ISS-Ethix Fund Screening

ISS-Ethix Fund Screening is an application of ISS-Ethix’ screening services that allows large scale monitoring of funds on the basis of their underlying holdings. ISS-Ethix Fund Screening allows screening of multi-level fund holdings, fully extendable to underlying fund-in-fund structures. This tool identifies and calculates the aggregated weight of single funds’ or entire fund portfolios’ holdings in companies identified to be in breach of certain criteria.

Method and Application
ISS-Ethix Fund Screening evaluates funds’ investments in a predefined set of companies and thereby allows a high level comparison of single funds’ exposure and level of transparency. It does not inform about different processes fund managers may apply to their investments, such as dialogue and voting.

ISS-Ethix Fund Screening is applied to the entire universe of companies currently being monitored by ISS-Ethix. It is commonly used to identify fund holdings in companies involved in breaches of international norms, and companies involved in particularly controversial weapons (according to ISS-Ethix’ Norm-Based Screening and Controversial Weapons Screening, respectively). However, ISS-Ethix Fund Screening can be applied to identify companies in relation to a tailored set of underlying screening criteria or any given set of companies as defined by the client.

ISS-Ethix Fund Screening can be applied to large as well as small fund universes, making it a cost efficient solution for both fund platforms and the individual institutional investor.

Symbols and definitions

“The fund has no share of investments in companies under scrutiny.”
No company in the fund has been identified as being in breach of a given set of criteria (e.g. international norms, involvement in controversial weapons, tobacco and fossil fuel).

“The fund has a smaller share of investments in companies under scrutiny.”
Less than 5% (or any other predetermined level) of the fund includes investments in companies that have been identified as being in breach of a given set of criteria.

“The fund has a larger share of investments in companies under scrutiny.”
More than 5% (or any other predetermined level) of the fund includes investments in companies that have been identified as being in breach of a given set of criteria.

“The fund has not been able to be assessed.”
The fund's investments could not be identified due to lack of transparency or because the fund does not contain underlying companies.

Description and scope
ISS-Ethix Fund Screening can be applied when a predefined level of transparency has been reached, usually set in relation to the specific screening criteria. This level is commonly set to 75%, meaning that of any fund’s holdings 75% are companies currently being monitored within ISS-Ethix’ global universe of companies.

All fund data is based on basic mutual fund and securities information gathered from external data sources. ISS-Ethix does not guarantee the quality, timeliness or completeness of this information. ISS-Ethix’ global universe consists of roughly 10,000 companies continuously monitored under Norm-Based Screening, Sector Based Screening and Controversial Weapons Screening. The universe covers both developed and emerging markets.