

# **L&G Emerging Markets ESG Exclusions Paris Aligned UCITS ETF**

## **FUND SUPPLEMENT No.61**

*A sub-fund of Legal & General UCITS ETF Plc, an umbrella investment company with variable capital and segregated liability between its Funds incorporated with limited liability in Ireland under registration number 459936.*

The Company and the Directors, whose names appear on page 10 of the Prospectus, are the persons responsible for the information contained in this Fund Supplement and accept responsibility accordingly. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information.

This Fund Supplement contains information relating to L&G Emerging Markets ESG Exclusions Paris Aligned UCITS ETF (the “Fund”) which is a separate Fund of Legal & General UCITS ETF Plc (the “Company”), an umbrella fund with segregated liability between its Funds. This Fund Supplement forms part of and should be read in the context of, and together with, the Company’s Prospectus dated 23 February 2022 and any other applicable addenda. Investors should also refer to the Company’s latest published annual report and audited financial statements (if any) and, if published after such report, a copy of the latest semi-annual report and unaudited financial statements. Capitalised expressions used and not defined in this Fund Supplement shall bear the meanings as set out in the Prospectus. If you are in any doubt about the action to be taken or the contents of this Fund Supplement, please consult your stockbroker, bank manager, lawyer, accountant or other independent professional adviser who, if such advice is taken in the United Kingdom, is an organisation or firm authorised or exempted pursuant to the FSMA.

Potential investors should consider the risk factors set out in the Prospectus and in this Fund Supplement before investing in this Fund. An investment in the Fund involves certain risks and may only be suitable for persons who are able to assume the risk of losing their entire investment.

The Prospectus sets forth information on investment risk, management and administration of the Fund, valuation, subscription, redemption and transfer procedures and details of fees and expenses payable by the Fund and should be read subject to the information herein.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

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The date of this Fund Supplement is 5 January 2024.

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## DEFINITIONS

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"**Paris Agreement**", the agreement adopted under the United Nations Framework Convention on Climate Change on 12 December 2015 and approved by the European Union on 5 October 2016 with the aim of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

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## INVESTMENT OBJECTIVE

The investment objective of the L&G Emerging Markets ESG Exclusions Paris Aligned UCITS ETF (the "**Fund**") is to provide low carbon emission exposure to the large and mid-cap equity market in emerging markets.

## INVESTMENT POLICY

In order to achieve this investment objective, the Fund will seek to track the performance of the Foxberry Sustainability Consensus Emerging Markets Total Return Index (the "**Index**") subject to the deduction of the TER and other expenses associated with operating the Fund as further described in the "Fees and Expenses" section of the Prospectus. It will do so by investing primarily in an optimised portfolio of equity securities that, as far as possible and practicable, consists of the component securities of the Index in similar proportions to their weightings in the Index. The Fund will utilise optimisation/representative sampling techniques in order to achieve the Fund's investment objective, including by reducing overall transaction costs and taxes. In utilising such techniques, the Fund will aim to identify and invest in a representative sample or sub-set of the component securities of the Index, whose risk and return characteristics closely resemble the risk and return characteristics of the Index as a whole. This is achieved through the use of quantitative analysis (i.e. application of mathematical rules-based analysis based on the risk and return characteristics of the Index components) with the level of sampling techniques used by the Fund being determined by the nature of the Index components. It is therefore not expected that the Fund will hold each and every underlying constituent of the Index at all times or hold them in the same proportion as their weightings in the Index.

