

# NORTHERN TRUST ASSET MANAGEMENT

## GLOBAL HIGH YIELD ESG BOND INDEX FUND

Marketing Communication  
**PASSIVE FIXED INCOME**

SHARE CLASS D EUR AS OF SEPTEMBER 2024

### Investment Objective

The investment objective of the Fund is to track the risk and return characteristics of the ICE BofAML Global High Yield Index (the "Index") subject to certain environmental, social and governance (ESG) exclusions and ESG weightings.

The Fund invests primarily in freely transferable Debt and Debt Related Securities and below investment grade corporate debt instruments that are constituents of the Index. The Fund may invest more than 30% in below investment grade bonds. The Fund may also invest in either investment grade or below investment grade corporate debt issued by corporates that is not included in the Index that are deemed by the Investment Manager to exhibit similar characteristics to securities in the Index and that have a similar risk profile.

**Target Market:** This Fund is appropriate for investors who plan to invest over the medium to long term; and are looking for a passively managed investment in the relevant market(s) with Environmental, Social and Governance (ESG) principles implemented according to a defined set of exclusions as well as assessment of ESG ratings.

The index is a custom index which corresponds with the ICE BofAML Global High Yield Index with the exclusion of securities that do not meet socially responsible principles identified by applying criteria that refer to the toUN's Global Compact Ten Principles, as well as other ESG criteria selected by the investment manager.

### SHARE CLASS PERFORMANCE % – IN EUR AS OF 30/09/24

■ Global High Yield ESG Bond Index Fund  
■ ICE Bofa Global HY Index



### Past performance does not predict future returns

	1 Month	3 Month	YTD	1 Year	3 Year*	5 Year*	Since Inception*
Share Class	1.32	1.86	7.59	11.24	3.17	—	3.02
Index	0.93	1.65	7.61	11.01	3.31	—	3.47

Performance is calculated from the inception of the share class. All data shown is net of fees. Please refer to the Fund prospectus for pricing information.  
\* Performance shown annualized for periods greater than 1 year.



### All performance in EUR as of 30/09/24

#### 12 MONTH PERFORMANCE PERIODS – TO LAST MONTH END

	30/09/23-30/09/24	30/09/22-30/09/23	30/09/21-30/09/22	30/09/20-30/09/21	30/09/19-30/09/20	30/09/18-30/09/19	30/09/17-30/09/18	30/09/16-30/09/17	30/09/15-30/09/16	30/09/14-30/09/15	Calendar Year 2023
Share Class	11.24	2.69	-3.85	10.35	—	—	—	—	—	—	8.91
Index	11.01	4.31	-4.76	11.10	—	—	—	—	—	—	9.57

Index performance returns do not reflect any advisory fees, transaction costs or expenses. It is not possible to invest directly in any index.

### RISK WARNINGS

**Credit Risk** – A borrower or a counterparty may fail to repay or otherwise fail to meet contractual obligations to the Fund.

**Liquidity Risk** – Some recognised exchanges are less liquid or more volatile which may affect the price received and time taken when selling investments. Small capitalisation companies are also less liquid and this may result in fluctuations in the price of shares.

**Investment Risk** - The Fund may not achieve its investment objective. An investment in the Fund involves investment risks including possible loss of the amount invested.

**Counterparty Risk** – In case of bankruptcy of the broker, there is no guarantee collateral held by the broker will be returned to the Fund. In the event of bankruptcy of the counterparty, the premium and any unrealised gains may be lost.

**Issuer Risk** – The issuer of a bond held within the Fund may not be able to meet its obligations to the Fund.

**Derivative Risk** - Derivatives may result in gains or losses that are greater than the original amount invested.

**Valuation Risk** - A position in the Fund may be valued incorrectly, as some prices may be uncertain at a point in time.

**Currency Risk** - Where a class of shares are in a currency other than the base currency of the Fund, the non-base share classes of the Fund may be affected unfavourably by fluctuations in currency rates.

**Political Risks** - The performance of the Fund may be affected by changes in economic and market conditions due to political developments and changes in government policies.

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# GLOBAL HIGH YIELD ESG BOND INDEX FUND

CREDIT RATING ALLOCATION %		
	Fund	Benchmark
BBB	3.2	0.8
BB	60.6	55.0
B	24.8	33.7
CCC	8.7	9.4
CC	1.0	0.8
C	0.1	0.1
D	0.4	0.2
Unrated	0.1	0.0
Cash Equivalents	1.0	0.0

TOP REGIONS/ COUNTRIES %		
	Fund	Benchmark
United States	54.7	53.4
Canada	4.5	5.0
Luxembourg	4.5	4.6
United Kingdom	4.4	4.4
France	4.1	4.2
Others	27.8	28.4

MATURITY ALLOCATION %		
	Fund	Benchmark
0-1yr	6.7	0.4
1yr-2yrs	14.5	19.2
2yrs-3yrs	20.8	24.2
3yrs-5yrs	69.2	74.1
5yrs-7yrs	48.2	43.7
7yrs-10yrs	20.8	20.4
10yrs-15yrs	2.3	2.1
15yrs-20yrs	0.5	1.3
20yrs-25yrs	0.8	1.6
25yrs-30yrs	1.5	1.7

SECTOR ALLOCATION %		
	Fund	Benchmark
Industrial	76.8	75.7
Financial	15.4	13.3
Foreign Agencies	3.8	7.3
Utilities	2.7	3.5
Committed Cash	1.0	0.0
Foreign Local Govt	0.4	0.2
Municipals	0.1	0.0
Other	0.0	0.0
Other	0.0	0.0

