

EFFE

Harbor Osmosis Emerging Markets Resource Efficient ETF

Fund Description

EFFE actively invests in companies within emerging markets that conduct business with positive environmental considerations.

FactSet Analyst Report

EFFE aims to actively invest in equity securities of resource-efficient large- and mid-cap companies in emerging markets. Such companies are defined as those that emit less carbon, use less water, and generate less waste compared to their peers. The fund adviser uses a quantitative strategy based on its Resource Efficiency Scores, predicting companies with higher scores may outperform a broad-based emerging markets index. Companies are scored on carbon emissions, water use, and waste production, standardized into scores for cross-sector comparison. Resource-efficient companies within the top three quintiles of their sector are selected for the portfolio. It may also invest up to 20% in non-resource-efficient investments to align with its benchmark's weightings. Typically holding 70-90 securities, the fund avoids tobacco, certain munitions manufacturers, and companies violating UN Global Compact principles. The portfolio is rebalanced monthly, primarily following the sub-advisers quantitative strategy for buy/sell decisions.