Where consistent with its investment objective, the Fund may also invest in the following additional assets subject to the conditions and within the limits laid down by the Central Bank:

- equity securities of companies that are not component securities of the Index, but the risk and return characteristics of which, individually or collectively, closely resemble the risk and return characteristics of constituents of the Index or of the Index as a whole;
- Depositary Receipts relating either to component securities of the Index or to equity securities of the type referred to in the bullet point immediately above; and
- FDIs – namely, total return "unfunded" OTC Swaps, exchange-traded equity futures, FX forwards and FX non-deliverable forwards (each described in more detail below) which may be used for investment purposes (such as gaining exposure to the Index and/or any particular constituents of the Index and/or to gain exposure to one or more currencies in which the Index constituents are denominated), hedging against movements of the currency in which a Share class is denominated relative to the Base Currency (any such Share class hedging transactions will be undertaken in accordance with the Company's currency hedging policy as set out in the section entitled "Hedging at Share class level" in the Prospectus) and for efficient portfolio management purposes in accordance with the terms set out in the sections entitled "*Fund Investments*", "*Efficient Portfolio Management Techniques*", "Unfunded OTC Swap Model" and Schedule II of the Prospectus. While the Fund may invest up to 100% of its Net Asset Value in total return "unfunded" OTC Swaps, it is not expected that this flexibility will be used. The Fund will only invest in FDIs as provided for in the RMP prepared by the Investment Manager in respect of the Fund and filed with the Central Bank.

The Fund may invest in the following FDIs;

**“unfunded” OTC Swaps**”, the Fund will receive the return of the Index (or relevant constituents thereof) from the counterparties in return for periodic payments from the Fund to such counterparties. As these swaps are “unfunded”, the cash received by the Fund from investor subscriptions is retained by the Fund (i.e. it is not transferred to the relevant counterparties as would be the case with a “funded” swap) and invested and managed in accordance with the arrangements described in the Prospectus.

**“exchange-traded equity futures”**, a contract to buy or sell a certain quantity of equity securities at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. The Fund may purchase and sell equity index futures contracts for hedging, cash management, and efficient portfolio management.

**“FX forwards”**, is a contractual agreement between the Investment Manager and a bank, or a non-bank provider, to exchange a pair of currencies at a set rate on a future date. The Fund may invest in FX forwards to reduce the currency risk in the Fund.

**“FX non-deliverable forwards”**, is a cash-settled, and usually short-term, contract to exchange a pair of currencies at a set rate on a future date.

The Fund may, in addition, employ other techniques relating to transferable securities, including entering into securities lending transactions, investing in repurchase and reverse repurchase transactions and short term money market collective investment schemes, for the purpose of efficient portfolio management only, in accordance with the terms set out in the section entitled “*Efficient Portfolio Management Techniques*” and Schedule II of the Prospectus. While the Fund may invest up to 100% of its Net Asset Value in repurchase and reverse repurchase transactions it is not expected that this flexibility will be used.

The maximum proportion of the Net Asset Value of the Fund that can be subject to securities lending is 10%. The proportion of the Net Asset Value of the Fund that will be subject to securities lending is expected to range from 0% to 10%.

## TRACKING ERROR

The estimated anticipated (ex-ante) tracking error for the Fund in normal market conditions is 0.70% (annualised), which is the anticipated volatility of the difference between the return of the Fund’s portfolio and the return of the Index. Investors are specifically referred to the section headed “Tracking error” in the Prospectus.

The anticipated tracking error figure referenced above is in respect of an unhedged Share class as against the Index which is also unhedged.

## SUSTAINABILITY

The Fund has a low carbon emission objective and therefore it is a financial product referred to in Article 9 of the SFDR. It is expected that through the attainment of the Fund’s sustainable investment objective, this Fund will contribute to the following environmental objectives set out in Article 9 of the Taxonomy Regulation: (a) climate change mitigation; (b) climate change adaptation. Further information on the sustainable objective of the Fund can be found in the Sustainability Disclosure annex of this Fund Supplement.

## INDEX DESCRIPTION

The Index is an equity index based on the Solactive GBS Emerging Markets Large & Mid Cap USD Index NTR, which is designed to be a benchmark for emerging market equities and measures the performance of large and mid-cap publicly traded companies from emerging markets which satisfy minimum criteria relating to liquidity and size (the “**Underlying Universe**”).

The Index has been designed by Foxberry Limited (the “**Index Provider**”) to meet the requirements set out for EU PABs in the Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 of the European Parliament and European Council with regards to the minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (the “**PAB Regulation**”) in order to be designated as an EU PAB.

