controversial weapons and human rights violations, reducing carbon footprint and exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Index applies ESG screening criteria to identify and exclude companies that do not adhere to international norms such as:

- the OECD Guidelines for Multinational Enterprises; and
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

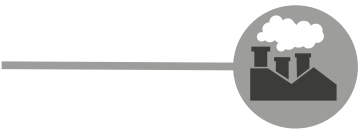
The implementation of these exclusions is quarterly and is based on any investee company being directly involved in very severe and ongoing controversies in relation to its operations, products and services.

In practice, this means that all investee companies 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?**

**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.

☒ Yes

The Fund considers (as part of the investment strategy), the following Principal Adverse Impacts ("PAI") indicators in Table 1 of Annex 1 of the SFDR Regulatory Technical standards ("SFDR RTS"):

- GHG emissions (Scope 1 and 2);
- carbon footprint and GHG intensity of investee companies;
- exposure to companies active in the fossil fuel sector;
- violations of UNGC principles and OECD Guidelines for Multinational Enterprises;
- water emissions;
- hazardous waste;
- exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Investment Manager's direct engagement and voting, the Fund aims to encourage investee companies to improve their ESG practices and disclosures.

☐ No

## What investment strategy does this financial product follow?

The Fund has an index tracking strategy whereby it seeks to track the risk and return characteristics of the Index by investing directly in assets that are Index constituents.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product***?

The following are the binding elements of the investment strategy that are used to promote the environmental and social characteristics. These elements form part of the index design and are coded by MSCI as part of the index methodology construction.

The application of the following screens and tilt to attain the environmental and social characteristics promoted by the Fund to:

a) exclude certain companies using a custom exclusion list provided by the client, including but not limited to companies that have proven activities in the trade of arms (or related material or services) with countries subject to a UN or EU arms embargo against the central government or with non-state actors sanctioned by the UN or the EU;

b) exclude companies that are in breach of the UN's Global Compact Ten Principles due to being involved in controversies classified as "very severe" in the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, or Governance;

c) exclude companies that derive any revenue from the production of tobacco, or those deriving 5% or more revenue from the retail sales of tobacco products;

d) exclude companies deriving 5% or more aggregate revenue from gambling-related business activities;

e) exclude companies deriving 5% or more aggregate revenue from producing, directing, or publishing adult entertainment materials that fall into the following categories: producer of X-rated films, producer of pay-per-view programming or channels, producer of sexually explicit video games, producer of books or magazines with adult content, live entertainment of an adult nature, producer of adults-only material on the internet and exclude all companies deriving 5% or more aggregate revenue from the retail sale of adult entertainment products through specialty stores or online sites;

f) exclude 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;

g) exclude companies that derive 5% or more of revenues from production or distribution of palm oil and less than 50% of their palm holdings are certified by the Roundtable on Sustainable Palm Oil;

h) exclude companies that derive 5% or more of their total annual revenues from activities related to for-profit Prisons;

i) exclude companies that manufacture civilian firearms or retail civilian firearms and derive 5% or more revenue from this sector;

j) exclude companies that manufacture conventional weapons or provide support services to and derive 5% or more revenue from this sector;

k) exclude companies that derive 5% or more of their revenue from the extraction of thermal coal;

l) exclude companies that derive 5% of energy production from thermal coal, and;

m) exclude companies that derive 5% or more of their total annual revenues from unconventional oil and gas (oil sands, oil shale, shale gas, shale oil, coal bed methane and coal seam gas) or involved in drilling for Arctic oil and gas;

The Index will also seek to tilt the screened universe by reweighting the Index constituents such that, compared to the Parent Index:

a) there is a positive uplift in exposure by increasing in aggregate weight the top decile stocks selected on the MSCI Sector Relative Waste (electronic, toxic and package) and Water Management Score;

b) there is a 3% positive uplift in exposure to certain companies deemed to be well prepared for the low carbon transition when assessed using the MSCI Low Carbon Transition Score, and;

c) there is a 10% positive uplift in exposure to best-in-class companies, based on the MSCI ESG IVA Rating Score.

These exclusion lists and tilting rules are non-exhaustive and subject to change.

Further details of the Index methodology and specific thresholds can be found here.

The Investment Manager shall also ensure that any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

While the Fund's investible universe is reduced as a result of the binding exclusions, it does not commit to a minimum reduction rate. As such, the reduction of the universe may be subject to change.

- ***What is the policy to assess good governance practices of the investee companies?***

An assessment of good governance of investee companies of the Product forms a foundational part of the ESG screening criteria applied to the Parent Index. The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms

represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

A very severe, ongoing controversy directly implicates a company through its operations, products and services and will result in that company's exclusion from the Index.

The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

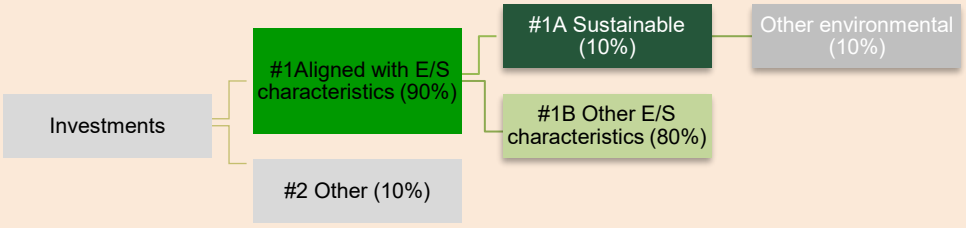
## What is the asset allocation planned for this financial product?

The Fund intends to invest at least 90% invested in companies that are aligned with the environmental and social characteristics promoted by the Fund.

**Asset allocation** describes the share of investments in specific assets.

Of this, a minimum of 10% of its Net Asset Value will be invested in sustainable investments with an environmental objective.

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

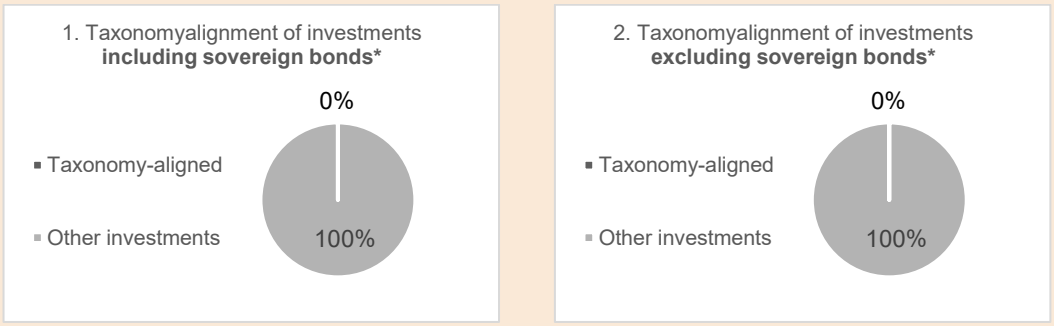
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?*** [23]

No.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




* ***For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures***

**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.

***What is the minimum share of investments in transitional and enabling activities?***

Not applicable. The Fund will not make any investments in transitional and enabling activities.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

[23] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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 socially sustainable investments?

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied.

Investments categorised as 'other' will be used for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.

- Derivatives: The Fund may use derivatives only for hedging and managing broad market exposure.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Yes, the Index has been designated as a reference benchmark.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

The Investment Manager evaluates the application of the binding elements through regular reviews to ensure that the Index continues to be aligned with each of the environmental or social characteristics promoted by the Fund.

***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Alignment of the investment strategy with the methodology of the Index is achieved on a continuous basis through the Fund tracking the Index which incorporates the various binding ESG criteria, within a set tracking error tolerance and outlined in the Index Tracking Strategy section of this Supplement.

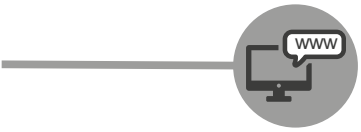
In addition, to the extent possible, the investment guidelines and restrictions are coded into the investment Manager's order management system to enable pre- and post-trade monitoring.

***How does the designated index differ from a relevant broad market index?***

The index differs from the Parent Index due to the application of the ESG screening described in earlier responses.

***Where can the methodology used for the calculation of the designated index be found?***

The methodology used for the Index can be found found here.




## Where can I find more product specific information online?

More product specific information can be found here.

# SUPPLEMENT XXV

# NT PACIFIC SELECTION P-SERIES EQUITY INDEX FGR FUND

This Supplement contains specific information in relation to the NT Pacific Selection P-Series Equity Index FGR Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return of the MSCI Pacific ESG Selection P-Series Index (the "**Index**") with net dividends reinvested. Any change of investment objective of the Fund shall only be made with the prior approval of the Unitholders.

### 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 Index.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of 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 in countries comprised within the Index, details of which are set out under the heading "**Index Description**" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere. The 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "**Index Description**". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders.

The Fund operates an index tracking/replication strategy as further set out in the section "**Index Tracking Strategy**" below. The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

The Fund operates an index tracking or physical replication strategy through investing directly in the Index constituents to replicate, to the extent possible, the composition of the Index by physically holding all the Index constituents in similar proportion to their weighting in the Index. Where direct investment is not achievable, direct substitutes for Index constituents, may be used.

It may not always be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to Unitholders (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Index, or in circumstances where a security in the Index becomes temporarily unavailable or less liquid, or as a result of legal restrictions that apply to the Fund but not to the Index). In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Index.

