

USNZ

Xtrackers Net Zero Pathway Paris Aligned US Equity ETF

Fund Description

USNZ tracks a tier-weighted index of large- and mid-cap US stocks selected and weighted based on ESG criteria that is aligned with the objectives of the Net Zero Investment Framework and the Paris Climate Agreement.

FactSet Analyst Report

USNZ offers an enhanced climate approach to 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 Solactive GBS United States Large & Mid Cap Index (parent index), that are involved in controversial business activities. In addition, firms that fail to observe established norms with respect to environment, human rights, corruption, and labor rights, as well as companies with an ISS ESG Corporate Rating of D- and a negative impact on UN Sustainable Development Goals are also removed. Holdings are initially weighted by market-cap. Weights are then tilted based on: a) greenhouse gas emissions reduction targets, b) climate disclosure standards, and c) green revenue. Lastly, the portfolio is optimized to reduce carbon intensity by 50% with a target reduction of 7% year-over-year, and increased exposure to high climate impact sectors relative to its parent index. The index rebalances semi-annually.



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