The Index is constructed from the Underlying Universe by applying certain exclusions as determined by the Foxberry Sustainability Committee (the “**Sustainability Committee**”) in accordance with exclusion guidelines (the “**Exclusion Guidelines**”) in order to meet or exceed the exclusion and decarbonisation trajectory in line with the Paris Agreement, together with additional exclusions as further set out below and in the Index methodology document.

The Sustainability Committee is comprised of individuals or representatives of organisations, including the Index Provider, that have demonstrated sufficient expertise in or commitment to areas of sustainability, including but not limited to environmental issues, governance issues and ethical considerations.

Exclusion Guidelines based on the requirements under the PAB Regulation:

- (i) companies involved in any activities related to controversial weapons;
- (ii) companies involved in the cultivation and production of tobacco;
- (iii) companies in violation of the United Nations Global Compact (UNGC) principles or the OECD guidelines for multinational enterprises;
- (iv) companies deriving a percentage of their revenues in excess of the threshold determined by the Index Provider from any of the following activities:
  - a. exploration, mining, extraction, distribution or refining of hard coal and lignite;
  - b. exploration, extraction, distribution or refining of fossil fuels;
  - c. exploration, extraction, manufacturing or distribution of gaseous fuels;
  - d. electricity generation with a greenhouse gas (“**GHG**”) intensity in excess of a level determined by the Index Provider.

Additional Exclusion Guidelines:

- (i) companies deriving revenue from the mining of thermal coal and its sale to external parties;
- (ii) companies deriving revenue from unconventional oil and gas;
- (iii) companies with material stranded assets;
- (iv) companies deriving a percentage of their revenues from environmentally harmful activities (as determined by the Index methodology document) in excess of the threshold determined by the Index Provider;
- (v) companies not conforming to minimum standards of business practice as determined by the Index Provider.

The Sustainability Committee constructs the list of stocks that are not excluded by the Exclusion Guidelines (the “**Eligible Stocks**”) such that they follow the required decarbonisation trajectory (i.e. a minimum annual reduction in emissions). In addition, a weighting adjustment is applied in order to ensure that the aggregate weight of sectors that should actively reduce GHG emissions should not be less than the aggregate weight of these sectors in the Underlying Universe.

The Sustainability Committee provides the Eligible Stocks to the Index Provider for consideration for inclusion in the Index. On each Selection Day all Eligible Stocks that are included in the Underlying Universe shall be deemed to be constituents of the Index. Selection Day means each business day falling on or immediately following the second Thursday in March, June, September and December.

The Index constituents are weighted according to their “free-float market capitalisation” which is a measure of the total market value of the proportion of a company’s shares that are publicly traded (i.e. “floating”) in the stock market as opposed to locked-in shares held by promoters, company officers, controlling-interest investors, or government authorities. A maximum weight per Index constituent of 20% is applied.

The Index is calculated in USD

### Net Total Return

Total return indices measure the market performance, including price performance and income from regular cash distributions (cash dividends or capital repayments). This income is treated as being reinvested in the Index and thus makes up part of the total index performance. The Index is a *net* total return index which means that cash dividends declared by Index constituents are reinvested in the Index net of withholding tax at the rates (depending on the country of domicile of the Index constituent) set out in the “*Withholding Tax Rates*” table available at: <http://www.solactive.com/news/documents/>

### Rebalancing Frequency

The Index is reconstituted on a quarterly basis on the third Friday in March, June, September and December.

### Further Information

The information set out above is a summary of the principal features of the Index and does not purport to be an exhaustive description. Further information with respect to the component selection criteria, calculation and rebalancing methodology and treatment of corporate events can be found in the documents entitled *Foxberry Sustainability Consensus Index Rules* and *Foxberry Sustainability Committee* which (as of the date of this Fund Supplement) are available, along with the constituents and weightings of the Index and various other informational materials, at [https://www.foxberry.com/indices/methodologies/Foxberry\\_Sustainability\\_Consensus.pdf](https://www.foxberry.com/indices/methodologies/Foxberry_Sustainability_Consensus.pdf) and [https://foxberry.com/indices/sustainability\\_consensus/em\\_tr](https://foxberry.com/indices/sustainability_consensus/em_tr).

