

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 mid-cap equities ranked by a fundamental weight considering de-levered sales, cash flow, dividend plus buybacks over the past five years, and 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 in 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 respective overall ESG scores. The index is reconstituted annually in March and rebalanced on a quarterly staggered basis of 25%.

