

THE NT US HIGH YIELD FIXED INCOME FUND

Supplement dated 28 February 2019 to the Prospectus dated 23 June 2017 for Northern Trust Investment Funds plc

The NT US High Yield Fixed Income Fund

*This Supplement contains specific information in relation to The NT US High Yield Fixed Income Fund (the **Fund**), a Fund of Northern Trust Investment Funds p.l.c. (the **Company**) an open-ended investment company with variable capital established as an umbrella fund with segregated liability between Funds governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**).*

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

*The Directors of the Company, whose names appear in the **Management and Administration** section of the Prospectus, accept responsibility for the information contained in the Prospectus 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, have the same meaning when used in this Supplement.

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

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

A Repurchase Charge of up to 1% of the repurchase price may be charged by the Directors in their discretion on the repurchase of Shares within 30 days of purchase. The difference at any one time between the sale and repurchase price of Shares means that the investment should be viewed as medium to long term.

Dated: 28 February 2019

DIRECTORY

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INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The investment objective of the Fund is to seek to provide a high level of current income.

Investment Policies

The Fund seeks to achieve its investment objectives by investing, under normal circumstances, at least 80% of its net assets in lower quality bonds and other fixed-income securities (commonly referred to as “junk bonds”). These may be fixed or floating rate and may include:

- debt securities such as bonds of U.S. and non U.S. corporations and banks;
- debt securities such as bonds of state, local and non U.S. governments;
- debt securities such as bonds of the U.S. government or its agencies, instrumentalities or sponsored enterprises, including obligations that are issued by private issuers that are guaranteed as to principal and interest by the U.S. or non U.S. governments, their agencies or instrumentalities;
- senior and subordinated bonds and debentures issued by U.S. and non U.S. corporations and/or U.S. or non U.S. governments, their agencies or instrumentalities;
- zero coupon and pay-in-kind bonds (which make interest payments in additional bonds rather than in cash) issued by U.S. and non U.S. corporations and/or U.S. or non U.S. governments, their agencies or instrumentalities;
- convertible securities (such as bonds convertible into common or preferred shares), preferred stock, mortgage backed securities and up to 10% of net assets in securitised loan participations;
- warrants, rights and other equity securities that are acquired in connection with the Fund's investments in debt or convertible securities; and
- repurchase agreements relating to the above instruments for efficient portfolio management purposes only.

Lower quality securities are rated BB, Ba or lower by a Nationally Recognized Statistical Rating Organization (“NRSRO”). Unrated securities will be of comparable quality as determined by the Investment Manager. Lower rated securities tend to offer higher yields than higher rated securities with similar maturities. However, lower rated securities are considered speculative and generally involve greater price volatility and greater risk of loss than higher rated securities. There is no minimum rating for a security purchased or held by the Fund, and the Fund may purchase securities that are in default. Although the Fund invests primarily in lower quality fixed-income securities, it may invest a portion of its assets in securities of higher quality. During temporary defensive periods, the Fund may invest all of its assets in securities of higher quality. The Fund may not achieve its investment objective when this temporary strategy is used. Although the Fund primarily invests in the debt obligations of U.S. issuers, it may make limited investments in the securities of non U.S. issuers. In buying and selling securities for the Fund, the Investment Manager uses a relative value approach. This approach involves an analysis of general economic and market conditions. It also involves the use of models that analyze and compare expected returns and assumed risks. Under the relative value approach, the Investment Manager will emphasize particular securities and types of securities (such as asset-backed, mortgage-backed and corporate securities) that the team believes will provide a favorable return in light of the risks. The Investment Manager also

may consider obligations with a more favourable or improving credit or industry outlook that provide the potential for capital appreciation.

The Fund does not have any portfolio maturity limitation, and may invest its assets from time to time in instruments with short, medium or long maturities. The instruments held by the Fund are considered speculative, and an investment in the Fund presents substantial risks relative to a fund that invests in investment grade instruments.

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 provisions and restrictions set out by the Central Bank in relation to techniques for efficient portfolio management purposes.

PROFILE OF A TYPICAL INVESTOR

The Fund is designed for high net worth individuals, and institutional investors including, but not limited to: national and multi-national corporations, pension funds, insurance companies, sovereign wealth funds, charities and fiduciary managers. A typical investor is a sophisticated investor prepared to accept a high degree of volatility. A typical investor will be seeking to achieve exposure to lower quality bonds and other fixed-income securities and will be seeking to achieve a return on investment in the medium to long term.

INVESTMENT RESTRICTIONS

The general investment restrictions set out under the heading **Investment Objective and Policies of the Funds – Investment Restrictions** in the Prospectus shall apply.

The Fund does not intend to invest in CIS and, for the avoidance of doubt, may not invest more than 10% of Net Asset Value in CIS in aggregate.

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

The purpose of efficient portfolio management should be in line with the best interest of shareholders 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 appropriate level of risk, taking into account the risk profile of the Fund and the risk diversification rules set out in the Central Bank Rules.

