

CATH

Global X S&P 500 Catholic Values Custom ETF

Fund Description

CATH tracks an index of US large-cap stocks selected from the S&P 500. The cap-weighted index omits companies from certain industries at odds with Catholic values.

FactSet Analyst Report

CATH aims for principles-based divestment of certain companies without sacrificing plain-vanilla coverage of US large-caps. The ETF starts from the S&P 500, then checks the revenues of each component firm to see if any come from industries deemed inconsistent with Catholic values per the U.S. Conference of Catholic Bishops. As such, CATH has zero tolerance for firms with any revenues from unconventional weapons, contraception, abortion, stem-cell research and pornography production. Conventional weapons sales can account for a maximum of 50% of revenues. Firms with evidence of using child-labor are also omitted. Despite the long list, most stocks make it through the screen. The fund minimizes the investment impact of the divestment by maintaining cap-weighted sector exposure, and cap-weighted exposure within each sector.