

# FEEM

## FlexShares ESG & Climate Emerging Markets Core Index ETF

### Fund Description

FEEM tracks a principles-based index of large-cap companies in emerging markets that exhibit positive environmental, social, and corporate governance (ESG) characteristics. A proprietary ESG scoring system is used to select and weight holdings.

### FactSet Analyst Report

FEEM follows an index designed to provide a broad exposure to emerging market companies that exhibit several specific environmental, social, and corporate governance attributes. Selection begins with the constituents of the Northern Trust Emerging Markets 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 score. 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.

