

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

**a Sub-Fund of**

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

**Supplement dated 31 August 2020 to the Prospectus dated 23 June 2017 as amended by an addendum dated 24 May 2019 and 10 July 2020**

**For Northern Trust UCITS Common Contractual Fund**

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

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

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 23 June 2017 as amended by an addendum dated 24 May 2019 and 10 July 2020.**

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

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

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

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

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

## DIRECTORY

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# 1 INVESTMENT OBJECTIVE, POLICIES AND STRATEGIES

## Investment Objective

The investment objective of the Fund is to closely match the risk and return characteristics of the MSCI World Small Cap Custom ESG Low Carbon Index (the **Index**) with net dividends reinvested. Any change of Index shall only be made with the prior approval of the Unitholders.

## Investment Policies

The Fund seeks to achieve its investment objectives through investment primarily in a diversified portfolio of transferable Equity and (where considered by the Investment Manager to be necessary or appropriate) Equity Related Securities issued by companies or linked to companies within the Index.

“Equity and Equity Related Securities” includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of the Fund’s Net Asset Value) and 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 (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 Fund in closely matching the risk and return characteristics of the Index. Based on this analysis, the 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 Fund will sell such securities in a reasonable amount of time taking into account the best interests of the Unitholders.

The Investment Manager will use a proprietary optimisation methodology for the Fund to construct the portfolio 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 in accordance with the powers and restrictions set out by the Central Bank in relation to techniques for efficient portfolio management purposes as further disclosed in section 3.5 entitled "Hedging" in the Prospectus. The Fund may invest in FDI as set out in the section titled “Efficient Portfolio Management (EPM) and Use of Derivatives” below. Any exchange traded FDI the Fund invests in will be listed or traded on Regulated Markets.

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.

The Fund will act in accordance with rules regarding cluster munitions laid down in the relevant national legislation adopting the Convention on Cluster Munitions. Consequently, the Fund will take adequate measures to restrict it from: (i) executing or procuring the execution of transactions aimed at acquiring or offering financial instruments issued by a company involved in the production, sale or distribution of cluster munition or critical elements thereof (“Cluster Munition Companies”); or (ii) extending loans to or acquiring transferable shares in

Cluster Munition Companies. In addition, the Fund is restricted from: (i) executing or procuring the execution of transactions aimed at acquiring or offering financial instruments issued by a company which holds more than fifty (50) per cent of the share capital of Cluster Munition Companies; or (ii) extending loans to or acquiring transferable shares in such parent Companies.

However, the Fund is not restricted from (i) investing in investment institutions managed by third parties provided that the relevant investment institution consists of less than five (5) per cent of Cluster Munition Companies; and (ii) 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 see 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.

### **Index Tracking Strategy**

The Fund operates 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 (i.e. a physical replication model). However, the Fund does not seek to fully replicate the Index but instead seeks to match the Fund's investments with Index constituents on a sample based physical replication model (i.e. an optimisation approach) within the scope of the general UCITS investment restrictions and the specific investment restrictions set out below. Therefore the weighting of a constituent of the Index held by the Fund cannot exceed the permitted investment restrictions. Accordingly, investment in the Fund should not be considered to provide a direct exposure to the Index. In normal market conditions the Fund can be expected to closely match the performance of the Index. However, in normal market conditions an ex-post tracking error of up to 0.50% should be anticipated. This is due to transaction costs and the liquidity impact of the Fund's optimisation approach and the fact that the respective Class returns reflect the relevant withholding tax rates applicable to such Classes under the CCF structure. Employing an optimisation approach (rather than full replication) necessarily results in individual security overweights and underweights, as the Fund will strive to achieve representative exposure in the more liquid and accessible sectors of the Index.

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

### **Index Description**

The Index is a free float-adjusted market capitalisation weighted index that is designed to measure the small cap equity market performance of developed markets. The Index is a custom index calculated and screened by MSCI based on predetermined and objective ESG criteria selected by the Investment Manager which excludes certain small cap companies not considered to meet sustainability principles, as discussed further below.

