



LGIM expands ETF range with the launch of Energy Transition Commodities ETF

As a market first¹, the Energy Transition ETF offers exposure to a unique and diversified basket of commodities central to the energy transition

London, 17 April 2024 – Legal & General Investment Management (“LGIM”) has today announced the expansion of its ETF range with the launch of the L&G Energy Transition Commodities UCITS ETF (“the Fund”). The Fund aims to provide exposure to the three supporting pillars of the energy transition through commodity futures, harnessing the growth potential embedded within the next chapter of the global energy story.

The Fund, which is a first to market, offers investors liquid and diversified exposure to a combination of commodities central to the energy transition; providing access to three distinct commodity groups with supportive demand side dynamics:

- **Transition metals** that are needed to produce, store and distribute clean energy
- Lower-carbon **transition energy** sources such as natural gas and ethanol; which can help overcome peak energy demand and the challenge of ‘hard to abate’ sectors
- **Carbon pricing** that increases the cost of polluting activities, incentivising the switch to low-and-no-carbon activities

Offering diversification and hedging opportunities, the Fund provides a differentiated proposition with over 50% of the constituents not typically found in traditional commodity portfolios – many of which have been made available to UCITS investors for the first time². The Fund provides access to 18 liquid commodities in a diversified and liquid manner, including an allocation to carbon markets.

Illustrating LGIM’s strategic intent to diversify, the Fund builds on LGIM’s broader range of commodities ETFs – including the L&G All Commodities UCITS ETF, the L&G Longer Dated All Commodities UCITS ETF and the L&G Enhanced Commodities UCITS ETF. The expansion of the range reflects the continued demand for investment solutions with low correlation to other asset classes, allowing clients to tap into potential growth opportunities across the real economy. Today’s launch also complements LGIM’s thematic ETFs within the energy and resources range, which include the L&G Clean Energy UCITS ETF, L&G Battery Value-Chain UCITS ETF and L&G Hydrogen Economy UCITS ETF; all of which provide investors access to the growth potential of the energy transition.

Aanand Venkatramanan, Head of ETFs, EMEA at LGIM: “We are incredibly excited to bring this innovative commodities ETF to market, providing a truly unique proposition which enables investors to seek to benefit from the significant growth potential of the energy transition, whilst also providing inflation risk mitigation and uncorrelated exposure.

“Like the industrial revolution, the energy transition is a commodity story, but with a new cast of characters. Compared with today’s energy mix, we believe the energy transition is built on new inputs, which in our view are

¹[ETFBook](#).

²[ETFBook](#).

underrepresented in current commodity portfolios. This is why we built the ETF around transition metals, transition energy and carbon pricing; capturing the next phase of demand, and opportunity, in the story.”

Steven de Vries, Head of Wholesale UK, Europe and Latin America at LGIM: “Demand for strategies that provide inflation risk mitigation and uncorrelated market exposure has been significant of late, not least due to the macroeconomic backdrop. Overlay this with the uniqueness of the proposition the Energy Transition ETF presents, and this becomes a particularly compelling strategy. We’re extremely proud of today’s launch; allowing investors to maximise their exposure to the energy transition through a diversified, liquid, and truly differentiated strategy.”

The Fund will be available to both wholesale and institutional investors, registered in the UK, France, Germany, Italy, Netherlands, Norway, Denmark, Sweden, Finland, Austria, Luxembourg and Spain, as well institutional investors in Singapore. It has been categorised as Article 6 under the Sustainable Finance Disclosure Regulation and will be managed by LGIM’s expert ETF team, which has grown into one of the largest global providers over the last 25 years.

