

XJR

iShares ESG Screened S&P Small-Cap ETF

Fund Description

XJR tracks a market-cap weighted index of US small-caps screened for sustainability and excluding those with exposure to certain controversial business activities.

FactSet Analyst Report

XJR launched as perhaps an indication of changing times. Twenty years after the launch of their flagship core equity funds, iShares is providing an ESG screen to the same indexes. XJR starts with the S&P SmallCap 600 and screens out companies over a certain threshold level of involvement in tobacco, controversial weapons, and involvement with fossil-fuels. Companies are evaluated based on their involvement in certain controversial business activities. Excluded are those holding reserves of coal, oil, natural gas or shale, and companies deemed non-compliant with the United Nations Global Compact. Companies are also evaluated for governance controversies, such as economic crime, corruption, fraud, human rights abuses, labor disputes, workplace safety, catastrophic accidents and environmental disasters. Those flagged on any of these issues, they may be removed from the index, and remain ineligible for reentry for up to one year. Exclusions are reviewed at each quarterly rebalance.

