

# NORTHERN TRUST ASSET MANAGEMENT

## GLOBAL HIGH YIELD ESG BOND INDEX FUND

Marketing Communication  
**PASSIVE FIXED INCOME**

SHARE CLASS C EUR AS OF MARCH 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.



**NORTHERN  
TRUST**

ASSET MANAGEMENT

For regulatory reasons we are unable to provide performance information where the track record is less than 12 months; if you are an existing investor in, or distributor of, this fund please contact your normal representative.

### Northern Trust Asset Management

As a leading global asset management firm, our investment expertise, strength and innovation have earned the trust and confidence of the world's most sophisticated institutional and individual investors.

Our forward-looking, historically aware investment approach powers a broad range of capabilities and solutions. And our comprehensive asset class offering includes passive, factor-based, fundamental active and multi-manager solutions that are available in a variety of investment vehicles.

With \$1 trillion in total assets under management,\* and a long-standing history of solving complex investment challenges, we believe our strength and stability drive opportunities for our clients.

Learn more at [northerntrust.com/strength](https://northerntrust.com/strength).

\* Assets under management as of December 31, 2023. For the Northern Trust Asset Management entities included in the AUM total, please see disclosure at end of this document.

### 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.

NORTHERN TRUST ASSET MANAGEMENT

# GLOBAL HIGH YIELD ESG BOND INDEX FUND

## CREDIT RATING ALLOCATION %

	Fund	Benchmark
BBB	1.8	1.1
BB	57.4	52.6
B	29.7	35.6
CCC	9.4	9.7
CC	0.9	0.8
C	0.3	0.1
D	0.0	0.1
Unrated	0.1	0.0
Cash Equivalents	0.4	0.0

## TOP REGIONS/ COUNTRIES %

	Fund	Benchmark
United States	53.3	53.0
United Kingdom	5.4	5.3
Luxembourg	4.9	4.5
Canada	4.6	4.2
France	4.2	4.2
Others	27.6	28.8

## MATURITY ALLOCATION %

	Fund	Benchmark
0-1yr	2.4	0.2
1yr-2yrs	7.5	9.3
2yrs-3yrs	13.1	14.3
3yrs-5yrs	30.7	33.3
5yrs-7yrs	26.7	24.6
7yrs-10yrs	10.8	9.5
10yrs-15yrs	0.7	1.3
15yrs-20yrs	0.3	0.6
20yrs-25yrs	0.5	0.9
25yrs-30yrs	0.6	0.7

## SECTOR ALLOCATION %

	Fund	Benchmark
Industrial	78.9	76.0
Financial	14.1	13.2
Foreign Agencies	3.2	7.3
Utilities	3.1	3.4
Foreign Local Govt	0.4	0.2
Committed Cash	0.4	0.0
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	€87.2 Million
Benchmark	ICE Bofa Global HY Index
Fund Launch Date	08/08/19
Share Class Launch Date	13/07/23
Fund Base Currency	EUR
Share Class Currency	EUR
Bloomberg Ticker	NTGHCEU
ISIN	IE000MDAH467
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 C EUR**	0.50%
Use of Income	Accumulating

## FUND

### CHARACTERISTICS

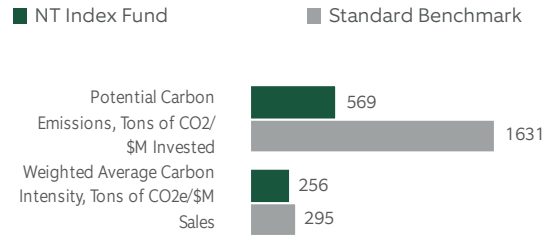
	Fund	Benchmark
Average Maturity	8.2	7.7
Duration	3.3	3.3
Yield to Maturity	7.7	7.7
Convexity	-0.1	-0.1
Current Yield	6.2	6.3
Total Number of Issues	1,219.0	3,211.0

NORTHERN TRUST ASSET MANAGEMENT

# GLOBAL HIGH YIELD ESG BOND INDEX FUND

## 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](https://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.

UK	NTAM_UK_Sales@ntrs.com	EMEA	NTAM_EMEA_Sales@ntrs.com
APAC	NTAM_APAC_Sales@ntrs.com	EUROPE/ NORDICS	NTAM_Amsterdam_Sales@ntrs.com
DACH	NTAM_DACH_Sales@ntrs.com		

## DISCLOSURE

© 2024 Northern Trust Corporation. Northern Trust Asset Management (NTAM) is composed of Northern Trust Investments, Inc. (NTI), Northern Trust Global Investments Limited (NTGIL), Northern Trust Fund Managers (Ireland) Limited (NTFMI), Northern Trust Global Investments Japan, K.K. (NTKK), NT Global Advisors, Inc., 50 South Capital Advisors, LLC, Northern Trust Asset Management Australia Pty Ltd and investment personnel of The Northern Trust Company of Hong Kong Limited (TNTCHK) and The Northern Trust Company (TNTC).

This is a marketing communication. Please refer to the prospectus and to the KIID before making any final investment decisions. The prospectus is available in English and the key investor information document is available in [English, Danish, Dutch, Italian, German, Spanish and Swedish] at [www.northerntrust.com/pooledfunds](http://www.northerntrust.com/pooledfunds).

For Asia-Pacific markets, this material is directed to expert, institutional, professional and wholesale investors only and should not be relied upon by retail clients or investors. For legal and regulatory information about our offices and legal entities visit [northerntrust.com/disclosures](http://northerntrust.com/disclosures).

The Fund is managed by Northern Trust Fund Managers (Ireland) Limited. The Fund is a sub-fund of Northern Trust Investment Funds plc which is a regulated collective investment scheme in Ireland under Central Bank of Ireland UCITS regulations. The Fund makes use of the Temporary Permissions Regime in the United Kingdom allowing EEA-domiciled funds to be distributed in the UK for a limited period until full authorisation is obtained.

Past performance does not guarantee future results. Information contained herein has been obtained from sources believed to be reliable, but its accuracy and completeness are not guaranteed. Information is only current as of the date stated and is subject to change without notice. Fund performance data provided herein should not be relied upon as a basis for investment decisions; performance data may be revised. This information does not constitute a recommendation for any investment strategy or product described herein. This information is not intended as investment advice and does not take into account an investor's individual circumstances. The information contained in this document is neither an offer for sale nor a solicitation of an offer to buy securities or related financial instruments.

Our UCITS Funds have been categorized in accordance with the SFDR categorization. For more information please visit:

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

Issued in the United Kingdom by Northern Trust Global Investments Limited. Issued in the EEA by Northern Trust Fund Managers (Ireland) Limited.