

ESCR

Xtrackers Bloomberg US Investment Grade Corporate ESG ETF Analyst Report

The Xtrackers Bloomberg Barclays US Investment Grade Corporate ESG ETF (ESCR) tracks an index of investment-grade debt, but screens the securities based on environmental, social and governance factors, an investing style known by the acronym ESG. ESCR screens issuers based on controversies, or involvement in adult entertainment, tobacco, nuclear power, alcohol, gambling, conventional and controversial weapons, civilian firearms and nuclear weapons. Once those securities are screened out, ESCR readjusts its portfolio to match the sector, maturity and credit weighting of its benchmark. ESCR is priced competitively for the category, though it's more expensive than the rival iShares ESG USD Corporate Bond ETF (SUSC).

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 investment-grade corporate debt ETFs can take a look at the iShares iBoxx \$ Investment Grade Corporate Bond ETF (LQD).

Note: This fund changed its name, objective and ticker in May 2020. It used to be the Xtrackers Investment Grade Bond - Interest Rate Hedged ETF (IGIH).

ESG Themes and Scores

7.0/10 ESG Rate 72.3% Global Percentile 95.53% Peer Percentile

Performance Data

| | ESCR | ETF Database Category Average | Factset Segment Average |
|---------------|--------|-------------------------------|-------------------------|
| 1 Month | 0.72% | -0.26% | -0.55% |
| 3 Month | 3.47% | 2.29% | 2.38% |
| YTD Return | -0.87% | -0.64% | -1.32% |
| 1 Year Return | 6.89% | 6.49% | 5.99% |
| 3 Year Return | -2.76% | -0.84% | -1.35% |
| 5 Year Return | -1.48% | 1.12% | 1.06% |

Top 5 Holdings

| Symbol | Holding | % Assets |
|--------|--|----------|
| Other | AT&T Inc. 3.5% 01-JUN-2041 | 0.85% |
| Other | Barclays PLC 2.667% 10-MAR-2032 | 0.75% |
| Other | Bank of America Corporation 3.419% 20-DEC-2028 | 0.69% |
| Other | Bank of America Corporation 1.197% 24-OCT-2026 | 0.68% |
| Other | UnitedHealth Group Incorporated 5.3% 15-FEB-2030 | 0.56% |

Vitals

| | |
|---------------|---|
| Issuer | DWS |
| Brand | Xtrackers |
| Structure | N/A |
| Expense Ratio | 0.15% |
| Inception | Mar 03, 2015 |
| Index Tracked | Bloomberg MSCI US Corporate Sustainability SRI Sector/Credit/Maturity Neutral Index |

ETF Database Themes

| | |
|-------------------|-----------------|
| Category | Corporate Bonds |
| Asset Class | Bond |
| Asset Class Size | N/A |
| Asset Class Style | N/A |
| Region (General) | North America |
| Region (Specific) | U.S. |

FactSet Classifications

| | |
|-----------|--|
| Segment | Fixed Income: U.S. - Corporate, Broad-based Investment Grade |
| Category | Corporate, Broad-based |
| Focus | Investment Grade |
| Niche | Broad Maturities |
| Strategy | ESG |
| Weighting | Market Value |