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 0.5% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

As the Fund does not pursue a synthetic index replication strategy, there is no associated counterparty risk.

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

**Index Description**

The Index is a free float-adjusted market capitalization-weighted index designed to represent the performance of companies that are selected from the MSCI Pacific Index ("**Parent Index**") based on Environmental, Social and Governance (ESG) criteria. These criteria exclude constituents based on involvement in specific business activities, as well as ESG ratings and exposure to ESG controversies. The

Indexes are derived from the Parent Index and aim to achieve sector weights that reflect the sector weights of the corresponding Parent Index. The Parent Index consists of large and mid-cap companies across 5 developed markets countries in the Pacific region. The Index construction targets 50% free float-adjusted market capitalization coverage of each Global Industry Classification Standard (GICS®) sector by selecting constituents primarily based on criteria including the ESG rating, the trend in that rating and the company's industry-adjusted ESG score. The Index is a member of the MSCI Selection Index series.

Further information about the ESG criteria applied to the Index, including exclusions and specified thresholds, is provided in the Annex.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May, August and November with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated with the Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: www.msci.com/index/methodology/latest/ESGSelPSeries and https://www.msci.com/constituents.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 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 and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash position.

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 use forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

The Fund may also enter into certain currency related transactions in order to hedge exchange rate fluctuation risks between the denominated currencies of the Fund's assets and the designated currency of the relevant Class.

As a result of currency hedging, hedged Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled Credit Risk and Counterparty Risk.

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled Collateral Policy for further details.

The use of FDI for the purposes outlined above may expose the Fund to the risks disclosed under the section of the Prospectus entitled "**Risk Factors**".

## 2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in the "**Investment Restrictions**" section of the Prospectus apply to the Fund.

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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.

## 5 RISK FACTORS

The general risk factors set out in the "**Risk Factors**" section of the Prospectus apply to the Fund.

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

**Classes of Units Available**

A, B, C, D, E, F, G, H

The A, C, E and G Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F and H Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

**Currency Hedged Unit Classes**

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

**Currencies Available**

Each of the above referenced Unit Classes are available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E and G Classes

EUR 10 per Unit for the Euro A, C, E and G Classes

GBP 10 per Unit for the Sterling A, C, E and G Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F and H Classes

EUR 1,000 per Unit for the Euro B, D, F and H Classes

GBP 1,000 per Unit for the Sterling B, D, F and H Classes

**Anti-Dilution Levy**

The Directors or the Manager (or their duly appointed delegate) may impose a swing pricing adjustment as further detailed in the section of the Prospectus entitled “Anti-Dilution Levy”.

**Initial Offer Period**

The Initial Offer Period in relation to the Classes of Units commenced at 9am Dutch time on 6 August 2025 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Dutch time on the Business Day immediately preceding the Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no minimum initial Investment Amount.

**Minimum Additional Investment**

There is no minimum Additional Investment.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager may apply on behalf of the Fund 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.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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.

## 9 FEES AND EXPENSES

### General

The maximum total fees and expenses for the Fund will be 0.5 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below. For the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

### Incorporation Fees and Expenses

The particulars of these fees and expenses are set out in the "Incorporation Fees and Expenses" section of the Prospectus.

*FGR Establishment Fees and Expenses*

These fees and expenses did not exceed EUR 70,000 for the Fund.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed EUR 20,000.

### Manager, Investment Manager, Administrator and Depositary Fees and Expenses

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.5 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The Manager shall be entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket expenses incurred by the Manager in the performance of its duties. The maximum of these fees and expenses will be 0.1 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

### Ongoing Fees and Expenses

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of any other fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Annex - 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**: NT Pacific Selection P-Series Equity Index FGR Fund (the "**Fund**")
**Legal entity identifier**: 9845000108D52H39B688

# Environmental and/or social characteristics

**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.

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective: ___%** | ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective: ___%** | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental and social characteristics through tracking the risk and return characteristics of the Index which has been designated as a reference benchmark. The Fund promotes the following environmental characteristics:

- reducing investments in conventional oil and gas activities;
- reducing investments in unconventional oil and gas extraction and Arctic oil and gas;
- reducing investments in nuclear power;

- reducing investments in thermal coal power generation and thermal coal mining;
- reducing investments in palm oil;
- reducing of investments in fossil fuel-based power generation.

The Fund promotes the following social characteristics related to social norms and conventions:

- avoiding investments in controversial weapons,
- reducing specific investment in business activities with adverse health and social impacts including tobacco, alcohol, gambling, nuclear weapons, civilian firearms and aggregate weapons, and;
- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Please also refer to the response below on binding elements of the investment strategy that form part of the Index design and are coded by MSCI as part of the Index methodology construction.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- MSCI ESG Controversies Score;
- Specific revenue thresholds regarding tobacco, gambling, alcohol, nuclear weapons, civilian firearms, palm oil, conventional oil and gas, unconventional oil and gas, Arctic oil and gas, thermal coal mining (not including metallurgical coal), thermal coal-based power generation, nuclear power suppliers, fossil fuel-based power generation;
- Any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), and;
- MSCI ESG Ratings to identify companies that have demonstrated an ability to manage their ESG risks and opportunities effectively using a seven point scale from 'AAA' to 'CCC'. Companies are only eligible for inclusion if they have an MSCI ESG Rating of 'BB' or above.

Please also refer to the response below on binding elements of the investment strategy for further details of the sustainability indicators, including the thresholds applied.

Further information on the methodology and specific thresholds of the Index can be found here.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  The intended objectives of the sustainable investments of the Fund are to positively contribute towards the environmental and social objectives including reducing exposure to fossil fuels (conventional oil and gas, unconventional oil and gas, Arctic oil and gas, thermal coal mining, thermal coal-based power generation, fossil fuel-based power generation, nuclear power suppliers) and reducing business activities with adverse health and social impacts including tobacco, nuclear power, nuclear weapons, civilian firearms, controversial weapons, conventional weapons, civilian firearms, gambling, alcohol, nuclear weapons, palm oil or human or labour rights violations as set out in the principles of the UN Global Compact. An investee company must promote good governance practices without causing significant adverse impact through its products and services.

  An investee company is assessed as a sustainable investment using the following methodology found here.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' ("**DNSH**") to the environment or society through its product and services.

  The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

  The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

  These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

  *How have the indicators for adverse impacts on sustainability factors been taken into account?*

  In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy through:

- excluding companies found to be directly involved in violation of international norms; and

- excluding certain companies from the Parent Index not considered to meet ESG characteristics.

These criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises; and

- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly. Companies are required to have an MSCI Controversies Score of 3 or above to be eligible for inclusion in the index. However, existing constituents of the index are maintained in the eligible universe if they have a Controversy Score of 1 or above.

In practice, this means that all investee companies that form part of the Index are aligned with these minimum safeguards, not only the sustainable investments.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes

**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.

The Fund considers as part of the investment strategy, the following principal adverse impact (PAI) indicators in Annex 1, Table 1 of the RTS:

- Exposure to companies active in the fossil fuels sector;
- Violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Investment Manager's direct engagement and voting, the Fund aims to encourage investee companies to improve their ESG practices and disclosures.

☐ No

## What investment strategy does this financial product follow?

The Fund has an index tracking strategy whereby it seeks to track the risk and return characteristics of the Index by investing directly in assets that are Index constituents.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

○ ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product***?

The following are the investment strategy's binding elements used to promote the environmental and social characteristics. These elements form part of the Index design and are coded by MSCI as part of the Index methodology construction.

The application of the following exclusions seeks to attain the environmental and social characteristics promoted by the Fund by excluding (MSCI ESG Research revenue estimates are utilised for all revenue-based exclusions):

(a) to exclude companies that have an ESG controversy score of 2 and below (with '0' being the most severe), unless a company is an existing index constituent. Companies with a controversy score of '0' are excluded in all cases. Controversies cover the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;

(b) to exclude all companies with any tie to controversial weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons);

(c) to exclude all companies that manufacture nuclear warheads and/or whole nuclear missiles, manufacture components that were developed or are significantly modified for exclusive use in nuclear weapons (warheads and missiles), that manufacture or assemble delivery platforms that were developed or significantly modified for the exclusive delivery of nuclear weapons; that provide auxiliary services related to nuclear weapons; that manufacture components that were not developed or not significantly modified for exclusive use in nuclear weapons (warheads and missiles) but

can be used in nuclear weapons; that manufacture or assemble delivery platforms that were not developed or not significantly modified for the exclusive delivery of nuclear weapons but have the capability to deliver nuclear weapons and that manufacture components for nuclear- exclusive delivery platforms;

(d) to exclude all companies deriving any revenue from the production of firearms and small arms ammunitions for civilian markets. It does not include companies that cater to the military, government, and law enforcement markets an; all companies deriving 5% or more aggregate revenue from the production and distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use;

(e) to exclude all companies deriving any revenue from the production of tobacco related products;

(f) to exclude all companies deriving 5% or more aggregate revenue from the production, distribution, retail, supply and licensing of tobacco-related products;

(g) to exclude all companies deriving 10% or more revenue from the production of alcohol related products;

(h) to exclude all companies deriving 10% or more aggregate revenue from the production of conventional weapons, components, support systems and services, controversial weapons and nuclear weapons;

(i) to exclude all companies deriving 10% or more revenue from ownership of operation of gambling- related business activities;

(j) to exclude all companies deriving 10% or more revenue from the ownership or operation of nuclear power generation; and

(k) to exclude all companies deriving 1% or more aggregate revenue from thermal coal mining (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It does not cover revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading;

(l) to exclude all companies with evidence of involvement in thermal coal distribution or transport involvement;

(m) to exclude all companies deriving 10% or more aggregate revenue from oil-related activities;

(n) to exclude all companies deriving 50% or more aggregate revenue from gas-related activities;

(o) to exclude all companies deriving 5% or more revenue from unconventional oil and gas extraction such as oil sands, oil shale (kerogen- rich deposits), shale gas, shale oil, coal seam gas, and coal bed methane;

(p) to exclude all companies deriving 5% or more revenue from Arctic oil and gas;

(q) to exclude all companies deriving 5% or more revenue from thermal coal power;

(r) companies that derive 50% or more aggregate revenue from fossil fuel based power generation; and,

(s) companies that derive 5% or more revenue from the production of palm oil.

