

FEDM

FlexShares ESG & Climate Developed Markets ex-US Core Index Fund

Fund Description

FEDM tracks a principles-based index of large-cap companies from the developed markets outside the US that exhibit environmental, social, and corporate governance (ESG) characteristics.

FactSet Analyst Report

FEDM follows an index designed to provide a broad exposure to developed market companies outside the US that exhibit several specific environmental, social, and corporate governance attributes. Selection begins with the constituents of the NorthernTrust Developed Markets ex-US Large Cap Index. Each eligible company is ranked based on their ESG scores as measured by their ability to manage risks associated with material ESG issues and their good corporate governance. Moreover, the fund also utilizes carbon-related risk metrics to assess the carbon emissions intensity, carbon reserves, and carbon risk exposure for each firm. Companies are also screened and excluded based on business activities that produce negative impacts in the environment. Additional optimization is also done to minimize systematic risk including constituent, liquidity, absolute weight, sector, industry group, and turnover constraints. The index is reconstituted on a quarterly basis.

