

LCTD

iShares World ex U.S. Carbon Transition Readiness Aware Active ETF

Fund Description

LCTD is an actively managed fund that targets companies in developed markets outside of the US that are considered to be equipped for a low-carbon economy transition.

FactSet Analyst Report

LCTD is an actively managed fund that focuses on companies that are equipped to adapt to a low carbon economy while exhibiting good governance characteristics. The fund seeks to outperform its benchmark, the MSCI World ex USA Index, which includes large- and midcap stocks from a wide range of developed markets companies outside the US. Eligible securities are then weighted according to their low carbon economy transition readiness (LCETR) scores based on a proprietary BFA research across five pillars including fossil fuels, clean technology, energy management, waste and water management which measure companies' effectuality in managing carbon emissions. The issuers with the highest LCETR scores are given maximum exposure while risks are minimized. BFA also assesses companies by using good governance criteria which concerns its sound management structures, employee relations, remuneration of staff and tax compliance. Contrarily, LCTD's sibling fund LCTU provides US exposure.