

USSG

Xtrackers MSCI USA Selection Equity ETF

Analyst Report

The MSCI USA ESG Leaders Equity ETF (USSG) tracks an MSCI index of U.S. stocks, selecting those securities that score the highest relative to their peers on environmental, social and governance factors (ESG). USSG 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. USSG's management fee is cheaper than rival iShares ESG MSCI USA ETF (ESGU). The iShares fund has significantly more assets, but both funds have drawn a sizable investor following and offer good daily liquidity.

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 VTI or the iShares S&P 500 ETF (IVV).

ESG Themes and Scores

7.2/10

ESG Rate

77.21%

Global Percentile

96.43%

Peer Percentile

Performance Data

	USSG	ETF Database Category Average	Factset Segment Average
1 Month	-0.18%	0.54%	1.27%
3 Month	10.00%	9.40%	8.03%
YTD Return	8.03%	7.97%	8.17%
1 Year Return	24.55%	21.21%	15.75%
3 Year Return	21.74%	18.93%	9.70%
5 Year Return	13.38%	9.11%	4.42%

Top 5 Holdings

Symbol	Holding	% Assets
NVDA	NVIDIA Corporation	14.12%
MSFT	Microsoft Corporation	8.22%
GOOGL	Alphabet Inc. Class A	6.21%
GOOG	Alphabet Inc. Class C	4.93%
TSLA	Tesla, Inc.	3.35%

Vitals

Issuer	DWS
Brand	Xtrackers
Structure	ETF
Expense Ratio	0.09%
Inception	Mar 07, 2019
Index Tracked	MSCI USA 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. - Total Market
Category	Size and Style
Focus	Total Market
Niche	Broad-based
Strategy	ESG
Weighting	Tiered