Once the constituents that fail to pass the screening criteria detailed above are removed, the MSCI ESG Ratings are used to identify companies that have demonstrated an ability to manage their ESG risks and opportunities effectively using a seven point scale from 'AAA' to 'CCC'. Companies are only eligible for inclusion if they have an MSCI ESG Rating of 'BB' or above.

In each GICs sector, eligible securities are ranked and selected based on their ESG rating, ESG score and Market Cap.

These binding elements are non-exhaustive and subject to change.

Further information on the methodology and specific thresholds of the Index can be found here.

Any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

While the investment universe of the Parent Index is reduced as a result of the application of ESG exclusions and ESG ratings, the Fund does not commit to a minimum reduction rate. As such, the reduction of the universe may be subject to change.

***What is the policy to assess good governance practices of the investee companies?***

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

An assessment of good governance of investee companies forms a foundational part of the ESG screening criteria applied to the Parent Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

Companies are required to have an MSCI Controversies Score of 3 or above to be eligible for inclusion in the index. However, existing constituents of the index are maintained in the eligible universe if they have a Controversy Score of 1 or above.

The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate:

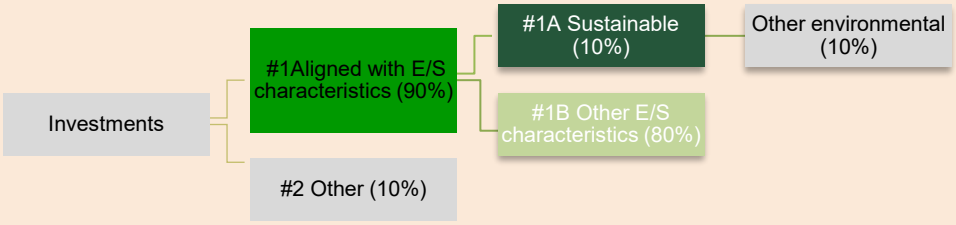
## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

The Fund intends to invest at least 90% of its Net Asset Value in companies that are aligned with the environmental or social characteristics promoted by the Fund.

Of this, a minimum of 10% of its Net Asset Value will be invested in sustainable investments with an environmental objective.

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

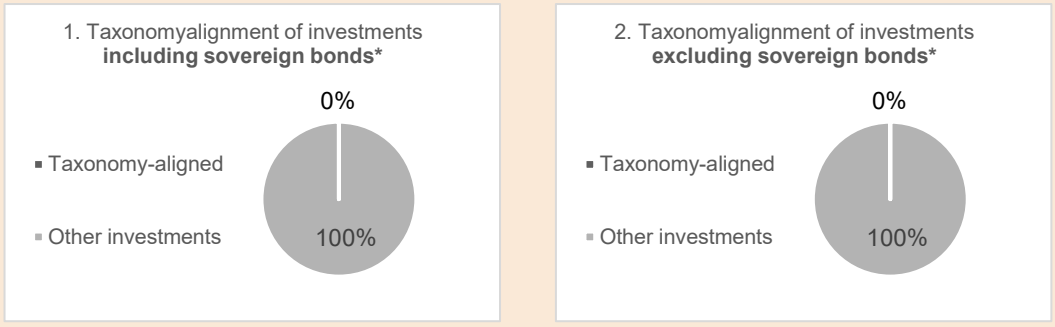
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

- ***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?*** [24]

  No.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




* ***For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures***

**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

- ***What is the minimum share of investments in transitional and enabling activities?***

  Not applicable. The Fund will not make any investments in transitional and enabling activities.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

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 socially sustainable investments?

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

[24] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied. Investments categorised as 'other' will be used for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.
- Derivatives: The Fund may use derivatives only for hedging and managing broad market exposure.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes, the Index has been designated as a reference benchmark.

***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the quarterly rebalance.

The Investment Manager evaluates the application of the binding elements through regular reviews to ensure that the Index continues to be aligned with each of the environmental or social characteristics promoted by the Fund.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Alignment of the investment strategy with the methodology of the Index is achieved on a continuous basis through the Fund tracking the Index, which incorporates the various binding elements, within the set tracking error tolerance and outlined in the Index Tracking Strategy section of this Supplement. In addition, investment guidelines and restrictions are coded in the Investment Manager's order management system to enable pre and post-trade monitoring.

***How does the designated index differ from a relevant broad market index?***

The index differs from the Parent Index due to the application of the ESG screening described in earlier responses.

***Where can the methodology used for the calculation of the designated index be found?***

The methodology used for the Index can be found here.

## Where can I find more product specific information online?

More product specific information can be found here.

# SUPPLEMENT XXVI

# NTCM WMP WORLD CORE EQUITY FUND

This Supplement contains specific information in relation to the NTCM WMP World Core Equity Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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. 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.**

The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities and the Fund is classified as an Article 6 fund for the purposes of the Sustainable Finance Disclosure Regulations.

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to deliver long-term capital growth by investing in a diverse portfolio of securities subject to certain responsible exclusions.

### 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 World Index (the "Index").

**The Fund is actively managed. The Fund does not operate an index tracking or physical replication strategy.** The Investment Manager will apply certain responsible exclusions to the Equity and Equity-Related Securities during the investment process in the construction of the portfolio. The Investment Manager will exclude from the starting Index:

- companies that are directly involved in ongoing controversies classified as "very severe" in the areas of Environment, Human Rights and Community, Labour Rights and Supply Chain, Customers or Governance;
- companies that derive any revenue from the production of tobacco and;
- companies with any tie to controversial weapons (cluster bombs, landmines and biological/chemical weapons, depleted uranium weapons, blinding lasers, non-detectable fragments and incendiary weapons).

The exclusion list is subject to change, but the latest methodology details can be found here with the updates listed in the Appendix.

Further information about the exclusions can be navigated to from the following links:

MSCI ESG Controversies and Global Norms Methodology

MSCI Business Involvement Screening Research Methodology

An optimisation is then applied in order to achieve a similar return to the Index subject to responsible exclusions and weightings while aiming to minimize tracking error versus the Index.

Optimisation aims to match the risk and return characteristics of the Fund to the Index through holding Index constituents, although not necessarily holding all of the constituents, and not necessarily with the same weightings.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of 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 in countries comprised within the Index, details of which are set out under the heading "**Index Description**" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere.

The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Fund will hold a portfolio of equities and equity-related securities selected from an initial universe comprising securities within the MSCI World Index. Fund holdings can deviate from the weightings of the Index.

The Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed markets and captures large and mid-cap issuers as determined by MSCI. The Index does not have any restrictions on industry or sector focus.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May, August and November with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated with the Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case were the Index to be static.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: http://www.msci.com/index-methodology and https://www.msci.com/constituents.

**Use of Efficient Portfolio Management Techniques (EPM). Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 currency forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

The Fund may also enter into certain currency related transactions in order to hedge exchange rate fluctuation risks between the denominated currencies of the Fund's assets and the designated currency of the relevant Class.

As a result of currency hedging, hedged Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled Credit Risk and Counterparty Risk.

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled Collateral Policy for further details.

The use of FDI for the purposes outlined above may expose the Fund to the risks disclosed under the section of the Prospectus entitled "**Risk Factors**".

## 2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in the "**Investment Restrictions**" section of the Prospectus apply to the Fund.

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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.

## 5 RISK FACTORS

The general risk factors set out in the "**Risk Factors**" section of the Prospectus apply to the Fund.

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

**Classes of Units Available**

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (***afdrachtvermindering***).

**Currencies Available**

Each of the above referenced Unit Classes are available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

The Directors or the Manager (or their duly appointed delegate) may impose a swing pricing adjustment as further detailed in the section of the Prospectus entitled "**Anti-Dilution Levy**".

**Initial Offer Period**

The Initial Offer Period in relation to the Classes of Units commenced at 9am Dutch time on 20 October 2025 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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 the banks in Ireland are open generally for business, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Dutch time on the Business Day immediately preceding the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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

**Minimum Initial Investment Amount**

There is no minimum initial Investment Amount.

**Minimum Additional Investment**

There is no minimum Additional Investment.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager will not apply a Redemption Charge.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 1 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below. For the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

**Incorporation Fees and Expenses**

The particulars of these fees and expenses are set out in the "Incorporation Fees and Expenses" section of the Prospectus.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed EUR 20,000.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.9 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.5 per cent of the Net Asset Value of the Fund.

