

CEFA

Global X S&P Catholic Values Developed ex-US ETF

Fund Description

CEFA tracks an index of large-cap stocks from Developed ex-US markets. The cap-weighted index screens out firms inconsistent with Catholic values.

FactSet Analyst Report

CEFA aims for principles-based divestment of certain companies without sacrificing plain-vanilla coverage of large cap firms from developed markets excluding US and Korea. Index construction starts from the S&P EPAC ex-Korea Large Cap Index, then checks the revenues of each component firm to see if any come from industries inconsistent with Catholic values per the US Conference of Catholic Bishops (USCCB). As such, CEFA has zero tolerance for firms with revenues from unconventional weapons, contraception, abortion, and stem cell research. Conventional military weapons sales can account for a maximum of 50% of revenues. Firms with evidence of using child labor are also omitted. The fund minimizes the investment impact of the divestment by maintaining cap-weighted sector exposure, and cap-weighted exposure within each sector. The index is rebalanced quarterly. CATH is a sibling fund focused on the US markets.