

FEIG

FlexShares ESG & Climate Investment Grade Corporate Core Index Fund

Fund Description

FEIG tracks an index of USD-denominated, investment grade corporate bonds that are screened for ESG characteristics and reduced climate-related risk.

FactSet Analyst Report

FEIG is passively managed to provide broad-market, core exposure to the investment-grade segment of the corporate bond market. The index takes from a selection universe of USD-denominated, investment-grade corporate debt with remaining maturities of at least one year. An optimization process is used to select and weight securities in order to increase aggregate ESG score and reduce aggregate climate-related risk. Companies are ranked based on material ESG metrics and corporate governance characteristics. Each company is then assessed for carbon emissions intensity and carbon risk rating. Violators of international initiatives such as the UN global compact and firms involved in controversial activities are excluded from the portfolio. Weights are also optimized to minimize systematic risk. The index is reconstituted and rebalanced on a monthly basis.