## FUND OVERVIEW

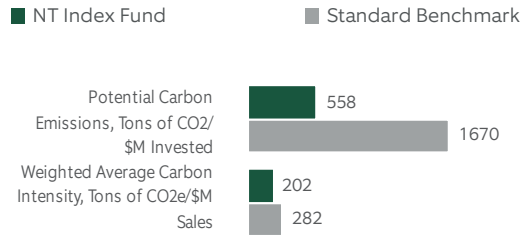
Domicile	Ireland
Legal Structure	ICVC
Regulatory Structure	UCITS
Currencies Offered	GBP/EUR/USD
Total Fund Assets	€105.5 Million
Benchmark	ICE Bofa Global HY Index
Fund Launch Date	08/08/19
Share Class Launch Date	16/12/19
Fund Base Currency	EUR
Share Class Currency	EUR
Bloomberg Ticker	NTGHCEA
ISIN	IE00BJN5LH86
Minimum Initial Investment	€100,000
Minimum Subsequent Investment	No Minimum
Dealing Frequency	Daily
Dealing Deadline	12:00pm Irish Time on the Dealing Day
Settlement	T+2
Portfolio Manager	Team Managed
OCF SHARE CLASS D EUR**	0.19%
Use of Income	Accumulating
UK Distributor/Reporting Status	Yes

## FUND CHARACTERISTICS

	Fund	Benchmark
Average Maturity	8.6	7.8
Duration	3.0	3.1
Yield to Maturity	6.8	7.0
Convexity	-0.2	-0.2
Current Yield	6.0	6.2
Total Number of Issues	1,261.0	3,228.0

**CARBON DATA METRICS**

Carbon footprint of the index constituents versus parent



Potential carbon emissions are emissions of fossil fuel companies that can be potentially released should all the fossil fuel reserves they own be extracted. This field represents the potential carbon emissions of the fossil fuel reserves owned by a company using a formula from the Potsdam Institute for Climate Impact research. Carbon intensity represents the company's most recently reported or estimated Direct (fuel combustion, company vehicles) and Indirect (purchased electricity heat and steam) greenhouse gas emissions.

**ADVOCACY DATA**

Advocacy data is updated on a quarterly basis capturing the previous 3 months engagement activity. For more information on our engagement, please read our quarterly engagement reporting at [northerntrust.com/engagement](http://northerntrust.com/engagement). Engagement undertaken by Hermes EOS on behalf of Northern Trust.

**ESG EXCLUSIONS ON BASE INDEX**

Number of securities excluded in the fund index when compared to the standard benchmark.

ESG Screen	# of Securities	% of Market Capitalization
Business Related Exclusions*	9	0.5
Combined Governance	13	0.8
Combined Weapons	22	1.6
Fossil Fuels**	24	0.9
UNGC & Other Severe Controversies	5	2.9
Combined Basket***	69	6.4

\* Business Related Exclusions includes tobacco and not for profit prisons.

\*\* Fossil Fuels includes Thermal Coal, Shale, Oil Sands and Arctic Oil & Gas.

\*\*\* Stocks may appear in multiple ESG Screens but are only considered once in the Combined Basket.

**Glossary**

**Business Related Exclusions :** Business related exclusions cover tobacco manufacturing, retail and trade and for-profit prisons.

**Duration:** is a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates.

**Forward EPS Growth:** is an estimated growth of the next period's earnings of a company, usually till the completion of the current fiscal year and sometimes to the following fiscal year.

**ISIN:** International Securities Identification Number. It is a 12-digit alphanumeric code that uniquely identifies a specific security.

**LT / ST:** Long Term / Short Term.

**Modified Duration:** measures the change in the value of the a bond in response to a change in 100-basis-point (1%) change in interest rates.

**Ongoing Charge:** is a figure representing all annual charges and other payments taken from the fund.

**Price-to-Book Ratio:** is used to compare a firm's market capitalization to its book value. It's calculated by dividing the company's stock price per share by its book value per share. Book value is calculated as follows: (total asset - total liabilities) / number of shares outstanding.

**Quant Active:** securities are chosen based on numerical data compiled through quantitative analysis. It is aiming for high alpha from exposure to multiple factors: proven stock ranking model focused on selecting stocks that exhibit good value, quality, momentum and analyst revisions characteristics etc.

**Spread Duration:** is an estimate of how much the price of a specific bond will move when the spread of that specific bond changes.

**SRRI:** is a value based on the volatility of the fund, which gives an indication of the overall risk and reward profile of the fund.

**Swing Pricing:** protects existing shareholders against fund dilution by passing transaction costs to purchasing or redeeming shareholders. It allows funds to adjust the net asset value up or down once purchase or redemption limits are exceeded.

**Trailing 12-month price-to-earnings ratio:** is a relative valuation multiple based on the last 12 months of actual earnings, calculated by dividing the current stock price by the trailing EPS for the previous year.

**WAL (Nominal Weighted Average Life):** A bond's maturity is the length of time until the principal amount of the bond is to be repaid. WAL of the fund is calculated as the average of the underlying bonds' maturities, adjusted to take account of their relative weight (size) within the fund.

**WAM (Weighted Average Maturity):** A bond's maturity is the length of time until the principal amount of the bond is to be repaid. WAM of the ETF is calculated as the average of the underlying bonds' maturities, adjusted to take account of their relative weight (size) within the fund.

**Weighted Average Market Cap:** refers to a type of stock market index construction that is based on the market capitalization of the index's constituent stocks.

**Yield to Maturity (%):** is the total return anticipated on a bond if the bond is held until it matures.

**For More Information**

Please visit [www.northerntrust.com/pooledfunds](http://www.northerntrust.com/pooledfunds) OR please contact your local Northern Trust representative using the information below.

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[northerntrust.com/europe/what-we-do/investment-management/sustainable-finance-regulation](http://northerntrust.com/europe/what-we-do/investment-management/sustainable-finance-regulation).

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