In the context of hedging, the Fund may use the following instruments in order to hedge the currency exposure of Share Classes denominated in a currency other than the Base Currency: spot and forward currency contracts and, for the purpose of efficient portfolio management, may use options on securities, indices and currencies, swaps, and options on futures and when-issued and forward commitment securities (subject to the investment and borrowing limits (10% of the Fund's net assets) set out herein). Further details of the techniques and instruments that the Fund may employ for efficient portfolio management purposes are set out in the **Efficient Portfolio Management, Financial Derivative Instruments and Securities Financing Transactions** section of the Prospectus.

The Fund may use repurchase agreements and securities lending transactions (i.e. Securities Financing

Transactions) in accordance with the requirements of SFTR and the Central Bank Rules. Any type of assets that may be held by the Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions. There is no restriction on the proportion of assets that may be subject to Securities Financing Transactions and therefore the maximum and expected proportion of the Fund's assets that can be subject to Securities Financing Transactions can be as much as 100%, i.e. all of the assets of the Fund. Use of reverse repurchase agreements and Total Return Swaps by the Fund is not envisaged. In any case the most recent semi-annual and annual report of the Company will express as an absolute amount and as a percentage of the Fund's assets the amount of Fund assets subject to Securities Financing Transactions.

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of Efficient Portfolio Management Techniques or Securities Financing Transactions. Please refer to the section of the Prospectus entitled "Collateral Policy" for further details.

The use of FDI and Securities Financing Transactions for the purposes outlined above may expose the Fund to the risks disclosed under the section of the Prospectus titled **Risk Factors**. In addition, the prices of these instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements and the use of these instruments may further expose the Fund to the risk that the legal documentation of the relevant counterparty may not accurately reflect the intention of the parties.

LEVERAGE

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

BORROWINGS

In accordance with the general provisions set out in the Prospectus under the heading **Investment Objective and Policies of the Funds – Borrowing and Lending Powers** the Fund may borrow up to 10% of its Net Asset Value on a temporary basis.

RISK FACTORS

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

The Fund may invest in sub-investment grade debt securities which carry a greater possibility that the issuer may be unable or unwilling to make timely payments of interest and principal and thus default. If this happens, or is perceived as likely to happen, the values of those debt securities will usually be more volatile. A default or expected default could also make it difficult for the Fund to sell the sub-investment grade securities at prices approximating the values that the Fund had previously placed on them.

RISK MANAGEMENT PROCESS

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 cleared by the Central Bank. The Manager will, on request, provide supplementary information to Shareholders relating to the COO/664916-000002/14626766v23

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.

INVESTMENT MANAGER AND SUB-INVESTMENT MANAGER

The Manager has appointed Northern Trust Global Investments Limited ("NTGIL") as the Investment Manager of the Fund. The Investment Manager has appointed Northern Trust Investments, Inc ("NTI") as the sub-investment manager of the Fund (the "Sub-Investment Manager") pursuant to the sub-investment management agreement dated 28 April, 2014 (the "Sub-Investment Management Agreement").

NTI is an Illinois State Banking Corporation and an investment manager registered under the Investment Advisers Act of 1940, as amended. It primarily manages assets for institutional and individual separately managed accounts, investment companies and bank common and collective funds.

NTI is an indirect subsidiary of Northern Trust Corporation. Northern Trust Corporation is regulated by the Board of Governors of the Federal Reserve System as a financial holding company under the U.S. Bank Holding Company Act of 1956, as amended.

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

DIVIDEND POLICY

The Directors intend to declare and pay all net income of the Fund attributable to each class monthly as a dividend to the Shareholders of each class of Shares on the register of members as at the close of business on the relevant Dealing Day. Any such dividend shall be paid on the last Business Day of each month. The Shareholders shall reinvest all dividends unless the Shareholder elects in writing to receive the dividends in the form of cash payable monthly. In the case of a reinvestment of dividends, any dividends on each class of Shares shall be paid by the Company into an account in the name of the Depositary for the account of the relevant Shareholders. The amount standing to the credit of this account shall not be an asset of the Fund and will be immediately transferred, pursuant to a standing instruction, from the aforementioned account to the Subscriptions/Redemptions Account.

KEY INFORMATION FOR BUYING AND SELLING Share Classes

"**Accumulating Shares**" means Shares in the Fund in respect of which the net income and net capital gains arising will be rolled up;

"**Distributing Shares**" means Shares in the Fund in

respect of which the net income shall be distributed;

Shares may be issued as Accumulating Shares or Distributing Shares.

Base Currency

USD

Business Day

Any day (except Saturday or Sunday) on which the banks in both Dublin, Ireland and U.S. are open generally for business, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders.

Dealing Day

Every Business Day is a Dealing Day.

Dealing Deadline

Subject to the provisions under the heading "Valuation Point and Dealing Cut-off Point", in respect of a Dealing Day, the Dealing Deadline is 4 p.m. (Irish time) on that Dealing Day.

Initial Offer Period

The Initial Offer Period in respect of USD B is closed.

