

## LGIM launches Digital Payments ETF

*Investment strategy focuses on the growth potential of digital payment technologies and the global transition to a cashless economy*

**London, 27 May 2021** – Legal & General Investment Management (LGIM) today announces the launch of the L&G Digital Payments UCITS ETF (‘the Fund’), which provides investors with exposure to the significant growth potential of digital payment technologies, resulting from the global transition to a cashless economy.

Valued at \$58 billion in 2020, the global digital payments market is expected to grow at a 19.4% compounded annual growth rate between 2021 to 2028<sup>1</sup>. The L&G Digital Payments UCITS ETF gives thematic exposure to this growth potential, investing across payment acquirer and card issuers, payment gateways and processors, payment technology providers and card-less payment service providers.

The new Fund invests in companies with a minimum free float market capitalisation of \$200 million and a minimum three-month average daily trading volume (ADTV) of \$1 million, drawn from a dynamic universe of more than 150 companies engaged in the digital payments value-chain, leveraging the expertise of Payments Cards & Mobile, a research and consultancy specialist. Companies in the investible universe have their primary listing in Developed Markets, South Korea and / or Taiwan. A monthly review ensures that if any individual company exceeds 15% of the portfolio then the ETF will be reweighted back to equal weighting.

The ETF launch reflects the role of the digital technology in broadening global financial inclusion, while also supporting several of the UN Sustainable Development Goals (SDGs), including growing industry, innovation, and infrastructure, decent work and economic growth, and building sustainable cities and communities. According to the UN, digital financial services, such as digital payments, can help families save money, cope with shocks, and protect assets against risk, allow government transfers, wages, or pensions to efficiently reach those who need them most, help small retailers to increase their revenues, and fuel business models that expand access to low-cost financial services, potentially reaching another 1.6 billion people.<sup>2</sup>

**Howie Li, Head of ETFs at LGIM**, commented, “The digital payments revolution offers significant growth potential, underpinned by secular, long-term dynamics including the global shift to e-commerce, greater adoption of smartphones in emerging markets and developing safe, secure online payments. Investing in this theme can give investors the opportunity to contribute to the global financial inclusion movement as we seek to meet the UN SDGs.”

**James Crossley, Head of UK Retail Sales at LGIM**, added: “We are seeing sustained demand from investors for targeted exposure to the long-term, structural trends that are changing our world. The launch of the L&G Digital Payments UCITS ETF expands our successful thematic range, equipping our clients to gain access to the growth of the cashless economy through a highly liquid product.”

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<sup>1</sup> Grand View Research, Market Analysis Report, 2021

<sup>2</sup> [2655SDG Compendium Digital Financial Inclusion September 2018.pdf \(un.org\)](#)

The L&G Digital Payments UCITS ETF is listed on the London Stock Exchange, Deutsche Börse and Borsa Italiana. The Fund is categorised as article eight under the EU's Sustainable Finance Disclosure Regulation (SFDR).

The fund is the latest addition to LGIM's existing thematic range, taking it to 11 specialist funds, covering a number of disruptive technology themes, such as the \$2.53 billion L&G Cyber Security UCITS ETF, the \$772m L&G Battery Value-Chain UCITS ETF and \$1.20 billion L&G ROBO Global Robotics and Automation UCITS ETF3.

**-ENDS-**

#### Key product details:

Fund name	L&G Digital Payments UCITS ETF
Benchmark	Solactive Digital Payments Index NTR
Listings and Tickers	<ul style="list-style-type: none"> <li>• LSE (USD) – DPAY</li> <li>• LSE (GBP) – DPAG</li> <li>• Borsa Italiana (EUR) – DPAY</li> <li>• Deutsche Börse (EUR) – DPGA</li> </ul>
ISIN	IE00BF92J153
UCITS compliant	Yes
Domicile	Ireland
TER (%)	0.49%
Base currency	USD
Issuer	Legal & General UCITS ETF Plc
Promoter	Legal & General Investment Management Limited

#### 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.

#### Notes to editors

#### 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)<sup>4</sup>. 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.

<sup>3</sup> Bloomberg, as of 17 May 2021

<sup>4</sup> 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.