



LGIM lists two Quality Equity Dividend ETFs on Deutsche Börse and Borsa Italiana

Investment strategies focus on ESG screened stocks able to generate sustainable income

London, 15 July 2021 – Legal & General Investment Management (LGIM) has today announced the listing of the L&G Quality Equity Dividends ESG Exclusions Europe ex-UK UCITS ETF and L&G Quality Equity Dividends ESG Exclusions Asia Pacific ex-Japan UCITS ETF on Deutsche Börse and Borsa Italiana. Both ETFs were listed on London Stock Exchange (LSE) in April. Additionally, the firm is listing the L&G Quality Equity Dividends ESG Exclusions Emerging Markets UCITS ETF on the London Stock Exchange (LSE) today. The ETFs are designed for investors seeking equity income with quality screens and responsible exclusions.

The ETFs track FTSE Russell indices and follow proactively designed index investment strategies, which have been tailored for investors by LGIM and FTSE Russell. These indices rely on the quality of the underlying companies, looking for those with strong dividend characteristics while excluding those facing significant ESG risks. The funds are categorised as article eight under the EU's Sustainable Finance Disclosure Regulation (SFDR).

The ETFs have been designed to meet two main objectives for investors. On the one hand, with mainstream bond yields at or near all-time lows, the search for income remains a great challenge. On the other, capital preservation also remains a central requirement for investors. The increasing pressure on companies being able to provide investors with sustainable dividends has impacted their capital, and these funds therefore seek consistent dividend payers. They also apply a quality screen to help investors avoid value traps by excluding companies that do not have positive return on equity or robust balance sheets.

The ETFs' methodology applies a set of three systematic screens for dividends, quality and ESG exclusions. The purpose of the quality screen is to help identify and remove stocks with a fundamentally poor balance sheet and/or income statement characteristics. A quality score is calculated by FTSE as a geometric average of three underlying metrics: company earnings, assessing profitability and cash components; asset growth; and leverage metrics.

The dividend screen aims to maximise exposure to a basket of stocks which have a track record of consistent and rising shareholder distributions and the potential to sustain them into the future. This means identifying companies paying consistent and resilient dividends based on their positive return on equity, a demonstrably positive trend in the dividends distributed per share and a higher consensus forecast on dividend yields.

Howie Li, Head of ETFs at LGIM commented: *"We apply a rigorous series of quantitative screens to select stocks based on their quality metrics and dividend characteristics as well as exclude companies based on certain ESG considerations. We look to identify those companies that can sustain a consistent dividend and thus believe that this fund range is a powerful proposition for investors seeking to address their search for quality income."*

The purpose of our ESG screen is to exclude companies we believe are exposed to material financial risks based on their business models or operations, applying a number of FTSE exclusion lists to the underlying stocks in the portfolios such as those in breach of the UN Global Compact, involved in manufacturing controversial weapons, and thermal-coal miners and power producers. In addition to exclusions, LGIM applies an active ownership approach with constituent companies, engaging with them on ESG concerns through LGIM's award-winning Investment Stewardship team, which seeks to raise ESG standards in all holdings.

Honor Solomon, Head of Retail, EMEA, Legal & General Investment Management (LGIM), added: *"We are continuing to expand our ETF offering for European investors and we are pleased to make these Quality Equity Dividend ETFs available to German and Italian clients. We believe that in giving investors exposure to a range of*

quality companies, with strong dividend characteristics and avoiding material ESG risks, we are well positioned to help them generate consistent income in their portfolios.”

LGIM sought to work with an index partner in FTSE Russell that covers 98% of the investable market, offering a true picture of global markets and specialist knowledge in developing local benchmarks around the world. Its index design and management are backed up by transparent rules-based methodology and informed by independent committees of leading market participants.

These two funds are part of the LGIM's existing suite of 44 core and thematic ETFs across different asset classes, 36 of which are available on the German, Italian and/or Swiss stock exchanges. LGIM has been one of the fastest growing ETF issuers in Europe, with its innovative range of thematic ETF strategies and new ESG fixed income strategies helping to deliver an 8th position for European net flows in the first of half of 2021¹.

