

NZUS

SPDR MSCI USA Climate Paris Aligned ETF

Fund Description

NZUS tracks a tier-weighted index of large- and mid-cap US stocks selected and weighted based on ESG criteria that are compatible with the Paris Climate Agreement and carbon reduction goals.

FactSet Analyst Report

NZUS takes a climate approach to investing in the US large- and mid-cap space by tracking an index geared toward a low-carbon economy transition. The index initially screens out stocks from the MSCI USA Index, that are involved in controversial weapons, tobacco, thermal coal mining, oil and gas, and power generation, as well as severe ESG controversies and environmental issues. The portfolio selection and weighting utilize an optimization process that minimizes exposure to physical and transition risks of climate change while providing exposure to sustainable investment opportunities. Optimization constraints include greenhouse gas intensity reduction, low carbon transition score, climate value-at-risk, green revenue, and fossil fuels-based revenue. The index also uses an optimizer to maintain the sector weighting in the parent index. NZUS uses a sampling strategy to track its index, which is rebalanced semi-annually.