A Classes of Units, B Classes of Units and E Classes of Units are issued to investors that have contributed seed capital to the Fund and C Classes up to and including Z Classes of Units are issued to all other investors. In view of this, relatively lower fees and expenses apply to the investors holding A Classes of Units, B Classes of Units and E Classes of Units than to investors holding C Classes of Units and D Classes of Units.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time but is part of the maximum total fees and expenses for the Fund.

**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

The particulars of any other fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time but is part of the maximum total fees and expenses for the Fund.

# SUPPLEMENT XXVII

# NTCM WMP WORLD SUSTAINABLE EQUITY FUND

This Supplement contains specific information in relation to the NTCM WMP World Sustainable Equity Fund (the "**Fund**"), a Sub-Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to deliver long-term capital growth by investing in a diverse portfolio of securities subject to certain ESG exclusions and sustainability constraints.

### 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 World Index (the "**Index**"). The Fund will invest in companies based on a number of sustainability criteria, whilst also investing predominantly in sustainable companies and improving the ESG score and reducing the carbon intensity of its portfolio relative to the Index as outlined in detail in the Annex.

**The Fund is actively managed. The Fund does not operate an index tracking or physical replication strategy.**

The investment process establishes an initial investment universe of securities eligible for investment by excluding from the Index companies not considered to meet certain ESG criteria using the screening methodology found here in Section 2, Appendix II:

http://www.msci.com/index/methodology/latest/EUCTBPABIndexFramework

The Investment Manager will then apply ESG ratings, ESG scores, and a proprietary Sustainable Investments methodology outlined in the Annex, to the Equity and Equity-Related Securities during the

construction of the portfolio. As part of the optimisation process outlined below, the Fund then also seeks a lower carbon footprint relative to the Index.

Following the construction of the initial universe, an optimisation is applied to the resulting portfolio that aims to achieve a similar return to the Index subject to sustainability exclusions and weightings while aiming to minimize tracking error versus the Index. Optimisation aims to match the risk and return characteristics of the Fund to the Index through holding Index constituents, although not necessarily holding all of the constituents, and not necessarily with the same weightings.

Please refer to the Annex for further detail on the sustainability characteristics.

"**Equity and Equity Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of 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 in countries comprised within the Index, details of which are set out under the heading "**Index Description**" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity Related Securities listed on markets elsewhere.

The Fund may invest in FDI for efficient portfolio management purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" below.

The Fund's investments will, at the time of purchase, comply with the Fund's sustainability policy, as described below under "Index Description". The Fund may continue to hold securities which no longer comply with these sustainability requirements or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders. 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 Fund will hold a portfolio of equities and equity-related securities selected from an initial universe comprising securities within the MSCI World Index. Fund holdings can deviate substantially from the weightings of the Index.

The Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed markets and captures large and mid-cap issuers as determined by MSCI. The Index does not have any restrictions on industry or sector focus.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – typically in February, May, August and November with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. The rebalancing frequency will have minimal impact on the strategy of the Fund or on transaction costs associated with the Fund as any rebalancing is not expected to require any higher frequency of position turnover in the Fund than would otherwise be the case were the Index to be static.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: http://www.msci.com/index-methodology and https://www.msci.com/constituents.

**Use of Efficient Portfolio Management (EPM) Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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 currency forwards and exchange traded futures for EPM and hedging purposes as further described in the Prospectus.

The Fund may also enter into certain currency related transactions in order to hedge exchange rate fluctuation risks between the denominated currencies of the Fund's assets and the designated currency of the relevant Class.

As a result of currency hedging, hedged Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled Credit Risk and Counterparty Risk.

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 Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled Collateral Policy for further details.

The use of FDI for the purposes outlined above may expose the Fund to the risks disclosed under the section of the Prospectus entitled "**Risk Factors**".

## 2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in the section of the Prospectus entitled "**Investment Restrictions**" apply to the Fund.

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" above.

Global exposure and leverage as a result of the Fund’s 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.

## 5 RISK FACTORS

The general risk factors as set out in the section of the Prospectus entitled "**Risk Factors**" apply to the Fund.

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager will make discretionary portfolio management decisions in respect of the Fund and has appointed Northern Trust Global Investments Limited to provide supporting investment services (including, but not limited to, trade executions) to the Manager.

The Manager has also appointed Northern Trust Global Investments Limited to act as Investment Manager to the Fund where so delegated, who in turn, in line with its global operating model, appoints Northern Trust Investments, Inc as the sub-investment manager of the Fund.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

**Classes of Units Available**

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the **Taxable Classes of Units**) are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (***afdrachtvermindering***).

**Currencies Available**

Each of the above referenced Unit Classes is available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

Euro

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

The Directors or the Manager (or their duly appointed delegate) may impose a swing pricing adjustment as further detailed in the section of the Prospectus entitled "**Anti-Dilution Levy**".

**Initial Offer Period**

The Initial Offer Period in relation to the Classes of Units commenced at 9am Dutch time on 20 October 2025 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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 generally for business in Ireland, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).

In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2pm Dutch time on the Business Day immediately preceding the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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

**Minimum Initial Investment Amount**

There is no minimum initial Investment Amount.

**Minimum Additional Investment**

There is no minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager will not apply a Redemption Charge.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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.

## 9 FEES AND EXPENSES

**General**

The maximum total fees and expenses for the Fund will be 1 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below. For the avoidance of doubt, the fees and expenses which are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus are not part of the maximum total fees and expenses.

**Incorporation Fees and Expenses**

The particulars of these fees and expenses are set out in the "Incorporation Fees and Expenses" section of the Prospectus.

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses did not exceed EUR 20,000.

**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**" section of the Prospectus.

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.9 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.5 per cent of the Net Asset Value of the Fund.

A Classes of Units, B Classes of Units and E Classes of Units are issued to investors that have contributed seed capital to the Fund and C Classes up to and including Z Classes of Units are issued to all other investors. In view of this, relatively lower fees and expenses apply to the investors holding A Classes of Units, B Classes of Units and E Classes of Units than to investors holding C Classes of Units and D Classes of Units.

*Fees and Expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

**Ongoing Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Ongoing Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time but is part of the maximum total fees and expenses for the Fund.

**Rebalancing and Transaction Fees and Expenses**

The particulars of these fees and expenses are set out in the "**Rebalancing and Transaction Fees and Expenses**" section of the Prospectus.

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

**Lending of financial instruments**

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

The particulars of any other fees and expenses are set out in the "**Other Fees and Expenses**" section of the Prospectus.

The exact maximum of these fees and expenses cannot be estimated at this time but is part of the maximum total fees and expenses for the Fund.

**Annex - 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**: NTCM WMP World Sustainable Equity Fund (the "**Fund**")
**Legal entity identifier**: 984500C7FBE7D0UC4S43

# Environmental and/or social characteristics

**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.

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental and social characteristics through certain sustainability exclusions, scoring and weightings.

The Fund does not have a specific index designated as a reference benchmark.

The Fund promotes the following environmental characteristics, subject always to the binding elements of the investment strategy:

a) reducing Scope 1 and Scope 2 carbon intensity (based on Enterprise Value including

Cash “EVIC”-) by 50% compared to MSCI World;

b) avoidance of companies generating a specified level of revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;

c) avoidance of companies generating a specified level of revenue from electricity generation from power sources which exceed 100g CO2/kWh on average;

d) avoidance of companies generating specified level of revenue from the exploration, extraction, distribution or refining of oil fuels; and

e) avoidance of companies generating specified level of revenue from the exploration, extraction, manufacturing or distribution of gaseous fuels.

The Fund promotes the following social characteristics related to social norms and conventions, subject always to the binding elements of the investment strategy:

a) avoidance of companies involved in any activities related to controversial weapons;

b) avoidance of companies involved in the cultivation and production of tobacco; and

c) avoidance of companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

Please refer to the sustainability indicators stated below for further detail.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- Scope 1 and Scope 2 carbon emissions intensity by EVIC
- MSCI Controversies Score;
- MSCI ESG Rating;
- ISS SDG Impact Rating, company SBTi target status, MSCI Sustainable Impact Solutions revenue
- Specific revenue thresholds regarding tobacco, oil and gas, thermal coal mining (not including metallurgical coal), fossil fuel power generation and;
- Any tie to controversial weapons (cluster munitions, landmines, biological/chemical weapons, depleted uranium weapons, blinding lasers, non-detectable fragments and incendiary weapons).

Please also refer to the response below on binding elements of the investment strategy.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  The intended objectives of the sustainable investments of the Fund are to positively contribute towards environmental and social objectives such as reducing fossil fuel exposure and avoiding adverse business activities or human rights violations. An investee company must promote good governance practices without causing significant adverse impact through its product and services.

  An investee company is assessed as a sustainable investment using the following methodology found here.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' ("**DNSH**") to the environment or society through its product and services.

  The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

  The Investment Manager considers each of the Principal Adverse Impacts (PAI) indicators within Table 1, Annex 1 of the Regulatory Technical Standards (RTS) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

  These thresholds represent a value or metric at which Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment whereby: (i) it does not breach the PAI threshold as set by the Investment Manager; (ii) meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and (iii) follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

  *How have the indicators for adverse impacts on sustainability factors been taken into account?*

  In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy through:

  - excluding companies found to be directly involved in violation of international norms;

  - excluding certain companies from the Index not considered to meet ESG characteristics; and

- excluding certain companies with exposure to thermal coal mining, thermal coal power generation and oil and gas related activities.

