

SNPE

Xtrackers S&P 500 ESG ETF

Analyst Report

The Xtrackers S&P 500 ESG ETF (SNPE) was the first to offer exposure to S&P 500 stocks screened for environmental, social and governance factors, known by the acronym ESG. SNPE excludes companies with disqualifying U.N. Global Compact scores, and those involved with tobacco or controversial weapons. The fund targets the 75% with the highest ESG scores within each industry group of the S&P 500. The portfolio holdings are market-cap weighted but adjusted to maintain broadly similar sector exposure to the parent index. SNPE is priced competitively.

It owns just over 300 of the stocks in the S&P 500, and its top holdings look — by design — very similar to the plain-vanilla index. Some notable names are left out, including Johnson & Johnson and Berkshire Hathaway.

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 noting 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 the Vanguard S&P 500 ETF (VOO) or the iShares S&P 500 ETF (IVV).

ESG Themes and Scores

6.88/10

ESG Rate

66.64%

Global Percentile

79.34%

Peer Percentile

Performance Data

	SNPE	ETF Database Category Average	Factset Segment Average
1 Month	8.09%	8.50%	5.17%
3 Month	4.17%	4.28%	2.38%
YTD Return	22.29%	22.15%	10.04%
1 Year Return	17.12%	17.26%	7.63%
3 Year Return	11.75%	5.48%	3.81%
5 Year Return	N/A	7.81%	2.75%

Top 5 Holdings

Symbol	Holding	% Assets
AAPL	Apple Inc.	9.74%
MSFT	Microsoft Corporation	9.73%
AMZN	Amazon.com, Inc.	4.62%
NVDA	NVIDIA Corporation	4.17%
GOOGL	Alphabet Inc. Class A	2.85%

Vitals

Issuer	DWS
Brand	Xtrackers
Structure	ETF
Expense Ratio	0.10%
Inception	Jun 26, 2019
Index Tracked	S&P 500 ESG Index

ETF Database Themes

Category	Large Cap Growth Equities
Asset Class	Equity
Asset Class Size	Large-Cap
Asset Class Style	Blend
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: U.S. - Large Cap
Category	Size and Style
Focus	Large Cap
Niche	Broad-based
Strategy	ESG
Weighting	Market Cap

