

# LDEM

## iShares ESG MSCI EM Leaders ETF

### Fund Description

LDEM tracks a tier-weighted index composed of large- and mid-cap emerging-market stocks with high environmental, social, and governance traits relative to their sector peers.

### FactSet Analyst Report

LDEM provides broad exposure to large- and mid-cap emerging-market firms with favorable ESG characteristics. Selection for the portfolio begins with the components of the MSCI Emerging Markets Index. The fund then excludes securities of companies involved in the business of alcohol, tobacco, gambling, nuclear power and weapons, producers and major retailers of civilian firearms, based on revenue thresholds. Companies that make the cut receive an ESG score based on relevant ESG criteria for their sector. Within each sector, the index selects the highest ESG-rated stocks and weights them by market-cap, until the accrued market-cap reflects 50% of the parent index sector, with single security caps of 5%. This effectively screens out ESG laggards. The Index is reviewed annually in May.