In terms of index composition and methodology, the Index corresponds with the MSCI World Small Cap Index (the **Parent Index**) with the exclusion of companies not considered to meet ESG criteria based on analysis by MSCI ESG research. Pursuant to the ESG criteria selected by the Investment Manager, the following companies shall be excluded from the Parent Index: i) 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, ii) companies that derive any revenue from the production of tobacco, or 5% or more revenue from the distribution of, supply of key products for, or retail of, tobacco, iii) 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; iv) companies that manufacture civilian firearms or retail civilian firearms and derive 5% or more revenue from this sector; v)

companies that manufacture conventional weapons or provide support services to and derive 5% or more revenue from this sector; vi) companies that derive 5% of revenue or more from mining thermal coal; vii) companies that derive 30% of revenue or more from coal-fired energy generation; and viii) companies classified as having “very severe” controversies relating to customer issues. This exclusion list is non-exhaustive and subject to change.

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

In addition companies shall be excluded which do not conform with the following criteria: i) the board must have an independent director without leadership concerns; ii) the board must not be undersized; iii) the company must not, directly or indirectly, hold shares in another company by way of circular ownership (“cross shareholdings”), or be controlled via a stock pyramid, or have provisions which act as an anti-takeover defence (“poison pill provisions”), or be incorporated as a partnership limited by shares; iv) the company must have a clean (nonqualified) auditor opinion; and v) the company must not have issued golden shares (being shares which will allow a single large shareholder to override all other shareholder voting rights) or have the largest shareholder holding more than 75% of the total voting rights.

These exclusion lists are non-exhaustive and subject to change.

As at the date of this supplement, the Index consists of the following twenty-three (23) developed market country indices: 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.

The valuation function within MSCI is functionally independent of the design of the Index. The Index is reviewed quarterly for any necessary rebalancing – in February, May, August and November with the objective of reflecting change in the underlying equity markets in a timely manner, while limiting undue index turnover. 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> and <https://www.msci.com/constituents>.

For further details on the UN Global Compact Ten Principles, please refer to [www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html](http://www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html)

In accordance with Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the EU Benchmarks Regulation) the Investment Manager has, on behalf of the Manager, put in place written plans which would enable the Fund to reference an alternative index, should the Index cease to be provided.

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

Article 36 of the EU Benchmarks Regulation or availing of the transitional arrangements pursuant to Article 51 of the EU Benchmarks Regulation.

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

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

#### Exchange Traded Futures

Exchange traded futures 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.

#### Forwards

Forward currency contracts may be used to maintain the currency exposure within the Fund against currency exposure within the Index that has resulted from Assets held by the Fund that are not in the Base Currency. The Fund, may, for example, use forward currency contracts by selling forward a currency to realign the currency exposure against the Index.

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 engage in transactions in FDI identified above for the purposes of EPM and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. Such transactions may include foreign exchange transactions and while seeking to protect against exchange risks may still alter the currency characteristics of transferable securities held by the Fund. Please see section 3.5 entitled "Hedging" in the Prospectus for more details.

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transaction. Further details of the Fund's collateral policy are set out in Schedule II section 9 of the Prospectus.

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

The Manager on behalf of the Fund has filed with the Central Bank its risk management process which enables it to accurately measure, monitor and manage the various risks associated with the use of FDI. Any FDI not included in the risk management process will not be utilised until such time as a revised submission has been prepared and submitted to the Central Bank in accordance with the Central Bank requirements. 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.

