

Press Release

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Legal & General Investment Management acquires ETF platform Canvas

LGIM to develop broad range of strategies for European ETF market

- LGIM, the UK's largest asset manager with over \$1.2trn of AUM, has acquired Canvas, the UCITS ETF platform owned by ETF Securities
- Acquisition includes \$2.7bn AUM and 17 products across equity, fixed income and commodities
- The UK and Ireland based platform is listed on multiple stock exchanges and licensed for distribution in 14 countries

Legal & General Investment (Holdings) Limited (LGIM) has acquired Canvas, the European exchange-traded fund (ETF) platform owned by ETF Securities. The transaction includes the platform and embedded infrastructure for ETFs, as well as \$2.7bn of existing assets across 17 products and partnerships.

Canvas is a platform that has built a diverse range of ETFs working with partners and directly in a UCITS compliant ETF format. It manages investments for a number of ETFs on the platform, while also allowing partners to launch and manage their own ETFs. The platform will remain open architecture for differentiated products and for the large majority of ETFs to be managed and distributed by LGIM.

The acquisition provides LGIM's clients with access to one of the fastest growing segments in asset management, broadening LGIM's geographical reach and product range. It will also bolster LGIM's capabilities and expertise, enabling it to provide more solutions to help clients achieve their investment objectives.

Mark Zinkula, LGIM CEO, said: "As a leader in product innovation, we are constantly exploring ways to deliver new investment solutions for our clients. The ETF market is one of the fastest growing segments in asset management. A number of long-term macro trends, including the increasing use of passive vehicles and the drive to digitalisation, will lead to a growing demand for ETF products. We are well positioned to leverage the scale of our \$431bn index business¹ to develop ETF solutions that complement our existing range of index funds."

"This is a natural step in our strategy to develop products for a wider audience. The acquisition of Canvas enables us to cater to a growing base of clients across Europe and further grow our market share in both retail and institutional markets. LGIM shares a strong cultural alignment with Canvas and we look forward to working with the team going forward."

A team of Canvas employees with specialist ETF skills will join LGIM as part of the transaction, with both groups working closely together to ensure the successful integration of the business.

¹ Source: LGIM internal data as at 30 June 2017

As at the end of October 2017, the global ETF and exchange traded product (ETP) market size reached a new record of \$4.6trn AUM, with year to date flows of \$538bn eclipsing 2016's full year flow record of \$391bn. The US remains the largest region by assets with \$3.3trn AUM; however, Europe is growing at a faster pace. Assets invested in ETFs/ETPs listed in Europe reached a new record of \$0.8trn, increasing 33.7% in the first 10 months of 2017. 2017 is on track for a record year in net inflows in Europe, with October 2017 marking 37 consecutive months of net inflows and a record level of \$95bn in the year to date, up 102% on October 2016.²

The transaction is subject to regulatory approvals.

ENDS

Further information

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Notes to editors

Legal & General Investment Management

Legal & General Investment Management (LGIM) is one of the UK's largest asset managers and a major global investor, with total assets under management of £951.1 billion. 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.

Legal & General Group

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with a number of growing businesses in the US and in other countries. At 30th June 2017, we had over £951 billion in total assets under management. Over fifteen million people worldwide rely on us to help them save for the future and to protect their families and their homes.

We work with companies and pension trustees to help people build security in retirement, being the UK's largest investment manager for UK corporate pension schemes, a major provider of auto-

² Source: ETFGI

enrolled pensions and a market leader in pensions de-risking. We have also made a commitment to invest around £15 billion in direct investments, with £12 billion already invested in areas such as homes, urban regeneration, clean energy and small business finance, driving economic growth and making a positive difference to the UK's built environment.

ETF Securities Group

The ETF Securities Group is one of the world's leading innovators of Exchange Traded Products (ETPs) and provides specialist investment solutions to investors around the world, enabling them to intelligently build and diversify their portfolios.

Canvas

The European ETF platform of the ETF Securities Group, Canvas is a leading, scalable UCITS ETF platform which has the flexibility to build on in-house capabilities as well as work with other partners to launch new and innovative ETFs. The Canvas product range is registered for distribution in 14 countries: Austria, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Norway, Spain, Sweden, Switzerland, The Netherlands, and the UK.

ETFGI

ETFGI is a leading independent research and consultancy firm on trends in the global ETF/ETP ecosystem, based in London, England. Deborah Fuhr, Managing Partner, co-founder, ETFGI website www.etfgi.com.