These criteria may be updated over time as new data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm. Examples include avoidance of controversial weapons and human rights violations and reducing exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund applies ESG controversy screening criteria to identify and exclude companies that do not adhere to international norms and conventions such as:

- the OECD Guidelines for Multinational Enterprises; and
- the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work.

The implementation of these exclusions is quarterly and is based on any investee company being directly involved in very severe and ongoing controversies in relation to its operations, products and services.

In practice, this means that all investee companies that form part of the investible universe 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

**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.

The Fund considers as part of the investment strategy, the following principal adverse impact (PAI) indicators in Annex 1, Table 1 of the RTS:

- GHG emissions (Scope 1 and Scope 2);
- Carbon footprint;
- GHG intensity;
- Exposure to companies active in the fossil fuels sector;
- Violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons/biological weapons, depleted uranium weapons, blinding lasers, non-detectable fragments and incendiary weapons).

In addition, through the Investment Manager's direct engagement and voting, the Fund aims to encourage investee companies to improve their ESG practices and disclosures. The Fund follows ISS SRI voting policy.

☐ No

## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund has an active strategy, that seeks to deliver long-term capital growth by investing in a diverse portfolio of securities subject to certain ESG exclusions and sustainability constraints.

○ ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product***?

The following are the investment strategy's binding elements used to promote the environmental and social characteristics.

The application of the following exclusions to MSCI World Index seeks to attain the environmental and social characteristics promoted by the Fund using MSCI ESG Research revenue estimates to exclude:

(a) companies involved in any activities related to controversial weapons;

(b) companies involved in the cultivation and production of tobacco;

(c) companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;

(d) companies that derive 1 % or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;

(e) companies that derive 10 % or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;

(f) companies that derive 50 % or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels; and

(g) companies that derive 50 % or more of their revenues from electricity generation from power sources which exceed 100g CO2/kWh on average.

The exclusions listed above form part of the MSCI EU CTB PAB framework the latest methodology details of which can be found in Section 2, Appendix II:

http://www.msci.com/index/methodology/latest/EUCTBPABIndexFramework

Once the constituents that fail to pass the screening criteria detailed above are removed, the next step is to apply the MSCI ESG Ratings to identify companies that have demonstrated an ability to manage their ESG risks and opportunities effectively using a seven point scale from 'AAA' to 'CCC'. Companies are only eligible for inclusion if they have an MSCI ESG Rating of 'BB' or above.

In each Global Industry Classification Standard (GICS) sector, eligible securities are ranked and selected based on their ESG rating, ESG score and Market Cap.

Additionally, securities in the screened universe will be reweighted such that:

- Scope 1 and Scope 2 carbon intensity (based on Enterprise Value Including Cash or 'EVIC') is 50% lower than the MSCI World Index;
- A minimum of 50% of the Net Asset Value is invested in companies deemed to be a 'Sustainable Investment' using the NTAM proprietary Sustainable Investment methodology described earlier and also found here.

Any investments made by the Fund are in accordance with rules regarding cluster munitions laid down in the relevant national legislation.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not commit to a minimum reduction rate.

***What is the policy to assess good governance practices of the investee companies?***

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

An assessment of good governance of investee companies forms a foundational part of the screening criteria applied to the Index.

The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

A very severe, ongoing controversy that directly implicates a company through its operations, products and services and will result in that company's exclusion from the Index. The following indicators are used:

- **Bribery and fraud**: issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;
- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.
- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate:

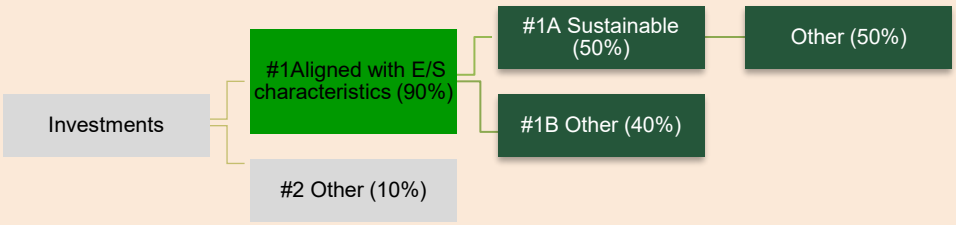
## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

The Fund intends to invest at least 90% of its Net Asset Value in companies that are aligned with the environmental or social characteristics promoted by the Fund.

Of this, a minimum of 50% of its Net Asset Value will be invested in sustainable investments with an environmental or social objective.

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

  Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

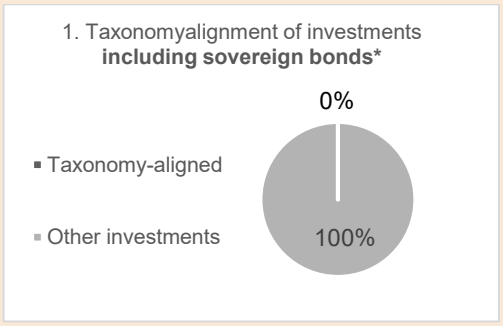
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

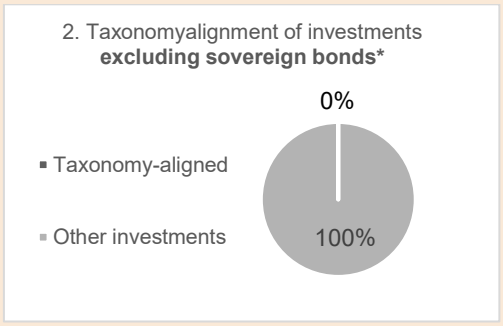
The Fund invests at least 50% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

- ***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?*** [25]

  No.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




* ***For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures***

**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.

- ***What is the minimum share of investments in transitional and enabling activities?***

  Not applicable. The Fund will not make any investments in transitional and enabling activities.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund invests at least 50% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

[25] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of socially sustainable investments?

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied. Investments categorised as 'other' will be used for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.
- Derivatives: The Fund may use derivatives only for hedging and managing broad market exposure.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No, the Index has not been designated as a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This is not applicable as there is no reference benchmark.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This is not applicable as there is not a reference benchmark.

- ***How does the designated index differ from a relevant broad market index?***

  This is not applicable as there is no reference benchmark.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This is not applicable as there is no reference benchmark.

## Where can I find more product specific information online?

More product specific information can be found on the website here.

# SUPPLEMENT XXVIII

# NT EMERGING MARKETS PARIS-ALIGNED PLUS SELECT INDEX FGR FUND

This Supplement contains specific information in relation to the NT Emerging Markets Paris-Aligned Plus Select Index FGR Fund (the "**Fund**"), a Sub Fund of the Northern Trust UCITS FGR Fund, an open-ended umbrella fund for joint account (*fonds voor gemene rekening*) governed by the laws of the Netherlands.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.**

**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.**

**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.**

**The Fund meets the criteria pursuant to Article 8 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.**

## 1 INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The investment objective of the Fund is to closely match the risk and return characteristics of the MSCI Emerging Markets PAB Plus Equity Select Index (the "**Index**") with net dividends reinvested. Any change of Index shall only be made with the prior approval of the Unitholders.

### 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 Index.

"**Equity and Equity-Related Securities**" includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of a Fund's Net Asset Value), convertible securities (such as convertible preference shares, share purchase rights and corporate bonds, convertible into common or preferred shares). Such Equity and Equity-Related Securities shall typically be listed on stock exchanges or Regulated Markets in countries comprised within the Index, details of which are set out below under the heading "**Index Description**" below. Where direct access to the equity markets in those countries is not practicable, indirect exposure may be achieved through investment in Equities and/or Equity-Related Securities listed on markets elsewhere. The 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's investments will, at the time of purchase, comply with the Fund's environmental, social and governance ("**ESG**") policy, as described below under "**Index Description**". As the Fund is an index tracking product, it may continue to hold securities which no longer comply with these ESG requirements until such time as the relevant securities cease to form part of the Index or if the Investment Manager exercises its discretion to dispose of a security before the next rebalance in limited instances and it is possible and practicable (in the Investment Manager's view) to liquidate the position, having regard to the best interests of the Unitholders.

The Fund is passively managed (i.e. its objective is to closely match the risk and return characteristics of the Index, with net dividends reinvested). The Fund operates an index tracking/replication strategy as further set out in the section entitled "**Index Tracking Strategy**" below. The Fund may invest in FDI for efficient portfolio management ("**EPM**") purposes and may be fully or partially hedged back to the Base Currency as further disclosed in the section entitled "**Hedging**" in the Prospectus. The Fund may invest in FDI as set out in the section entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" 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 Tracking Strategy**

The Fund operates an index tracking or physical replication strategy through investing directly in the Index constituents to replicate, to the extent possible, the composition of the Index by physically holding all the Index constituents in similar proportion to their weighting in the Index. Where direct investment is not achievable, direct substitutes for Index constituents, may be used.

It may not always be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to Unitholders (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Index, or in circumstances where a security in the Index becomes temporarily unavailable or less liquid, or as a result of legal restrictions that apply to the Fund but not to the Index). In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Index.

The Fund typically holds securities at, or very close to, Index weight and an ex-post tracking error of up to 1% should be anticipated. The causes of Tracking Error can include but are not limited to the following: the holdings and size of the Fund, cash flows, such as any delays in investing subscription proceeds into the Fund or realising investments to meet redemptions, fees and the frequency of rebalancing against the Index.

As the Fund does not pursue a synthetic index replication strategy, there is no associated counterparty risk.

