



LGIM expands ETF range with launch of four new strategies

Targeting thematic and growth oriented investment opportunities including emerging cyber security, optical technology and photonics, multi-theme exposure and the metaverse

London, 7 September 2022 – Legal & General Investment Management (LGIM) has today announced the expansion of its Exchange Traded Fund (ETF) range with the launch of four new investment strategies.

The four new funds build on LGIM's existing range of ETFs and will target thematic and growth oriented investment opportunities. Three of the new ETFs - Emerging Cyber Security, Optical Technology and Photonics, as well as Global Thematics - will sit within LGIM's flagship thematic range; whereas the metaverse fund will sit within LGIM's newly created 'Access' range.

The thematic ETF investment strategies are based on LGIM's unique investment approach that blends active research and rules-based transparent implementation to create custom thematic indices that aim to offer investors purer exposure to themes, and underlying positions that are differentiated from traditional portfolios.

The new 'Access' range of investment strategies, of which the Metaverse Fund forms part, aims to provide exposures that are designed to serve as a tactical or strategic tool for investors seeking 'access' to non-traditional investment opportunities.

Aanand Venkatramanan Head of ETFs, EMEA at Legal & General Investment Management (LGIM), commented, *"Thematic investment strategies have seen strong investor interest over recent years, thanks to their ability to capitalise on structural and foundational changes in the way we live and work. As we have continued to build our thematic ETF range, we have sought to provide investors with purer and differentiated access to new and emerging themes that are shaping the future. Three of the funds launched today capture some of the most innovative and disruptive companies shaping global economies, while the Global Thematic Fund will seek to allow investors to gain exposure to multiple themes, in an easily accessible format."*

Exploring the metaverse

The metaverse describes the next frontier of the internet – a virtual reality enabled digital world in which people can work, travel, play and live. The growth potential is significant, with Meta Platforms alone spending more than \$10 billion on metaverse R&D last year¹. However, with the metaverse still in its infancy, LGIM has identified multiple investment opportunities related to the development still required, across hardware provision, software advances, networks and digital payments to augment human policing of the metaverse. The L&G Metaverse ESG Exclusions UCITS ETF aims to offer targeted exposure to companies actively involved in developing the technologies needed to deliver the metaverse.

Emerging cyber security

LGIM has been at the forefront of investing in cyber security, since launching the first European cyber security ETF in 2015. Innovation has underscored the growth of cyber security and has enabled companies to stay ahead of cyber attacks. From anti-virus softwares and malware protection to cloud security and secure hardware - the industry has seen an expansion in segments that cyber security companies specialise in. The launch of L&G Emerging Cyber Security ESG Exclusions UCITS ETF reflects that evolution, as it seeks to provide access to this

¹ [What is the metaverse, and is it really the next big thing? \(lqimblog.com\)](https://lqimblog.com)

growing and rapidly evolving megatrend in a manner that is complementary to LGIM's existing flagship cyber security ETF. The new ETF will focus on emerging segments such as hardware security, threat intelligence and blockchain enabled security solutions, in addition to growth segments, such as cloud and network related security solutions that are also captured in the existing fund.

Harnessing the science of light

Optical technology and photonics is the science of creating, manipulating, transmitting and detecting light. Ironically, given it is one of the most used technologies in our daily lives, but the industry's far-reaching impact is not well understood. From smartphone displays, precision agriculture and automotive sensors to fibre-optic broadband and laser surgery, photonics plays a highly critical role. The European Commission has recognised it as one of the key enabling technologies of the 21st century which can bridge the gap between the physical world and the systems that exist within it. With the global photonics industry estimated to be growing at more than twice the rate of global GDP² and three times faster than EU GDP³, the L&G Optical Technology & Photonics ESG Exclusions UCITS ETF, is the first ETF in Europe that focuses on providing exposure to leading companies in the theme. The underlying investment strategy leverages the expertise of European Photonics Industry Consortium (EPIC), the largest photonics industry association in the world.

Providing convenient access to global themes

For investors looking to gain access to multiple themes, LGIM has also today announced the launch of the L&G Global Thematic ESG Exclusions UCITS ETF, comprising a diversified, risk-balanced basket of companies involved in multiple investment themes, focused on innovation and long-term growth. The fund combines the investment universes of LGIM's existing individual thematic strategies and brings together nine investment themes, in the areas of technology, energy and resources and changing demographics, all of which are currently available to investors via L&G building-block ETFs.

Steven de Vries, Head of Wholesale Distribution, UK Europe and Latin America at LGIM, commented, *"Thematic investing is about identifying opportunities that can drive structural and fundamental changes in our lives, work, and society. Investment strategies targeting these trends have seen strong interest from clients for many years. We believe these new funds provide a comprehensive addition to our ETF range, both for investors looking for purer exposure to themes, but also for those seeking to invest in a diversified way without having to pick and choose between themes."*

Each of the new funds announced today incorporates an ESG overlay which aims to exclude companies not compliant with the United Nations Global Compact. They are listed on the London Stock Exchange, Borsa Italiana, Deutsche Boerse and Six Exchange.

- ENDS -

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. For illustrative purposes only. Reference to a particular security is on a historic basis and does not mean that the security is currently held or will be held within an LGIM portfolio. The above information does not constitute a recommendation to buy or sell any security. It should be noted that diversification is no guarantee against a loss in a declining market. Views expressed are of LGIM as at 5 September 2022.

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 £1,290bn*. We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

² Source: New Horizons: Securing Europe's Technological Sovereignty Through Photonics, Photonics21

³ Source: https://www.photonics.com/Articles/European_Photonics_Outstrips_Global_GDP_Growth/a67057

Throughout the past 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.

*LGIM internal data as at 30 June 2022. 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

Further information:

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Notes to editors

Fund Benchmarks

Fund name	Benchmark	SIN	TER
L&G Metaverse ESG Exclusions UCITS ETF	iStoxx Access Metaverse Index	E0004U3TX15	0.39%
L&G Optical Technology & Photonics ESG Exclusions UCITS ETF	Solactive EPIC Optical Technology & Photonics Index NTR	E000QNJAOX1	0.49%
L&G Emerging Cyber Security ESG Exclusions UCITS ETF	Solactive Emerging Cyber Security Index	E000ST40PX8	0.49%
L&G Global Thematic ESG Exclusions UCITS ETF	Solactive Global L&G Thematic Lookthrough Index	E000VTOHNZ0	0.60%