

# EASG

## Xtrackers MSCI EAFE ESG Leaders Equity ETF Analyst Report

The Xtrackers MSCI EAFE ESG Leaders Equity ETF (EASG) tracks an MSCI index of developed market stocks outside North America, selecting those securities that score the highest relative to their peers on environmental, social and governance factors, known by the acronym ESG. EASG includes companies that score in the top 50% of scores in each sector — and so will own about half as many companies as the parent index — then weights those stocks to keep the sector allocation in line with the parent index. The fund excludes companies involved in alcohol, tobacco, gambling, controversial and conventional weapons, nuclear power, and civilian firearms. EASG's management fee is a bit cheaper than rival iShares ESG MSCI EAFE ETF (ESGD), but ESGD had a head start and has significantly greater assets and daily liquidity. The iShares ESGD follows a less stringent MSCI ESG index for the region and so has more stocks in its portfolio than Xtrackers EASG. The idea is that companies with higher ESG scores will outperform their rivals over the long run.

Issuers have rolled out dozens of ESG-style funds in recent years to appeal to younger investors who are concerned about the social impact of their investments. ESG (the strategy, not the ticker) is different from traditional socially-responsible investing, which typically tried to exclude bad actors and industries. Many advisers worried that this came at the expense of diversification and returns. Today's strategies aim to be more inclusive. Instead of ignoring large swathes of the market, the goal is maintain market-like diversification with a tilt toward the best corporate citizens. It's worth nothing that there are plenty of skeptics when it comes to ESG investing, and critics say ESG whitewashes a portfolio rather than driving companies to truly change their behavior. Investors who prefer plain-vanilla ETFs can take a look at funds like IEFA or the Vanguard FTSE Developed Markets ETF (VEA).



### ESG Themes and Scores

8.61/10	99.78%	99.17%
ESG Rate	Global Percentile	Peer Percentile

### Performance Data

	EASG	ETF Database Category Average	Factset Segment Average
1 Month	5.83%	5.27%	4.18%
3 Month	1.39%	2.38%	1.71%
YTD Return	10.26%	9.22%	6.71%
1 Year Return	18.80%	17.02%	11.04%
3 Year Return	2.27%	1.78%	1.77%
5 Year Return	8.25%	6.18%	3.28%

### Top 5 Holdings

Symbol	Holding	% Assets
NOVO.B	Novo Nordisk A/S Class B	4.82%
ASML	ASML Holding NV	3.63%
AZN	AstraZeneca PLC	2.91%
NOVN	Novartis AG	2.61%
MC	LVMH Moet Hennessy Louis Vuitton SE	2.15%

### Vitals

Issuer	DWS
Brand	Xtrackers
Structure	ETF
Expense Ratio	0.14%
Inception	Sep 06, 2018
Index Tracked	MSCI EAFE ESG Leaders Index

### ETF Database Themes

Category	Foreign Large Cap Equities
Asset Class	Equity
Asset Class Size	Large-Cap
Asset Class Style	Blend
Region (General)	Developed Markets
Region (Specific)	EAFE

### FactSet Classifications

Segment	Equity: Developed Markets Ex-North America - Total Market
Category	Size and Style
Focus	Total Market
Niche	Broad-based
Strategy	ESG
Weighting	Tiered