	ISIN	Bloomberg	Reuters
<b>Index</b> Foxberry Sustainability Consensus Emerging Markets Total Return Index	DE000SL0FS23	FXBYSCEM Index	.FXBYSCEM

As at the date of this Fund Supplement, Foxberry Limited (the Index Provider) and the Index are not included in the Benchmarks Regulation Register. The provision of the Index is on the basis of the transition period provided under the Benchmarks Regulation.

### Portfolio Composition

The portfolio of Investments held by the Fund is available daily at [www.lgim.com](http://www.lgim.com)

## **PROFILE OF A TYPICAL INVESTOR**

Only Authorised Participants may purchase ETF Shares in the Fund directly from the Company. All other investors may acquire or purchase ETF Shares only through the secondary market.

It is expected that investors in the Fund will be informed investors who have taken professional advice and who understand (and are able to bear) the risk of losing their investment and who can accept the levels of risks associated with investing in global equity markets.

## **RISK MANAGEMENT**

The Fund's global exposure, being the incremental exposure and leverage generated by the Fund through its use of FDI, shall be calculated on at least a daily basis using the commitment approach and, in accordance with the requirements of the Central Bank, may at no time exceed 100% of the Fund's Net Asset Value. As noted in the “*Investment Policy*” section above, the Fund's use of FDI is an ancillary element of the investment policy in that it is an alternative means of gaining exposure to the Index, or one or more of the constituents of the Index, in circumstances where direct investment in the constituents of the Index is not possible, practicable or desirable. Regardless of whether exposure to the underlying constituents is obtained by direct investment in the constituents, or by gaining exposure to the constituents through the use of FDI, the same notional value shall be committed to the investment by the Fund. Accordingly, it is not expected that the Fund will be leveraged.

## RISK FACTORS

Investors are specifically referred both to the section headed “*Risk Factors*” and to Schedule II in the Prospectus. Investors should consider all relevant risk factors prior to investing in the Fund, including those relating to investment in equities and in particular, the risk factor in the Prospectus entitled “*Emerging Markets*”.

1. An investment in the Fund exposes an investor to the market risks associated with fluctuations in the Index and the value of securities comprised in the Index. The value of the Index can increase as well as decrease and the value of an investment will fluctuate accordingly. Investors can lose all of the capital invested in the Fund.
2. The Index is typically comprised of a mix of mid and large capitalisation companies. Mid-capitalisation companies may be more vulnerable to adverse business or economic events than larger, more established companies and may underperform other segments of the market or the equity market as a whole. Securities of mid-capitalisation companies generally trade in lower volumes, are often more vulnerable to market volatility and are subject to greater and more unpredictable price changes than larger capitalisation stocks or the stock market as a whole.
3. The Fund may acquire China A shares where consistent with its investment policy. Investments in China A shares are exposed to a range of risks (including those outlined in the main Prospectus as being associated with investments made in emerging markets and/or in mainland China), which may have an adverse impact on the value of an investment in the Fund or on the Fund's ability to meet its investment objective.

Any investment made by the Fund in China A shares will be made through the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programme (“Stock Connect”). Stock Connect is a securities trading and clearing linked programme developed with the aim of achieving mutual stock market access between the Peoples Republic of China (“PRC”) and Hong Kong. The Stock Connect programme permits foreign investors, subject to various rules and conditions, to trade certain China A shares that are listed/traded on the Shanghai and Shenzhen Stock Exchanges.

