

GPAL

Goldman Sachs ActiveBeta Paris-Aligned Climate U.S. Large Cap Equity ETF

Fund Description

GPAL tracks an index of tier-weighted US large-cap stocks comprising four factor sub-indices: value, momentum, quality, and low volatility. Holdings are screened and reweighted based on ESG criteria in line with the Paris Climate Agreements carbon reduction goals.

FactSet Analyst Report

GPAL is a passively managed fund that combines Goldman Sachs ActiveBeta strategy with ESG screens that are aligned with the goals of the Paris Climate Agreement, that is to combat climate change and its long-term effects. To construct the portfolio, the fund initially narrows down its reference index (Solactive US Large Cap Index) by removing companies involved in controversial industries such as weapons, tobacco, and fossil fuels. In addition, firms that are deemed non-compliant with the UN Global Compact principles are also excluded. Remaining securities are assigned with a factor score in order to create four sub-indices focusing on: value, momentum, quality, and low volatility. These four sub-indices are then combined in equal weights to form the Factor Diversity Portfolio. Final security weights are adjusted in accordance with the funds target greenhouse gas emission intensity, low carbon impact, and overall factor exposures. The index rebalances quarterly.

