

USCL

iShares Climate Conscious & Transition MSCI USA ETF

Fund Description

USCL tracks a market cap-weighted index of large- and mid-cap US companies selected as leaders in their respective GICS sectors in managing the transition to a low carbon economy, as determined by MSCI.

FactSet Analyst Report

USCL targets US companies that are better positioned relative to their sector peers in terms of low carbon transition. Starting with the MSCI USA Index (parent index), the fund applies various exclusionary screens removing firms involved in controversial business activities, very severe ESG controversies, high emissions intensity, and are in the worst quartile of their respective GICS sector. The initial GHG Intensity Score assigned to each remaining security can improve depending on the firms emissions reduction target, credible track record, climate risk management, or green revenue. Lastly, based on the best GHG Intensity Score and highest market capitalization, stocks are selected until around 50% of the securities from each GICS sector in the parent index is reached. Portfolio weights are renormalized to 100%, subject to constraints. The index is reconstituted and rebalanced semi-annually.