Trading via Stock Connect is subject to its own risks including, but not limited, to the fact that (i) such trading is subject to quota limitations that may affect the Fund's ability to acquire in a timely fashion China A shares in which it intends to invest in pursuit of its investment objective. The potential recalling of securities from the scope of the Stock Connect programme may adversely affect the Fund in a similar fashion, as could the temporary unavailability of relevant China A shares via Stock Connect as a result of trading suspensions on the Shanghai or Shenzhen Exchanges; and (ii) the Fund's interest in any securities acquired via Stock Connect will be “beneficial” only, with the legal interest vesting in the Hong Kong Securities Clearing Company Limited (“HKSCC”) as the nominee holder of the securities. Enforcement of beneficial rights and interests is currently uncertain under PRC law and therefore, in the unlikely event that HKSCC goes into liquidation, the Fund may be exposed to the risk that the China A shares in which it has an interest will be treated as part of the general pool of assets available for distribution to HKSCC's creditors and not as being segregated for the exclusive benefit of the Fund.

4. Currency-hedging transactions carried out in respect of any particular hedged Share class are designed to minimise the effect, on the returns of the relevant hedged Share class, of movements in the Base Currency relative to the “hedged” currency of the relevant hedged Share class.

Investors should only invest in a hedged Share class if they are willing to forego potential gains from appreciations in the Base Currency against the “hedged” currency of the relevant hedged Share class.

Currency hedging employed with respect to a hedged Share class aims to reduce currency risk rather than to eliminate it completely. Investors should also refer to the risk factor entitled “Currency” in the section of the Prospectus entitled “Risk Factors”.

## THE SHARES

The Fund currently has multiple classes of ETF Shares as detailed in the table below. Additional classes of

Shares may be added in the future in accordance with the requirements of the Central Bank.

Share Class	Share Class Type	Share Class Currency	Minimum Subscription / Redemption Amount	TER*	Dividend policy**
USD Accumulating ETF	ETF Shares	USD	100,000 Shares	0.25%	N/A
USD Distributing ETF	ETF Shares	USD	100,000 Shares	0.25%	Quarterly
EUR Hedged Accumulating ETF	ETF Shares	EUR	100,000 Shares	Up to 0.30% per annum or such lower amount as may be advised to shareholders from time to time.	N/A
EUR Hedged Distributing ETF	ETF Shares	EUR	100,000 Shares	Up to 0.30% per annum or such lower amount as may be advised to shareholders from time to time.	Quarterly
GBP Hedged Accumulating ETF	ETF Shares	GBP	100,000 Shares	Up to 0.30% per annum or such lower amount as may be advised to shareholders from time to time.	N/A
GBP Hedged Distributing ETF	ETF Shares	GBP	100,000 Shares	Up to 0.30% per annum or such lower amount as may be advised to shareholders from time to time.	Quarterly
CHF Hedged Accumulating ETF	ETF Shares	CHF	100,000 Shares	Up to 0.30% per annum or such lower amount as may be advised to shareholders from time to time.	N/A
CHF Hedged Distributing ETF	ETF Shares	CHF	100,000 Shares	Up to 0.30% per annum or such lower amount as may be advised to shareholders from time to time.	Quarterly

\*Expressed as a % per annum of the Net Asset Value of the Share class.

\*\*The Promoter shall maintain and publish on [www.lgim.com](http://www.lgim.com) a "Dividend Calendar" containing details of the proposed dates relating to the declaration and payment of dividends which may be amended from time to time.

Shares are freely transferable subject to and in accordance with the provisions of the Articles and as set out in the Prospectus.

As with other Irish companies limited by shares, the Company is required to maintain a register of Shareholders. ETF Shares will be held by the Common Depository's Nominee (as registered holder) in registered form. Only persons appearing on the register of Shareholders (i.e. the Common Depository's Nominee) will be a Shareholder. Fractional Shares will not be issued. No temporary documents of title or Share certificates will be issued (save for the Global Share Certificate, as set out in the Prospectus). A trade confirmation will be sent by the Administrator to the Authorised Participants.

## DIVIDEND POLICY

Where the Company intends to declare dividends with respect to one or more classes of Shares of the Fund, the proposed frequency of such dividend declarations (for example, *quarterly* or *annually*) shall be as set out in the table included above in the section entitled "*The Shares*".