-Ends-

Notes to editors

Key product details:

Fund name	Listing and Ticker	Base currency	ISIN	TER	Index name	Bloomberg Index Ticker	Domicile, issuer and promoter
L&G Quality Equity Dividends ESG Exclusions Europe ex-UK UCITS ETF	Deutsche Börse (EUR) – LGGE Borsa Italiana (EUR) - LDEU LSE (EUR) - LDEU LSE (GBP) - LDEG	EUR	IE00BMYDM919	0.25%	FTSE Developed Europe ex UK All Cap ex CW ex TC ex REITS Dividend Growth with Quality Net Tax Index	GDEXUCTN	Ireland Legal & General UCITS ETF Plc LGIM Managers (Europe) Limited
L&G Quality Equity Dividends ESG Exclusions Asia Pacific ex-Japan UCITS ETF	Deutsche Börse (EUR) – LGGA Borsa Italiana (EUR) – LDAP LSE (USD) - LDAP LSE (GBP) - LDAG	USD	IE00BMYDMB35	0,40%	FTSE Developed Asia Pacific ex Japan All Cap ex CW ex TC ex REITS Dividend Growth with Quality Net Tax Index	GDPXJCTN	Ireland Legal & General UCITS ETF Plc LGIM Managers (Europe) Limited

¹ Source: ETFbook.com

L&G Quality Equity Dividends ESG Exclusions Emerging Markets UCITS ETF	LSE (USD) - LDEM LSE (GBP) - LDME	USD	IE00BMYDMC42	0.45%	FTSE Emerging All Cap ex CW ex TC ex REITS Dividend Growth with Quality Net Tax Index	GALXCTRN	Ireland Legal & General UCITS ETF Plc GO ETF Solutions LLP
--	-----------------------------------	-----	--------------	-------	---	----------	--

Key Risk Warnings

Past performance is not a guide to the future.

The value of an investment and any income taken from it is not guaranteed and can go down as well as up; you may not get back the amount you originally invested.

About Legal & General Investment Management

Legal & General Investment Management is one of Europe's largest asset managers and a major global investor, with total assets under management of £1.28 trillion (€1.43 trillion; CHF1.55 trillion; \$1.75 trillion; JPY181 trillion)². We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Throughout the past 40 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.

Important legal notice

In the European Economic Area, it is issued by LGIM Managers (Europe) Limited, authorised by the Central Bank of Ireland as a UCITS management company (pursuant to European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), as amended) and as an alternative investment fund manager with "top up" permissions which enable the firm to carry out certain additional MiFID investment services (pursuant to the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013), as amended). Registered in Ireland with the Companies Registration Office (No. 609677). Registered Office: 33/34 Sir John Rogerson's Quay, Dublin, 2, Ireland. Regulated by the Central Bank of Ireland (No. C173733).

LGIM Managers (Europe) Limited operates a branch network in the European Economic Area, which is subject to supervision by the Central Bank of Ireland. In Italy, the branch office of LGIM Managers (Europe) Limited is subject to limited supervision by the Commissione Nazionale per le società e la Borsa ("CONSOB") and is registered with Banca d'Italia (no. 23978.0) with registered office at Via Uberto Visconti di Modrone, 15, 20122 Milan, (Companies' Register no. MI - 2557936). In Germany, the branch office of LGIM Managers (Europe) Limited is subject to limited supervision by the German Federal Financial Supervisory Authority ("BaFin"). In the Netherlands, the branch office of LGIM Managers (Europe) Limited is subject to limited supervision by the Dutch Authority for the Financial Markets ("AFM") and it is included in the register held by the AFM and registered with the trade register of the Chamber of Commerce under number 74481231. Details about the full extent of our relevant authorisations and permissions are available from us upon request. For further information on our products (including the product prospectuses), please visit our website.

² LGIM internal data as at 31 December 2020. The AUM disclosed aggregates the assets managed by LGIM in the UK, LGIMA in the US and LGIM Asia in Hong Kong. The AUM includes the value of securities and derivatives positions.