The Initial Offer Period in respect of all other Share Classes shall commence at 9am (Irish time) on 1 March 2019 and will continue until 5.00p.m. (Irish time) on 30 August 2019 or such earlier or later date as the Directors may determine.

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

Settlement Date

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

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

An exchange of Shares will in effect be represented by redemption of Shares in the Original Class and a simultaneous subscription for Shares in the New Class on the relevant Dealing Day. In such cases, the settlement of the transaction shall be effected on a timely basis (not to exceed five Business Days), subject to receipt of the relevant duly signed exchange request documentation.

Preliminary Charge

There will be no Preliminary Charge for this Fund.

Repurchase Charge

Up to 1% of the repurchase price if redemptions within 30 days of purchase.

Anti-Dilution Levy

An Anti-Dilution Levy will typically be applied to net subscriptions or net redemptions on any Dealing Day where net subscriptions or net redemptions exceed 1% of the Net Asset Value of the Fund. 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.

In Specie Issues

The Directors may in their absolute discretion, provided that they are satisfied that no material prejudice would result to any existing Shareholder and subject to the provisions of the Companies Acts, require that subscriptions are made in specie. It is envisaged that this discretion will only be used in exceptional circumstances and in the case of subscriptions of significant volume. For further information on the considerations application please see the **In Specie Issues** section of the Prospectus.

Valuation Point and Dealing Cut-off Point

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

As an amendment to fifth paragraph of the **Application for Shares** section of the Prospectus there will be no discretion for the Directors to accept applications in any circumstances after the close of business in the relevant recognised market that closes first on the relevant Dealing Day.

Initial Issue Price

For Euro denominated share classes €10 per Share, for US Dollar denominated share classes \$10 per Share, for Sterling denominated share classes, £10 per Share.

Classes of Shares Available

A, B, C, D, E, F, G, H,

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

Currencies Available

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

Minimum Shareholding

For all Shares Classes USD100,000 (or its equivalent in the relevant Share Class currency) subject to the discretion of the Directors to allow lesser amounts.

Minimum Initial Investment Amount

For all Shares Classes USD100,000 (or its equivalent in the relevant Share Class currency) subject to the discretion of the Directors to allow lesser amounts.

FEES AND EXPENSES

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

The Manager will be entitled to receive an annual fee of up to 1% in respect of the Class A, B, C, D, E, F, G and H.

Such fee shall accrue and be calculated on each Dealing Day and be payable monthly in arrears. 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 Manager will pay out of the above fee (and not out of the assets of the Fund) the fees of the Investment Manager who will in turn pay the fees of the Sub-Investment Manager out of this fee. The Sub-Investment Manager shall also be entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket expenses incurred by the Sub-Investment Manager in the performance of its duties.

The Administrator shall be entitled to receive out of the Net Asset Value of the Fund an annual fee, accrued and calculated on each Dealing Day and payable monthly in arrears at an annual rate which will not exceed 0.08% of the Net Asset Value of the Fund (plus VAT, if any). The Administrator is entitled to be repaid out of the assets of the Fund all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses (plus VAT thereon, if any).

The Depositary shall be entitled to receive out of the Net Asset Value of the Fund an annual fee, accrued and calculated on each Dealing Day and payable monthly in arrears, at an annual rate which will not exceed 0.2% of the Net Asset Value of the Fund (plus VAT thereon, if any).

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

A distribution fee of up to 1% may be applied to Class A, B, C, D, E, F, G and H Shares (plus VAT thereon, if any).

This section should be read in conjunction with the section entitled Expenses of the Funds in the Prospectus.

Establishment costs

The organisational and establishment expenses relating to the creation of the Fund did not exceed €35,000 and will be borne by the Fund and will be 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 Funds as the Directors may determine. The Manager may create additional Funds from time to time subject to obtaining prior approval from the Central Bank.

MISCELLANEOUS

Reporting

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

There are 19 other Funds of the Company currently in existence, namely:

- **The NT Europe (ex-UK) Equity Index Fund**
- **The NT Euro Government Bond Index Fund**
- **The NT Index Linked Bond Index Fund**
- **The NT Japan Equity Index Fund**
- **The NT Pacific (ex-Japan) Equity Index Fund**
- **The NT UK Equity Index Fund**
- **The NT North America Equity Index Fund**
- **The NT Euro Government Inflation Linked Index Fund**

- **The NT Emerging Markets Index Fund**
- **The NT Frontier Markets Index Fund**
- **The NT All Country Asia ex Japan Custom ESG Equity Index Fund**
- **The NT Emerging Markets Custom ESG Equity Index Fund**
- **The NT High Quality Euro Government Bond Index Fund**
- **The NT Emerging Markets Quality Low Carbon Fund**
- **The NT Emerging Markets Custom Equity Index Fund**
- **The NT Emerging Markets Custom ESG Feeder Fund**
- **The NT Emerging Markets ESG Leaders Equity Index Fund**
- **The NT EM Local Currency Government Bond Index Fund**
- **The NT World Equity Index Feeder Fund**