Where dividends are paid, they shall be paid out of the net income of the Fund which is attributable to the relevant class of Shares. Dividends payable in respect of any particular class of Shares shall be paid in the currency in which such Share class is denominated. Where the currency in which a Share class is denominated differs from the Base Currency of the Fund, dividends shall be converted into the relevant class currency and any costs associated with such conversion shall be charged to the relevant Share class.

## Income Equalisation

The Manager may implement income equalisation arrangements with a view to ensuring that the level of distributions from distributing Share classes is not affected by the timing of the issue, switching or redemption of Shares during the relevant accounting period. As a result, the same fixed distribution amount per Share based on the distributable income of the Fund is paid on each Share of a distributing Share class at the end of the accounting period. Where income equalisation arrangements are applied, an equalization rate is calculated in respect of a Share at the date of the issue, switching or redemption of the Share to reflect the equalised part of income accrued, which is incorporated in the distributable income at the end of the accounting period.

## Currency of Payment and Foreign Exchange Transactions

Where an investor requests that a dividend is paid in a major currency other than the currency in which the relevant Share class is denominated, any necessary foreign exchange transactions will be arranged by the International Central Securities Depository (subject to this option being made available by the relevant International Central Securities Depository) for the account of, and at the risk and expense of, the relevant investor.

## **STOCK EXCHANGE LISTINGS**

It is intended that the ETF Shares will be listed and admitted for trading on a number of stock exchanges, including without limitation, the London Stock Exchange, Borsa Italiana, Deutsche Börse, SIX Swiss Exchange and Euronext. Details of where ETF Shares are listed and admitted for trading are available at [www.lgim.com](http://www.lgim.com).

## **ISSUE OF SHARES**

<b>Share class</b>	<b>Initial Offer Period</b>	<b>Initial Offer Price</b>
USD Accumulating ETF	The continuing initial offer period shall end at 4:00 p.m. (UK time) on 5 July 2024 or such other time as the Directors may determine.  Initial applications for Shares must be received during the Initial Offer Period.	The price per Share is expected to be approximately USD 10. However, the actual initial price per Share will depend on the actual cost to the Company of purchasing the relevant Investments. Details of the Initial Offer Price will be available from the Administrator and on <a href="http://www.lgim.com">www.lgim.com</a> .
USD Distributing ETF	Will begin at 9:00 a.m. (UK time) on 8 January 2024 and end at 4:00 p.m. (UK time) on 5 July 2024 or such other time as the Directors may determine.  Initial applications for Shares must be received during the Initial Offer Period.	The price per Share is expected to be approximately USD 10. However, the actual initial price per Share will depend on the actual cost to the Company of purchasing the relevant Investments. Details of the Initial Offer Price will be available from the Administrator and on <a href="http://www.lgim.com">www.lgim.com</a> .
EUR Hedged Accumulating ETF	Will begin at 9:00 a.m. (UK time) on 8 January 2024 and end at 4:00 p.m. (UK time) on 5 July 2024 or such other time as the Directors may determine.	The price per Share is expected to be approximately EUR 10. However, the actual initial price per Share will depend on the actual cost to the Company of purchasing the relevant Investments. Details of the Initial Offer Price will



