

# RAFE

## PIMCO RAFI ESG U.S. ETF

### Fund Description

RAFE tracks an index of US companies that are selected and weighted by a combination of fundamental and ESG criteria.

### FactSet Analyst Report

RAFE aims to outperform market-cap weighted indexes by integrating fundamental and ESG criteria. Selection begins with US large- and midcap equities being ranked by a fundamental weight considering: de-levered sales, cash flow, dividend plus buybacks over the past five years and the most recent book value. The stocks in the top 86% of cumulative fundamental weight are considered. An ESG score is calculated based on five signals: environment, social, governance, financial discipline and diversity. Companies ranking in the bottom 10% by fundamental weight, for each respective signal are excluded from the index. In addition, companies having major involvement tobacco, gambling, weapons civilian and military, fossil fuels, coal, tar sands and oil shale are excluded. Selected companies are weighted by their fundamental weight and adjusted by the companies respective overall ESG scores. The underlying index is reconstituted annually in March and rebalance on a quarterly staggered basis of 25%.

