Press release

LGIM expands thematic ETF range for investing in disruptive tech and innovation

Increased demand for funds that offer investors access to new themes, including clean water, healthcare breakthroughs and artificial intelligence

London – Legal & General Investment Management (LGIM) has expanded its range of thematic exchange traded funds (ETFs) with the launch of three new funds capturing the investment opportunities created by innovations in artificial intelligence, healthcare breakthroughs and clean water. The launch adds to LGIM's existing thematic and core ETFs, which include the $904 million L&G Cyber Security UCITS ETF and $919 million L&G ROBO Global Robotics and Automation UCITS ETF*.

The ETFs are designed to invest in markets that are experiencing the potential for rapid growth due to significant changes driven by technological advancements, providing investors with access to pioneering companies that are creating solutions to longstanding challenges.

To provide investors with exposure to these themes, LGIM has developed unique indices through active research into these markets with industry experts at ROBO Global® and Global Water Intelligence, who provide unique industry insight and fundamental research across the full value chain of the relevant theme.

LGIM's active index construction means that the stocks within these thematic ETFs not only cut across traditional industry classifications, but also disrupt the incumbent large-caps that typically dominate conventional sector-based indices. Well designed bottom-up indices can moreover evolve with the theme, whereas a more static index may not capture the changing dynamics of the markets involved.

These new ETFs, which are listed on the London Stock Exchange provide diversification across geographies, market capitalisation and sub sectors. Each of the funds uses full physical replication to offer investors direct and pure exposure to the theme. The bottom-up and concentrated approach helps investors to minimise overlap and over-exposure across their existing portfolios: for example, across LGIM's five pre-existing thematic thematic ETFs, the average overlap in holdings with the MSCI World index is just 1.92% and the average weighting to small and mid-caps is 56%**.

The new LGIM thematic ETFs

Artificial Intelligence (AI) technologies could increase global GDP by $15.7 trillion by 2030 and the **L&G Artificial Intelligence UCITS ETF** will seek returns from the global market for AI solutions and applications, in which revenues are projected to grow from $16.2 billion in 2018 to $31.2 billion in 2025[1]. In terms of index exposure, the fund will include companies building AI engine and platform solutions, as well as those applying AI capabilities for the purpose of digital transformation.

Taking advantage of the opportunity in healthcare, which accounted for 18% of US GDP in 2017[2] and is anticipated to be an $8.7 trillion global industry by 2020[3], the **L&G Healthcare Breakthrough UCITS ETF** will be formed of companies leading in the digitalisation of the healthcare supply chain, advances in healthcare robotics and next-generation diagnostic tools.

By 2025, 1.8 billion people will be living in countries or regions with absolute water scarcity; two-thirds of the world's population could be living under water-stressed conditions[4]. Investors in the **L&G Clean Water UCITS ETF** will seek returns from an index which is focused on companies integral to the

[1] ROBO Global®, https://www.roboglobal.com/wp-content/themes/roboglobaldevelopment/inc/indexfile.php?type=THNQTR
[2] US Centers for Medicare & Medicaid Services, https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nationalhealthaccountshistorical.html
[3] Deloitte, https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Life-Sciences-Health-Care/gx-lshc-2017-health-care-outlook-infographic.pdf
[4] United Nations, https://www.un.org/waterforlifedecade/scarcity.shtml

world's management of water, including those engaged in water production, processing and the provision of other related services.

Howie Li, Head of ETFs at LGIM, commented: *"All sectors and businesses are being transformed by disruptive technology and we're seeing increasing demand from investors looking to access these themes in a cost-efficient way. These new funds offer investors the opportunity to hold companies directly benefiting from these themes, with bespoke indices constructed around active selection and research and implemented in a systematic and rules-based way."*

The ETFs below are now listed on the London Stock Exchange.

Name	Listings and tickers	Total Expense Ratio (%)	Base currency	Benchmark
L&G Artificial Intelligence UCITS ETF	LSE – AIAI (USD), AIAG (GBP)	0.49	USD	ROBO Global® Artificial Technology Index
L&G Healthcare Breakthrough UCITS ETF	LSE – DOCT (USD), DOCG (GBP)	0.49	USD	ROBO Global® Healthcare Technology and Innovation Index
L&G Clean Water UCITS ETF	LSE – GLUG (USD), GLGG (GBP)	0.49	USD	Solactive Clean Water Index

-Ends-

Further information:

Further details on the thematic ETF range can be found here:
http://www2.landginvestments.com/disruptive-technology#newtechfunds

Nicolette Botbol
Senior PR Manager
〉   0203 124 4355
✉ LGIMP**Rteam@lgim.com**
🖑 www.lgim.com

Andrew Gates
PR Manager
〉   0203 124 4363
✉ **LGIMPRteam@lgim.com**
🖑 www.lgim.com

Notes to editors

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 trillion[1]. 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.

[1]LGIM internal data as at 31 December 2018. These figures include assets managed by LGIMA, an SEC Registered Investment Advisor. Data includes derivative positions.

*Fund AuM data as at 23 June 2019.
**Fund weighting as at 29 March 2019

Compliance Reference: M1975