

HEEM

iShares Currency Hedged MSCI Emerging Markets ETF

Fund Description

HEEM tracks an index of broad emerging market equities with currency exposure from the underlying stocks hedged out for USD investors.

FactSet Analyst Report

HEEM offers currency-hedged exposure to a broad basket of emerging-market stocks. The fund piggybacks on iShares' hugely popular EEM. In fact, HEEM simply holds the same stocks as EEM and overlays that position with currency contracts to hedge out its currency exposure to the US dollar. The index is 100% hedged to US dollars by selling each foreign currency forward at the one-month forward weight, while the amount is kept constant during the period. Outside of the currency-hedge, HEEM's exposure is vanilla. It's worth noting that this fund defines Korea as an emerging market, so that country is represented in this portfolio. The index is rebalanced monthly on the last trading day, to take into account the effect of the rolling one-month forward contracts.