

NUEM

Nuveen ESG Emerging Markets Equity ETF

Fund Description

NUEM tracks an index of large- and mid-cap emerging-market stocks that score highly on environmental, social, and governance (ESG) criteria. The index is optimized for market-like risk and return characteristics.

FactSet Analyst Report

NUEM aims to invest in the most socially responsible companies while still providing reasonably market-like exposure to emerging-market stocks. The index selects large- and mid-cap stocks from its parent index, MSCI Emerging Markets Index. From there, NUEM screens out companies involved in controversial businesses, such as alcohol, weapons, nuclear power, and gambling. Companies that exceed carbon emissions thresholds are also excluded. The remaining firms are scored on ESG factors, and the highest scoring firms within each sector (the top 50% by market cap) are selected for inclusion in the fund. The portfolio is weighted according to a multi-factor optimization algorithm that tries to minimize any risk and return distortions created by the fund's ESG screen. The index is rebalanced and reconstituted quarterly starting each February.

