

EEMS

iShares MSCI Emerging Markets Small-Cap ETF Analyst Report

This ETF offers exposure to small cap stocks in emerging markets, an asset class that is often overlooked by investors but that should be included in most buy-and-hold portfolios. In addition to being a very useful tool for investors with a long-term time horizon, EEMS can be appealing to more active traders as well; this ETF offers a way to achieve quick exposure to risky assets that often exhibit relatively high volatility in both directions.

The most popular emerging markets ETFs, including EEM and VWO, are dominated by large cap stocks. While these funds offer exposure to the largest companies in the developing world, they may be impacted more significantly by broader macroeconomic trends than changes in local consumption. Small cap emerging markets companies may offer better "pure plays" on the local economies, and may also provide exposure to sectors that are underrepresented in large cap-heavy funds (which tend to be tilted toward energy and financials). Given its objective, EEMS can be useful as either an alternative or complement to products such as EEM or VWO; those seeking to achieve well rounded emerging markets exposure can do so by combining positions in large cap and small cap funds.

The EEMS portfolio is both broad and deep; the concentration issues that can pop up in large cap funds are not present, and this fund is relatively well balanced from a sector perspective as well. EEMS is more expensive than many other emerging markets ETFs, but the fees charged are reasonable given the type of exposure offered (though EWX offers a way to improve cost efficiency). Beyond EWX, another option for similar exposure is the dividend-weighted DGS (that ETF is also a bit cheaper). Investors also have a number of more targeted small cap ETFs that focus on specific emerging markets, including India (SCIN), China (ECNS), Brazil (BRF), and Russia (RSXI).



ESG Themes and Scores

4.45/10 ESG Rate 10.34% Global Percentile 0.08% Peer Percentile

Performance Data

	EEMS	ETF Database Category Average	Factset Segment Average
1 Month	-0.33%	-2.69%	-1.49%
3 Month	5.46%	3.68%	4.24%
YTD Return	17.99%	27.61%	17.49%
1 Year Return	13.49%	25.54%	13.06%
3 Year Return	15.42%	17.63%	11.18%
5 Year Return	10.69%	9.46%	8.05%

Top 5 Holdings

Symbol	Holding	% Assets
Other	U.S. Dollar	1.18%
2360	Chroma Ate Inc.	0.61%
2449	King Yuan Electronics Co., Ltd.	0.52%
3665	BizLink Holding Inc.	0.49%
8299	Phison Electronics Corp.	0.42%

Vitals

Issuer	BlackRock, Inc.
Brand	iShares
Structure	ETF
Expense Ratio	0.73%
Inception	Aug 16, 2011
Index Tracked	MSCI Emerging Markets Small Cap Index

ETF Database Themes

Category	Foreign Small & Mid Cap Equities
Asset Class	Equity
Asset Class Size	Multi-Cap
Asset Class Style	Blend
Region (General)	Emerging Markets
Region (Specific)	Broad

FactSet Classifications

Segment	Equity: Emerging Markets - Small Cap
Category	Size and Style
Focus	Small Cap
Niche	Broad-based
Strategy	Vanilla
Weighting	Market Cap