Share class	Initial Offer Period	Initial Offer Price
	Initial applications for Shares must be received during the Initial Offer Period.	be available from the Administrator and on <a href="http://www.lgim.com">www.lgim.com</a> .
EUR Hedged Distributing ETF	Will begin at 9:00 a.m. (UK time) on 8 January 2024 and end at 4:00 p.m. (UK time) on 5 July 2024 or such other time as the Directors may determine.  Initial applications for Shares must be received during the Initial Offer Period.	The price per Share is expected to be approximately EUR 10. However, the actual initial price per Share will depend on the actual cost to the Company of purchasing the relevant Investments. Details of the Initial Offer Price will be available from the Administrator and on <a href="http://www.lgim.com">www.lgim.com</a> .
GBP Hedged Accumulating ETF	Will begin at 9:00 a.m. (UK time) on 8 January 2024 and end at 4:00 p.m. (UK time) on 5 July 2024 or such other time as the Directors may determine.  Initial applications for Shares must be received during the Initial Offer Period.	The price per Share is expected to be approximately GBP 10. However, the actual initial price per Share will depend on the actual cost to the Company of purchasing the relevant Investments. Details of the Initial Offer Price will be available from the Administrator and on <a href="http://www.lgim.com">www.lgim.com</a> .
GBP Hedged Distributing ETF	Will begin at 9:00 a.m. (UK time) on 8 January 2024 and end at 4:00 p.m. (UK time) on 5 July 2024 or such other time as the Directors may determine.  Initial applications for Shares must be received during the Initial Offer Period.	The price per Share is expected to be approximately GBP 10. However, the actual initial price per Share will depend on the actual cost to the Company of purchasing the relevant Investments. Details of the Initial Offer Price will be available from the Administrator and on <a href="http://www.lgim.com">www.lgim.com</a> .
CHF Hedged Accumulating ETF	Will begin at 9:00 a.m. (UK time) on 8 January 2024 and end at 4:00 p.m. (UK time) on 5 July 2024 or such other time as the Directors may determine.  Initial applications for Shares must be received during the Initial Offer Period.	The price per Share is expected to be approximately CHF 10. However, the actual initial price per Share will depend on the actual cost to the Company of purchasing the relevant Investments. Details of the Initial Offer Price will be available from the Administrator and on <a href="http://www.lgim.com">www.lgim.com</a> .
CHF Hedged Distributing ETF	Will begin at 9:00 a.m. (UK time) on 8 January 2024 and end at 4:00 p.m. (UK time) on 5 July 2024 or such other time as the Directors may determine.	The price per Share is expected to be approximately CHF 10. However, the actual initial price per Share will depend on the actual cost to the Company of purchasing the relevant Investments. Details of the Initial Offer Price will be available from the Administrator and on <a href="http://www.lgim.com">www.lgim.com</a> .

Share class	Initial Offer Period	Initial Offer Price
	Initial applications for Shares must be received during the Initial Offer Period.	

## DEALING PROCEDURES

The procedures for subscribing for and redeeming of Shares are outlined in the Prospectus. Subscriptions and redemptions in the Fund may be in cash or, where agreed with the Manager or its delegate, on an *in specie* basis.

Shares may be subscribed for in the manner set out in the Prospectus under the heading “*Subscriptions*”, beginning on page 55.

Shares in the Fund may be redeemed as described in the Prospectus under the heading “*Redemptions*” beginning on page 63.

In the context of each application for subscription for or redemption of Shares, the Manager (or its appointed delegate) shall have sole discretion as to whether Duties and Charges are charged as a fixed amount or charged to match the exact cost to the Company of purchasing or selling the relevant underlying Investments. Where Duties and Charges are charged as a fixed amount, such fixed amount shall not exceed 5% of Net Asset Value of Shares being applied for or redeemed.

## DEALING INFORMATION

Base Currency	USD
Dealing Currency	The dealing currency for each class of Shares is the currency of denomination of the relevant class of Shares.
Business Day	A day on which banks and markets and exchanges are open for business in the United Kingdom.
Dealing Day	An Index Publication Day and a day on which no Significant Markets are closed for business or such Business Day(s) as the Directors may from time to time determine (subject to advance Shareholder notice) for dealings in the Fund provided always that there shall be at least one Dealing Day each fortnight. The Promoter maintains an online “ <i>Dealing Day Calendar</i> ” at: <a href="http://www.lgim.com">www.lgim.com</a> , where advance notice of all expected Dealing Days for the Fund is published on an ongoing basis. The Dealing Day Calendar is also available on request from the Manager and from the Promoter.
Dealing Deadline	The cut-off time in respect of any Dealing Day for receipt of applications for subscriptions and redemptions in the Fund as shall be set out on <a href="http://www.lgim.com">www.lgim.com</a> , which information shall be kept up to date.
Minimum Subscription Amount	Please refer to the table contained in the section above entitled “ <i>The Shares</i> ”.
Minimum Redemption Amount	Please refer to the table contained in the section above entitled “ <i>The Shares</i> ”.
Settlement Time	Settlement of subscriptions shall generally occur within two Business Days after the relevant Dealing Day (unless otherwise agreed with the Manager or its delegate).

