

ETHO

Etho Climate Leadership U.S. ETF

Fund Description

ETHO tracks the performance of an equal-weighted index that selects US stocks that exhibit the least carbon impact within its industry. Certain industries are excluded altogether.

FactSet Analyst Report

ETHO tracks an index of US equities with the most climate efficiency within their own sectors. Each company is measured according to their climate impact, which is calculated based on total greenhouse gas emissions from operations, fuel use, supply chain, and business activities, divided by market capitalization. The top scoring half in each industry is selected, while simultaneously excluding all companies in energy, tobacco, aerospace and defense, gambling, gold, and silver sub-industries. Equal weighting is applied to all selected companies, which gives smaller capitalization stocks more weight within the index relative to a market capitalization weighting approach. Given the industry screens and equal weighting, ETHO carries greater active risk than some peer ESG funds which track closer to cap-weighted exposure. Overall, the fund provides a clear and distinct selection method for environmentally-conscious investors. The Index is reconstituted and rebalanced annually.

