

PABU

iShares Paris-Aligned Climate MSCI USA ETF

Fund Description

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

FactSet Analyst Report

PABU applies a climate approach to investing in US large- and mid-cap stocks. Stocks selected are considered favorably positioned for the transition to a low-carbon economy. The underlying index construction begins by removing stocks from the MSCI USA Index, the Parent Index, that are involved with civilian firearms, controversial weapons, nuclear weapons, oil and gas, oil sands, power generation, thermal coal mining and tobacco. Remaining companies are evaluated based on 5 broad categories for ESG impact: environment, human rights and communities, labor rights and supply chain, customers and governance. Selected holdings are weighted to emphasize those positioned to reduce greenhouse gas intensity. An optimizer is used to maintain sector exposure +/- 5% that of the parent index, except for the energy sector. The index is rebalanced semi-annually. A representative sampling of the index is used to manage exposure. The fund may lend up to one-third of the underlying securities.