- ENDS -

The fund’s strategy: Liquid and dynamic exposure to energy transition commodities

- **Diversified basket of energy transition commodities**
 - Exposure to 18 liquid commodities that are relevant to the energy transition, including transition metals, transition energy and emissions pricing
 - Additional commodities are tracked for potential future addition
- **Diversified weighting and tilt to most critical commodities**
 - Diversified weight of commodity exposures , including allocation to carbon markets
 - Metals which are the most critical for supporting the energy transition and for which demand is expected to increase more significantly receive a 2x weight tilt
- **Liquidity adjustments**
 - Index weights are adjusted based on contract liquidity and ETF AUM
 - Selection of futures contracts takes into account historical observations, aiming to select the optimal part of the futures curve

For distribution in the UK:

Key Risk Warnings

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A summary in English of investor rights associated with an investment in the fund is available from www.lgim.com/investor_rights.

The risks associated with each fund or investment strategy are set out in the key investor information document and prospectus or investment management agreement (as applicable). These documents should be reviewed before making any investment decisions. A copy of the English version of the prospectus and the key investor information document for each fund is available at <https://fundcentres.lgim.com/> and may also be obtained from your Client Relationship Manager.

A decision may be taken at any time to terminate the arrangements made for the marketing of the fund in any EEA Member State in which it is currently marketed. In such circumstances, shareholders in the affected EEA Member State will be notified of this decision and will be provided with the opportunity to redeem their shareholding in the fund free of any charges or deductions for at least 30 working days from the date of such notification. Where required under national rules, the key investor information document will also be available in the local language of the relevant EEA Member State.

Information on sustainability-related aspects on the funds is available on <https://fundcentres.lgim.com/> The decision to invest in the funds should take into account all the characteristics or objectives of the fund as described in its prospectus and in the key investor information document relating to the fund. This financial promotion is issued by Legal & General Investment Management Ltd. Registered in England and Wales No. 02091894. Registered office: One Coleman Street, London EC2R 5AA. Authorised and regulated by the Financial Conduct Authority.

For investors in Switzerland only:

This information provided herein does not constitute an offer of the Funds in Switzerland pursuant to the Swiss Federal Law on Financial Services ("FinSA") and its implementing ordinance. This is solely an advertisement pursuant to FinSA and its implementing ordinance for the Funds.

(For all collective investment schemes with the exception of the Legal & General UCITS ETF PLC): Swiss Representative: Acolin Fund Services AG, Leutschenbachstraße 50, 8050 Zurich, Switzerland. **Swiss Paying Agent:** NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, PO Box, 8024 Zurich, Switzerland

(For the Legal & General UCITS ETF PLC): Swiss Representative and Paying Agent: State Street Bank International GmbH Munich, Zurich Branch Beethovenstraße 19, 8007 Zurich, Switzerland.

Availability of Documents: The prospectus, Key Information Documents (KIDs), the instruments of incorporation, annual report and subsequent semi-annual report and additional relevant documentation of the above-mentioned collective investment schemes are available free of charge from the Swiss representative and from Legal & General Investment Management Limited, One Coleman Street, London, EC2R 5AA, GB.

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Notes to editors

About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with £1.2 trillion in total assets under management³ of which 40% is international. We have a unique and highly synergistic business model, which continues to drive strong returns. Legal & General provides powerful asset origination and management capabilities directly to clients, which also underpin our leading retirement and protection solutions. We are a leading international player in Pension Risk Transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Our purpose is to improve the lives of our customers and create value for our shareholders. Through inclusive capitalism, we are investing in long-term assets, such as real estate and infrastructure, that can help build a better society for the future.

About Legal & General Investment Management (LGIM)

LGIM is one of Europe's largest asset managers and a major global investor, with total assets under management of £1.2 trillion⁴ (\$1.5tn, €1.3tn, CHF 1.2tn). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

For more than 50 years, we have built our business through understanding what matters most to our clients and transforming this insight into valuable, accessible investment products and solutions. We provide investment expertise across the full spectrum of asset classes including fixed income, equities, commercial property, and cash. Our capabilities range from index-tracking and active strategies to liquidity management and liability-based risk management solutions.

About Brand Finance®

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<https://brandfinance.com/>

³Data as at 31 December 2023.

⁴Data as at 31 December 2023. Data combines assets under management by LGIM in the UK, LGIMA in the US and LGIM Asia in Hong Kong. Assets under management include securities and derivatives positions.