The Fund may therefore avail of the increased diversification limits as outlined in the Decree and may therefore invest up to 20% of its Net Asset Value in Equity and Equity-Related Securities issued by the same body. This increased limit may only be utilised where the Fund is investing directly in constituents of the Index.

**Index Description**

The Index is designed to meet the standards of the EU Paris Aligned Benchmark ("**PAB**"), aiming to reduce the weighted average greenhouse gas intensity relative to the MSCI Emerging Markets Index (the "**Parent Index**") by 50% and reduce the weighted average greenhouse gas ("**GHG**") intensity by 7% on an

annualized basis. The Index additionally aims to reduce exposure to companies according to select indicators that are associated with adverse impact on natural resources, and to increase exposure to companies that are associated with positive contribution to the environment through their products or services, or through their management of natural-capital related risks.

The starting universe for the Index corresponds with the Parent Index, the MSCI Emerging Markets Index, which includes large and mid-cap securities across emerging market countries as determined by MSCI.

The eligible screened universe is constructed by excluding from the Index securities of companies based on exclusion criteria which are incorporated to align with the objectives detailed in the PAB and which are further supplemented pursuant to environmental, social and governance ("**ESG**"), ecosystem loss and water pollution criteria set out within the Annex.

The Index will also seek to tilt the screened universe by reweighting the Index constituents such that, compared to the Parent Index, there is a positive uplift:

i) in exposure to companies with revenues from clean technology themes, including alternative energy, energy efficiency, green building, pollution prevention and control, sustainable agriculture and water; and

ii) to those best-in-class companies in sectors where land use and biodiversity, resource use and emissions, effluents and waste are material topics, based on their sector-relative management scores.

A governance screen is applied to companies in emerging markets. Companies are evaluated based on three distinct rules. The screen excludes companies that:

1. do not conform with all four of the following criteria:

   (i) the individual shareholders of the relevant company must not hold 30% or more of the voting rights;

   (ii) at least half of the relevant company's board of directors must be independent;

   (iii) at least half of members of the company's audit committee must be independent; and

   (iv) at least half of members of the company's remuneration committee must be independent;

2. do not have a clean (non-qualified) auditor opinion; and

3. are domiciled within countries with a poor human rights track record if they also meet criteria for super majority state ownership or face a human rights MSCI ESG controversy Score of 4 or less.

In addition, the Investment Manager shall ensure that any investments made by the Fund pursuant to the foregoing strategy are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

The exclusion lists and tilting rules, described in the Annex, are non-exhaustive and subject to change. Further details of the tilting rules can be navigated to from the following link:

http://www.msci.com/index/methodology/latest/PABPlusSelCust.

The Index is reviewed semi-annually for any necessary rebalancing in May and November – with the objective of reflecting change in the underlying equity markets in a timely manner, while minimising ex-ante tracking error relative to the Index and maximising replicability subject to climate and diversification

objectives. Risk is controlled by applying a turnover constraint and limiting, relative to the Index, the weights of securities exposure by industry and country.

Further details of the Index constituents, weightings and methodology can be navigated to from the following links: http://www.msci.com/index/methodology/latest/PABPlusSelCust

and https://www.msci.com/constituents.

**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**

The purpose of EPM 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: exchange traded futures and currency forwards (details of which are outlined below).

Exchange traded 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 and gain short term exposure to securities where appropriate to enhance value. Exchange-traded futures positions are typically unwound simultaneously with the purchase or sale of the underlying cash equity position.

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 of the Fund.

The Fund may use forwards and exchange traded futures for EPM, and hedging purposes as further described in the Prospectus.

Warrants, share purchase rights and convertible securities may also be held for the purposes of EPM and traded or exercised when considered appropriate.

The Fund may also enter into certain currency related transactions in order to hedge exchange rate fluctuation risks between the denominated currencies of the Fund's assets and the designated currency of the relevant Class in accordance with the section of the Prospectus entitled “**Hedging**”.

As a result of currency hedging, hedged Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled "**Credit Risk and Counterparty Risk**".

Further details of the techniques and instruments that the Fund may employ for EPM purposes are set out in the section of the Prospectus entitled "**Efficient Portfolio Management, Financial Derivative Instruments and Securities Financing Transactions**".

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of Efficient Portfolio Management Techniques. Please refer to the section of the Prospectus entitled "**Collateral Policy**" for further details.

The use of FDI for the purposes outlined above may expose the Fund to the risks disclosed under the section of the Prospectus entitled "**Risk Factors**".

## 2 INVESTMENT RESTRICTIONS

The general investment restrictions set out in the section of the Prospectus entitled "**Investment Restrictions**" apply to the Fund.

The Fund may not invest more than ten (10) per cent of Net Asset Value in CIS in aggregate.

## 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 entitled "**Efficient Portfolio Management (EPM) and Use of Efficient Portfolio Management Techniques. Financial Derivative Instruments and Securities Financing Transactions**" above.

Global exposure and leverage as a result of the Fund's 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.

## 5 RISK FACTORS

The general risk factors as set out in the section of the Prospectus entitled "**Risk Factors**" apply to the Fund.

## 6 PROFIT DISTRIBUTION POLICY

The Profit Distribution Dates will be in May and November of each year in accordance with the provisions of the Prospectus or such other date as the Manager may, with the consent of the Depositary, determine.

## 7 INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited to provide discretionary investment management services to the Fund.

The Investment Manager's main business activity is the provision of investment management services.

## 8 KEY INFORMATION FOR BUYING AND SELLING UNITS

### Classes of Units Available

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z

The A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes of Units (the "**Taxable Classes of Units**") are issued to Investors which are subject to income tax. If investments are done by way of nominated accounts, it is possible that the Taxable Classes of Units are also issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax. The B, D, F, H, J, L, N, P, R, T, V, X and Z Classes of Units are issued to Investors which are exempt from income tax or entitled to a refund of Dutch dividend withholding tax and for which the Fund is not entitled to a full tax rebate (*afdrachtvermindering*).

### Restriction on the Exchange of Units

Class X 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 X 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 X Units.

**Currency Hedged Unit Classes**

Each Class of Units is available as either a hedged or an unhedged Class. For each hedged Class, the Fund will enter into certain currency-related transactions in order to seek to hedge out currency risk relevant to that Class in accordance with the section of the Prospectus entitled "**Hedging**".

**Currencies Available**

Each of the above referenced Unit Classes is available in U.S. Dollar (USD $), Euro (EUR) and Sterling (GBP).

**Base Currency**

USD

**Initial Issue Price**

USD $10 per Unit for the U.S. Dollar A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

EUR 10 per Unit for the Euro A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

GBP 10 per Unit for the Sterling A, C, E, G, I, K, M, O, Q, S, U, W and Y Classes

USD $1,000 per Unit for the U.S. Dollar B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

EUR 1,000 per Unit for the Euro B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

GBP 1,000 per Unit for the Sterling B, D, F, H, J, L, N, P, R, T, V, X and Z Classes

**Anti-Dilution Levy**

The Directors or the Manager (or their duly appointed delegate) may impose a swing pricing adjustment as further detailed in the section of the Prospectus entitled "**Anti-Dilution Levy**".

**Initial Offer Period**

The Initial Offer Period commenced at 9am Dutch time on 2 March 2026 and shall close at 10am Dutch time 180 days thereafter or such earlier or later date as the Manager may determine.

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, or such other day or days as the Manager may 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, provided that there shall be at least one Dealing Day per fortnight. The Manager will endeavour to notify Unitholders of non-Dealing Days in advance, however it may not always be practicable to do so in exceptional circumstances (including, but not limited to, unforeseen market closures due to natural disasters, public emergencies, or other extraordinary events).



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In determining whether a day should be treated as a Dealing Day, the Manager 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 Manager maintains a list of any non-Dealing Days on the Website.

**Dealing Deadline**

Applications for subscription and redemption of Units must be received by 1pm Dutch time on the Business Day prior to the relevant Dealing Day. The Directors of the Manager may agree to waive the notice period at their discretion provided such applications are received before the close of business in the relevant market which closes first on any Dealing Day.

**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.

**Minimum Initial Investment Amount**

There is no minimum initial Investment Amount.

**Minimum Additional Investment**

There is no minimum Additional Investment Amount.

**Preliminary Charge**

The Manager will not apply a Preliminary Charge to Units in the Fund.

**Redemption Charge**

The Manager will not apply a Redemption Charge.

**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. 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, or as otherwise determined by the Manager, assuming timely receipt of the relevant duly signed repurchase documentation and in any event should not exceed fourteen (14) calendar days from the Dealing Deadline.

Subject to the approval of the Directors, 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**

EUR 30 million.

## 9 FEES AND EXPENSES

### General

The maximum total fees and expenses for the Fund will be 1 per cent of the Net Asset Value of the Fund. A breakdown of the maximum total fees and expenses, to the extent possible, is described here below. For the avoidance of doubt, the fees and expenses which are set out in the section of the Prospectus entitled "**Rebalancing and Transaction Fees and Expenses**" are not part of the maximum total fees and expenses.

### Incorporation Fees and Expenses of the Fund

The particulars of these fees and expenses are set out in the section of the Prospectus entitled "**Incorporation Fees and Expenses**".

*Sub-Fund Establishment Fees and Expenses*

These fees and expenses are not estimated to exceed EUR 30,000.