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

## **2 RESPONSIBLE INVESTMENT – CORPORATE ENGAGEMENT**

The Investment Manager has appointed Hermes Equity Ownership Services Limited ("Hermes EOS") to act as the Manager's agent in carrying out corporate engagement with carefully selected companies held within the Fund (each a "Company"). Companies will be selected for engagement and engagement will be carried out in accordance with an engagement policy, a copy of which is available from the Investment Manager on request. Corporate engagement complements the ESG considerations underpinning the construction of the Index. The engagement process neither informs investment or divestment decisions nor the construction of the Index, and Hermes EOS will exercise no discretion over Fund Assets.

An engagement by Hermes EOS with a Company will involve a process of dialogue with that Company with the long-term objective of that Company improving on its social, ethical and environmental practices in the belief that such factors can have an impact on financial performance.

Hermes EOS typically conducts engagement with Companies in confidence and will not disclose the Manager's involvement in such engagements, unless specifically agreed in advance.

In addition to engaging with individual Companies, Hermes EOS has a broad international public policy engagement program through which it engages with governments and regulators on behalf of its client base (including the Manager) to promote the interests of long-term institutional investors.

The Fund will follow the Northern Trust Proxy Voting Policy, a copy of which is available via the following website:

<https://www.northerntrust.com/asset-management/europe/uk-stewardship-proxy-voting>

Engagement activities conducted on behalf of the Fund may not always be complemented by this policy.

## **3 INVESTMENT RESTRICTIONS**

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

## **4 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 above under the heading "Efficient Portfolio Management (EPM) and Use of Derivatives").

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.

## **5 LISTINGS**

It is not currently intended to list the Units of the Fund on any stock exchange, though the Directors may in future apply for one or more Classes to be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange.

## **6 RISK FACTORS**

**The general risk factors set out in the Prospectus under the heading "Risk Factors" apply to the Fund.**

## **7 GROSS INCOME PAYMENT POLICY**

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

## **8 INVESTMENT MANAGER**

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

## **9 KEY INFORMATION FOR SUBSCRIBING AND REDEEMING ALL CLASSES OF UNITS**

### **Accumulating Units and Distributing Units**

The Fund may issue Accumulating Units and Distributing Units.

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

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

### **Currencies Available**

Each of the above referenced Unit Classes are available in U.S. Dollar, Euro, Sterling and Danish Krone (DKK).

### **Base Currency**

Euro

### **Initial Issue Price**

U.S. Dollar 10 per Unit for the US Dollar Classes

€10 per Unit for the Euro classes

£10 per Unit for the Sterling Classes

DKK100 per Unit for the Danish Krone Classes

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

The Initial Offer Period in relation to the A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, BB, CC, DD, EE, FF, GG, HH, II, JJ, KK, LL, MM, NN, OO, PP, QQ, RR, SS, TT, UU, VV, WW, XX, YY and ZZ Classes of Accumulating Units denominated in U.S. Dollar, Euro, Sterling and Danish Krone shall be available from 9am (Irish time) on 1 September, 2020 and will close at 12pm (Irish time) on 1 March, 2021 (or such shorter or longer period as the Manager may determine and notify to the Central Bank).

After the close of the relevant Initial Offer Period, the relevant classes will be continuously open for subscriptions on each Dealing Day

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

The Initial Offer Period in relation to the Euro F Class of Distributing Units has closed.

The Initial Offer Period in relation to the A, B, C, D, E, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, BB, CC, DD, EE, FF, GG, HH, II, JJ, KK, LL, MM, NN, OO, PP, QQ, RR, SS, TT, UU, VV, WW, XX, YY and ZZ Classes of Distributing Units denominated in Euro shall continue until 12pm (Irish time) on 1 March 2021 (or such shorter or longer period as the Manager may determine and notify to the Central Bank).

The Initial Offer Period in relation to the A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, BB, CC, DD, EE, FF, GG, HH, II, JJ, KK, LL, MM, NN, OO, PP, QQ, RR, SS, TT, UU, VV, WW, XX, YY and ZZ Classes of Distributing Units denominated in US Dollar, Sterling and Danish Krone shall continue until 12pm (Irish time) on 1 March 2021 (or such shorter or longer period as the Manager may determine and notify to the Central Bank).

