

HEWG

iShares Currency Hedged MSCI Germany ETF

Fund Description

HEWG tracks an index of large- and mid-cap German stocks, while fully hedging out its exposure to the euro relative to the US dollar.

FactSet Analyst Report

HEWG is a fund of funds that represents a currency hedged-version of the MSCI Germany Index. It specifically holds EWG, a fund that provides exposure to large- and midcap segments of the German equity market, along with currency forwards to mitigate risks associated with the euro currency fluctuations relative to the US dollar. In employing this hedging strategy, the index sells the EUR forward contracts at the one-month forward rate. The fund excludes small-cap companies which are a minor part of the overall market. By neutralizing its exposure to the euro relative to the dollar, investors can expect a purer exposure to German equities. Overall, HEWG gets the equity exposure that EWG provides without the gains or losses from the euro. The hedge resets monthly and the index rebalances on a quarterly basis.