### Manager, Investment Manager, Administrator and Depositary Fees and Expenses

The particulars of these fees and expenses are set out in the section of the Prospectus entitled "**Manager, Investment Manager, Administrator and Depositary Fees and Expenses**".

The maximum total fees and expenses for the Manager, Investment Manager, Administrator and Depositary will be 0.9 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Manager*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

*Fees and Expenses of the Investment Manager*

The maximum of these fees and expenses will be 0.5 per cent of the Net Asset Value of the Fund.

*Fees and expenses of the Administrator and Depositary*

The maximum of these fees and expenses will be 0.2 per cent of the Net Asset Value of the Fund.

### Ongoing Fees and Expenses

The particulars of these fees and expenses are set out in the section of the Prospectus entitled "**Ongoing Fees and Expenses**".

### Rebalancing and Transaction Fees and Expenses

The particulars of these fees and expenses are set out in the section of the Prospectus entitled "**Rebalancing and Transaction Fees and Expenses**".

These fees and expenses are not quantifiable and therefore do not form part of the maximum total fees and expenses for the Fund.

### Lending of financial instruments

The Fund is not permitted to participate in securities lending and therefore no fees and expenses in this respect will be charged to the Fund.

**Other Fees and Expenses**

The particulars of these fees and expenses are set out in the section of the Prospectus entitled "**Other Fees and Expenses**".

The exact maximum of these fees and expenses cannot be estimated at this time, but is part of the maximum total fees and expenses for the Fund.

**Annex - 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**: NT Emerging Markets Paris-Aligned Plus Select Index FGR Fund (the "**Fund**")

**Legal entity identifier**: 98450057DF976J896190

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective**: ___% | ☒ It **promotes Environmental/Social ("E/S") characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective**: ___% | ☐ 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 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?**

The Fund promotes environmental and social characteristics through tracking the risk and return characteristics of the MSCI Emerging Markets PAB Plus Equity Select Index (the "**Index**") which has been designated as a reference benchmark.

The Fund promotes the following environmental characteristics related to climate change:

- reduction of carbon emissions intensity versus the MSCI Emerging Markets Index (the "**Parent Index**"), with the Index being designed to meet the standards of the EU Paris

Aligned Benchmark ("**PAB**"), aiming to reduce the weighted average greenhouse gas ("**GHG**") intensity relative to the Parent Index by 50% and reduce the weighted average greenhouse gas intensity by 7% on an annualised basis.

The Fund promotes the following other environmental characteristics:

- reduction of exposure to companies according to select indicators that are associated with adverse impact on ecosystem and pollution criteria; and

- increasing exposure to companies that are associated with positive contribution to the environment through their products or services, upweighting companies with revenues from clean technology themes, including alternative energy, energy efficiency, green building, pollution prevention and control, sustainable agriculture and water; or through their management of natural-capital related risks, upweighting those best-in-class companies, in sectors where land use and biodiversity, resource use and emissions, effluents and waste are material topics based on their sector-relative management scores.

The Fund promotes the following social characteristics related to social norms and conventions:

- reducing specific investment in business activities with adverse health and social impacts including gambling, adult entertainment, tobacco, nuclear weapons, civilian firearms, controversial weapons, conventional weapons, and for-profit prisons; and

- human rights, labour rights, supply chain and anti-bribery and corruption as set out in the principles of the UN Global Compact.

Further information on the methodology and specific parameters of the Index that the Fund tracks can be found here.

Please refer to the sustainability indicators stated below for further detail.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the Fund:

- Scope 1, 2 and 3 carbon emissions intensity;

- MSCI Red Flag ESG Controversies, defined as very severe, Ongoing controversies that a company is directly involved in

- Specific revenue thresholds regarding gambling, adult entertainment, tobacco, civilian firearms, for-profit prisons, oil and gas, unconventional oil and gas, Arctic oil, thermal coal mining, thermal coal power, controversial and conventional weapons, palm oil fossil fuel-based power generation;

- Revenues from clean technology themes, including alternative energy, energy efficiency, green building, pollution prevention and control, sustainable agriculture and water;

- Raw material sourcing score industry quartile;

- Water stress score industry quartile;
- Net Alignment Score for SDG 14 (Life Below Water) or SDG 15 (Life on Land); and
- MSCI Low Carbon Transition (LCT) Management Score, which assesses company management of climate transition risks and opportunities.

This is not an exhaustive list and is subject to change.

Please also refer to the response below regarding binding elements of the investment strategy for further details of the sustainability indicators, including the thresholds applied.

Further information on the methodology and specific thresholds of the Index may be found here.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The intended objectives of the sustainable investments of the Fund are to positively contribute towards the environmental and social objectives such as reducing carbon emissions and avoiding adverse business activities or human rights violations. An investee company must promote good governance practices without causing significant adverse impact through its products and services.

An investee company is assessed as a sustainable investment using the following methodology found here.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to deem an investment a sustainable investment, the investee company must 'do no significant harm' ("**DNSH**") to the environment or to society through its product and services.

The assessment of harm involves a set of diverse environmental and social indicators to assess whether a company with potentially positive environmental or social contributions, has other adverse environmental and/or social impacts.

The Investment Manager considers each of the Principal Adverse Impacts ("**PAI**") indicators within Table 1, Annex 1 of the Regulatory Technical Standards (**RTS**) of SFDR and applies a proprietary threshold to each indicator. In circumstances where the Investment Manager feels that the data integrity behind an indicator is lacking, a relevant proxy is applied.

These thresholds represent a value or metric at which the Investment Manager believes there is a risk of significant harm. In practice, this means that an investee company can only be deemed a sustainable investment where it:

- does not breach the PAI threshold as set by the Investment Manager,

- meets the minimum positive contribution test (please see response to "what are the objective of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives" for further details on the positive contribution test); and

- follows good governance practices and are aligned with minimum safeguards such as the United Nations Global Compact and Organisation for Economic and Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

In addition to the DNSH test detailed in the previous response, the Fund considers certain adverse impacts as part of the investment strategy to track the Index, which seeks to exclude companies that:

- are found to be directly involved in violation of international norms;

- are not considered to meet environmental, social and governance ("**ESG**") characteristics;

- 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;

- derive revenue from the production or distribution of palm oil;

- have a low raw material sourcing score in the bottom industry quartile;

- have a water stress score in the bottom industry quartile.

This list may not be exhaustive, and these criteria may be updated over time as new ESG data providers and datasets arise to help us to carry out this assessment and ongoing monitoring.

For sustainable investments specifically, and as described above, the Fund's assessment of harm involves the use of a set of diverse environmental and social indicators with thresholds that represent a value or metric at which the Investment Manager believes there is a risk of significant harm. Examples include avoidance of controversial weapons and human rights violations, reducing carbon footprint and exposure to fossil fuels.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Index applies ESG screening criteria 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.

The implementation of these exclusions takes place semi-annually and is based on any investee company being directly involved in very severe and ongoing controversies in relation to its operations, products and services.

In practice, this means that all investee companies 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?**

**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.

☒ Yes, the Product considers (as part of its investment strategy) the following PAI indicators in Table 1 of Annex 1 of the SFDR RTS:

- GHG emissions (Scope 1, 2 and 3);
- carbon footprint and GHG intensity of investee companies;
- exposure to companies active in the fossil fuel sector;
- violations of UNGC principles and OECD Guidelines for Multinational Enterprises; and
- exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, through the Investment Manager's direct engagement and voting the Fund aims to encourage investee companies to improve their ESG practices and disclosures.

☐ No

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

**What investment strategy does this financial product follow?**

The Fund uses a passive strategy whereby it seeks to track the risk and return characteristics of the Index - the MSCI Emerging Markets PAB Plus Equity Select Index – by investing directly in securities that are Index constituents.

The Index is designed to meet the standards of the EU Paris-Aligned benchmark as per the EU Low Carbon Benchmark Regulation, and additionally aims to reduce exposure to companies according to select indicators that are associated with adverse impact on natural resources, and to increase exposure to companies that are associated with positive contribution to the environment through their products or services, or through their management of natural capital-related risks.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following are the binding elements of the investment strategy, applied as part of the Index methodology construction by MSCI, that are used to promote the environmental and social characteristics promoted by the Fund.

Companies are excluded from the Index according to ESG criteria, including:

- companies which cause environmental harm, meaning all companies which have faced controversies classified as "very severe" and "severe" pertaining to environmental issues;
- companies that are in breach of the UN's Global Compact Ten Principles due to being involved in controversies classified as "very severe" in the areas of Environment, Human Rights & Community, Labour Rights & Supply Chain, or Governance;
- companies deriving 5% or more revenue from gambling-related business activities;
- companies deriving 5% or more revenue from adult entertainment-related business activities;
- companies that derive any revenue from the production of tobacco, or those deriving 5% or more revenue from the distribution or retail of tobacco products, or those deriving 5% or more revenue from the supply of key products to the tobacco industry;
- 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 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 1% of revenue or more from the mining and sale of thermal coal;

- companies that derive 50% or more aggregate revenue from thermal coal, oil (liquid fuel), and/or natural gas-based power generation;

- companies that derive 10% or more revenue from thermal coal-based power generation;

- companies that derive more than 5% revenue from thermal coal-based power generation and have transition risk preparedness or carbon management that is considered weak, i.e. an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management score quartiles;

- companies that derive 10% or more revenue from oil and gas production, refining, distribution or transportation;

- companies that derive (a) 50% or more revenue from unconventional oil and gas (oil sands, oil shale, shale gas, shale oil, coal bed methane and coal seam gas), or (b) between 5% and 50% revenue from these sources and have transition risk preparedness or carbon management that is considered weak, i.e. with an MSCI LCT Management Score of 4 or below, or a score in the bottom two LCT Management Score quartiles;

- companies that derive (a) 50% or more revenue from Arctic oil or (b) between 1% and 50% revenue from this source and have transition risk preparedness or carbon management that is considered weak, i.e., with an MSCI LCT Management score of 4 or below, or a score in the bottom two LCT Management score quartiles; and

- companies that derive 5% or more of their total annual revenues from activities related to for-profit prisons.