After the Initial Offer Period, the relevant Classes 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, with the consent of the Depositary, determine.

### **Dealing Day**

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

### **Dealing Deadline**

Applications for subscription and redemption of Units must be received by 2.30pm Irish time on the Business Day prior to the relevant Dealing Day. The Directors of the Manager may agree to accept applications received subsequent to this deadline in exceptional circumstances provided such applications are received before the Valuation Point.

### **Valuation Point**

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

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

### **Minimum Initial Investment Amount**

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

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

### **Minimum Additional Investment**

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

### **Preliminary Charge**

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

### **Redemption Charge**

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

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

### **Anti-Dilution Levy**

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

## **Settlement Date**

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

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

## **Minimum Net Asset Value**

U.S.\$30 million.

## **Restriction on the Exchange of Units**

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

## **10 HOW TO SUBSCRIBE FOR UNITS**

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

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

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

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

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

## **11 HOW TO REDEEM UNITS**

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

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

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

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

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

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

## **12 NET ASSET VALUE**

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

## **13 FEES AND EXPENSES**

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

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

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

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

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

### **Initial Expenses**

The initial organisational and establishment costs relating to the creation of the Fund are estimated not to exceed €20,000 which are being amortised by the Fund over the first five accounting periods of its operation (or such other period as may be determined by the Directors at their discretion) and shall be subject to such adjustment following the establishment of new Sub-Funds as the Directors may determine.

### **Ongoing Expenses**

Ongoing legal and constitution fees and expenses will also be paid out the Assets of the Fund.

### **Other Fees and Expenses**

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

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

## **14 MATERIAL CONTRACTS**

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

The amended and restated Investment Management Agreement dated 20 January 2012, between the Manager and the Investment Manager. This agreement provides that the appointment of the Investment Manager will continue unless and until terminated by either party giving to the other not less than ninety (90) days' written notice although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other; the agreement contains certain indemnities in favour of the Investment Manager which are restricted to exclude matters arising by reasons of the fraud, bad faith, negligence or wilful default of the Investment Manager in the performance or non-performance by the Investment Manager of its duties.

The Agreement for the Provision of Responsible Investment Services dated 22 June 2015, as amended, between the Investment Manager and Hermes EOS (with its registered office at Lloyds Chambers, 1 Portsoken Street, London E1 8HZ, United Kingdom). Hermes EOS, authorised and regulated by the Financial Conduct Authority, provides non-discretionary responsible investment advisory services to the Investment Manager in respect of various sub-funds managed by the Investment Manager, including the Fund. This agreement provides that the appointment of Hermes EOS will continue unless and until terminated by either party giving to the other not less than 9 months' written notice (such notice may only be served on or after the first anniversary of the agreement), although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other; the agreement provides that Hermes EOS will accept responsibility for loss to the Investment Manager and/or the Fund to the extent that such loss is due to the negligence, wilful default, fraud or any breach of the agreement by Hermes EOS. See Fees and Expenses section above for details of the fees of Hermes EOS as paid out of the Assets of the Fund.

## **15 MISCELLANEOUS**

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

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

Northern Trust World Equity Index Fund

Northern Trust World EUR Hedged Equity Index Fund

Northern Trust Europe Custom ESG Equity Index Fund

Northern Trust High Dividend ESG World Equity Fund

Northern Trust World Custom ESG EUR Hedged Equity Index Fund

Northern Trust North America Value ESG Fund

Northern Trust Europe Value ESG Fund

Northern Trust Developed Real Estate Index Fund

Northern Trust North America Custom ESG Equity Index Fund

Northern Trust World ESG Leaders Equity Index Fund

Northern Trust World Custom ESG Equity Index Fund

Northern Trust World Green Transition Index Fund

NT Europe Sustainable Select SDG Index Fund

