

LCTU

BlackRock U.S. Carbon Transition Readiness ETF

Fund Description

LCTU is an actively-managed portfolio of large- and mid-cap US firms in the Russell 1000 Index that are selected and weighted with a preference for lower carbon emissions.

FactSet Analyst Report

LCTU gears towards low-carbon economy while trying to outperform its benchmark, the Russell 1000 Index a broad equity index of the 1,000 largest US firms. To select securities from the Russell 1000, the fund uses proprietary scoring criteria to assess the readiness of companies for a low-carbon economy transition, relative to their industry peers. The transition readiness score includes five segments: Fossil Fuels, Clean Technology, Energy Management, Waste Management and Water Management. LCTU overweights high-scoring firms while mitigating risk. In addition to this strategy, firms may also be evaluated for good governance. Despite the low-carbon footprint bias, the fund adviser may still opt to invest in Russell 1000 securities that could be considered outside of green economy investing.