The Index also excludes companies linked to adverse impacts on natural resources, including those linked to ecosystem loss and water pollution as per the following criteria:

- companies that derive 5% or more of revenues from production or distribution of palm oil and less than 50% of their palm holdings are certified by the Roundtable on Sustainable Palm Oil;

- all companies assessed on the Raw Material Sourcing Key Issue, with more than 5% weight assigned, and which have a score belonging to the bottom Raw Material Sourcing Quartile (defined as a score of 4)

- all companies assessed on the Water Stress Key Issue, with more than 5% weight assigned, and which have a score belonging to the bottom Water Stress Score Quartile (defined as a score of 4), excepting those which are water utilities; and

- companies which score as "strongly mis-aligned" to SDG 14 (Life below Water) or to SDG 15 (Life on Land), and those which score as "mis-aligned" where they derive less than 20% green revenue, being cumulative revenue derived from clean technology themes including alternative energy, energy

efficiency, green building, pollution prevention, sustainable water, or sustainable agriculture.

The Index will also seek to tilt the screened universe by reweighting the Index constituents such that, compared to the Parent Index, there is a positive uplift:

- in exposure to companies with revenues from clean technology themes, including alternative energy, energy efficiency, green building, pollution prevention and control, sustainable agriculture and water; and

- in best-in-class companies, in sectors where land use and biodiversity, resource use and emissions, effluents and waste are material topics, based on their sector-relative management scores.

In addition, a governance screen is applied to companies in emerging markets. Companies are evaluated based on three distinct rules. The screen excludes companies that:

1. do not conform with all four of the following criteria:

   (i) the individual shareholders of the relevant company must not hold 30% or more of the voting rights;

   (ii) at least half of the relevant company's board of directors must be independent;

   (iii) at least half of members of the company's audit committee must be independent; and

   (iv) at least half of members of the company's remuneration committee must be independent;

2. do not have a clean (non-qualified) auditor opinion; and

3. that are domiciled within countries with a poor human rights track record if they also meet criteria for super majority state ownership or face a human rights MSCI ESG controversy Score of 4 or less.

The Investment Manager shall also ensure that any investments made by the Product pursuant to the foregoing strategy are in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions.

MSCI ESG Research revenue estimates are utilised for all revenue-based exclusions.

These exclusion lists and tilting rules are non-exhaustive and subject to change.

Further details of the Index methodology and specific thresholds can be found here.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***



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While the Fund'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.

***What is the policy to assess good governance practices of the investee companies?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

An assessment of good governance of investee companies of the Fund forms a foundational part of the ESG screening criteria applied to the Parent Index. The ESG Controversy screen is a proxy framework designed to address governance topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines and the UN Global Compact.

A very severe, ongoing controversy directly implicates a company through its operations, products and services and will result in that company's exclusion from the Index. The following indicators are used:

- **Bribery and fraud:** issues such as bribery, tax evasion, insider trading, money laundering, tax evasion or avoidance, violations of government sanctions and accounting irregularities;

- **Corporate governance structures**: issues such as shareholder- or board-level objections to pay practices and governance structures, shareholder resolutions seeking change to governance practices, and conflicts of interest or unethical behaviour by, or misrepresentation of, or lack of qualifications on the part of, directors or senior executives.

- **Controversial investments**: issues such as financing projects that are controversial because of their actual or anticipated environmental or social impact, as well as criticism of mining companies, real estate investment trusts and similar companies that receive royalties or own shares in a particular project that they neither own nor operate.

In addition, as noted above within the list of binding indicators, companies in emerging markets shall be excluded which do not conform with all four of the following criteria:

i) the individual shareholders of the relevant company must not hold 30% or more of the voting rights;

ii) at least half of the relevant company's board of directors must be independent;

iii) at least half of members of the company’s audit committee must be independent; and

iv) at least half of members of the company’s remuneration committee must be independent.

Also excluded are companies that do not have a clean (non-qualified) auditor opinion and companies domiciled within countries with a poor human rights track record if they also meet criteria for super majority state ownership or face a human rights MSCI ESG Controversy Score of 4 or less.

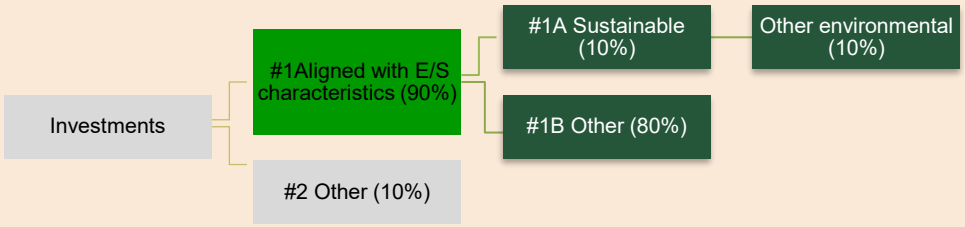
**What is the asset allocation planned for this financial product?**

The Fund intends to be at least 90% invested in companies that are aligned with the environmental and social characteristics promoted by the Fund.

Of this, a minimum of 10% of its Net Asset Value will be invested in sustainable investments with an environmental objective.

The "other" assets are expected to be cash and derivatives for hedging and other ancillary purposes.

**Asset allocation** describes the share of investments in specific assets.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 Fund uses derivatives for managing broad market exposure. Derivatives are not used to attain the environmental or social characteristics of the Fund and are not subject to any minimum safeguards.

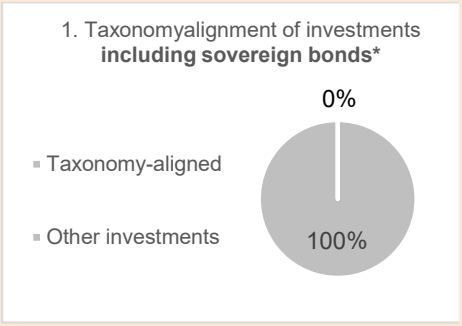
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

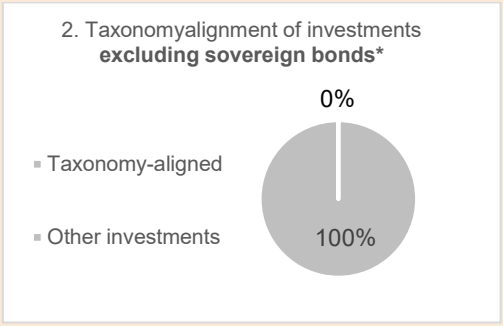
The Fund invests at least 10% of its Net Asset Value in sustainable investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

***Does the Product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?[26]***

No.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




**** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures***

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.

***What is the minimum share of investments in transitional and enabling activities?***

Not applicable. The Fund will not make any investments in transitional and enabling activities.

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?***

The Fund invests at least 10% of its Net Asset Value in sustainable investments with environmental objectives which are not aligned with the EU Taxonomy.

***What is the minimum share of socially sustainable investments?***

The Fund does not commit to any specific individual or combination of sustainable investment objectives and is therefore not committed to a minimum share of sustainable investments with a social objective.

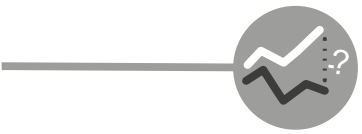
***What investments are included under "#2 Other", what is their purpose and are* there any minimum environmental or social safeguards?**

[26] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("**climate change mitigation**") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Derivatives and cash are the only two investment types categorised as 'other' and no minimum environmental or social safeguards are applied.

Investments categorised as 'other' for the following reasons:

- Cash and cash equivalents or money market instruments: The Fund may invest in cash and cash equivalents or money market instruments to take advantage of market opportunities as they arise.
- Derivatives: The Fund may use derivatives for hedging and managing broad market exposure.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Yes, the Index has been designated as a reference benchmark.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  The Index is aligned with each of the environmental or social characteristics of the Fund as it is screened by MSCI research based on the binding elements detailed earlier, which are applied to the Index constituents at the semi-annual rebalance. The Investment Manager evaluates the application of the binding elements through regular reviews to ensure that the Index continues to be aligned with each of the environmental or social characteristics promoted by the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Alignment of the investment strategy with the methodology of the Index is achieved on a continuous basis through the Fund tracking the Index which incorporates the various binding ESG criteria, within a set tracking error tolerance and outlined in the Index Tracking Strategy section of this Supplement.

  In addition, to the extent possible, the investment guidelines and restrictions are coded into the investment Manager's order management system to enable pre- and post-trade monitoring.

- ***How does the designated index differ from a relevant broad market index?***

  The Index differs from the Parent Index in the application of the screening and tilts described in earlier responses.

- ***Where can the methodology used for the calculation of the designated index be found?***

  The Index methodology for the Index can be found here.

**Where can I find more product specific information online?**

More product specific information regarding the Fund can be found here.