

HYGV

FlexShares High Yield Value-Scored Bond Index Fund Analyst Report

The FlexShares High Yield Value-Scored Bond Index Fund (HYGV) tracks a proprietary index of high-yield bonds screened for value and quality. HYGV's methodology rates issuers based on factors like valuation, solvency, management efficiency and profitability. The securities are screened for liquidity, and the portfolio imposes caps on individual bonds, issuers, sectors, duration, turnover and credit score.

This fund is for investors looking to add income while avoiding some of the riskiest junk debt. Other ETFs have a similar goal, but use different strategies, such as the Goldman Sachs Access High Yield Corporate Bond ETF (GHYB) or the WisdomTree U.S. High Yield Corporate Bond Fund (WFHY). Another variation are the "fallen angel" funds which seek to invest in downgraded securities or debt from issuers that have recently slipped below investment-grade, such as the iShares Fallen Angels USD Bond ETF (FALN) or the VanEck Vectors Fallen Angel High Yield Bond ETF (ANGL). HYGV's management fee is reasonable for the category.

ESG Themes and Scores

5.44/10	27.28%	35.82%
ESG Rate	Global Percentile	Peer Percentile

Performance Data

	HYGV	ETF Database Category Average	Factset Segment Average
1 Month	3.80%	2.98%	2.80%
3 Month	0.15%	0.52%	0.48%
YTD Return	1.80%	2.08%	1.89%
1 Year Return	7.22%	7.18%	6.42%
3 Year Return	6.69%	5.82%	4.39%
5 Year Return	6.89%	3.42%	2.37%

Top 5 Holdings

Symbol	Holding	% Assets
Other	Carvana Co. 14.0% 01-JUN-2031	1.14%
Other	Staples, Inc. 10.75% 01-SEP-2029	0.97%
Other	DIRECTV Financing LLC 10.0% 15-FEB-2031	0.94%
Other	Ardonagh Group Finance Limited 8.875% 15-FEB-2032	0.92%
Other	Novelis Corporation 4.75% 30-JAN-2030	0.77%

Vitals

Issuer	Northern Trust
Brand	FlexShares
Structure	ETF
Expense Ratio	0.37%
Inception	Jul 17, 2018
Index Tracked	Northern Trust High Yield Value-Scored US Corporate Bond Total Return

ETF Database Themes

Category	High Yield Bonds
Asset Class	Bond
Asset Class Size	N/A
Asset Class Style	N/A
Region (General)	Developed Markets
Region (Specific)	Broad

FactSet Classifications

Segment	Fixed Income: U.S. - Corporate, Broad-based High Yield
Category	Corporate, Broad-based
Focus	High Yield
Niche	Broad Maturities
Strategy	Fundamental
Weighting	Fundamental