	Settlement of redemptions shall generally occur within three Business Days after the relevant Dealing Day (unless otherwise agreed with the Manager or its delegate).
Valuation	<p>The Valuation Point is 4.00 pm EST (Eastern Standard Time) or such time as the Directors may from time to time determine in relation to the valuation of the assets and liabilities of the Fund, subject to advance Shareholder notice. For the avoidance of doubt, the Valuation Point shall be after the Dealing Deadline for the relevant Dealing Day. The Investment Manager publishes (and updates from time to time) a document containing a list of all Valuation Points applicable to the Company's Funds at: <a href="http://www.lgim.com">http://www.lgim.com</a>. This document is also available on request from the Manager and from the Investment Manager.</p> <p>Investments of the Fund which are listed or traded on a Regulated Market for which quotations are readily available shall, subject to the provisions of the Articles, be valued at the last traded price.</p>
TER	<p>Please refer to the table contained in the section above entitled "<i>The Shares</i>" for the TER applicable to each Share class.</p> <p>Brokerage and extraordinary expenses are excluded from the TER figure – see section entitled "<i>Fees and Expenses</i>" on page 72 of the Prospectus.</p> <p>Fees and expenses relating to the establishment of the Fund are borne by the Manager.</p>

## TAXATION

A description of the taxation applicable to the Company and its investors is outlined under the heading "*Taxation*" in the Prospectus.

### German Tax Information

The Company seeks to maintain "equity fund" status for the Fund pursuant to Section 2 para. 6 and 7 of the German Investment Tax Act 2018.

Investors should consult their own professional advisers as to the implications of the Fund maintaining "equity fund" status pursuant to the German Investment Tax Act 2018.

As at the date of this Fund Supplement, at least 85% of the Fund's assets will be continuously invested in equity assets as defined in Section 2. para. 8 of the German Investment Tax Act 2018.

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**Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 ('SFDR') and Article 5, first paragraph, of Regulation (EU) 2020/852 ('Taxonomy Regulation')**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**  
L&G Emerging Markets ESG Exclusions Paris Aligned UCITS ETF

**Legal entity identifier:**  
2138001THTZOKADLFQ81

## Sustainable investment objective

### Does this financial product have a sustainable investment objective?

**X** Yes

**No**

It will make a minimum of **sustainable investments with an environmental objective: 0%**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective: \_\_%**

It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

### What is the sustainable investment objective of this financial product?

The sustainable investment objective of the Fund is to provide low carbon emission exposure to the large and mid-cap equity market in emerging markets. The Fund seeks to achieve its investment objective by tracking the performance of the Foxyberry Sustainability Consensus Emerging Markets Total Return Index (the "Index"). The Index is constructed to meet the minimum requirements of the EU Paris-aligned Benchmark Regulations (Regulation EU 2019/2089) (the "PAB Regulation"). The Index is a reference benchmark that has been designated for the purpose of attaining the sustainable investment objective of the Fund.

- **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

1. Greenhouse gas intensity score of the Index compared to the greenhouse gas intensity of the Underlying Universe;
2. The proportion of the Index exposed to issuers not in accordance with the exclusionary criteria set out below;
3. The proportion of the relevant comparator index excluded through the application of the exclusionary criteria set out below.

**Principal adverse impacts** are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and anti-bribery matters.

● ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

The Fund applies the following exclusions through tracking the Index in accordance with the Index methodology:

Exclusion Guidelines based on the requirements under the PAB Regulation:

- companies involved in any activities related to controversial weapons;
- companies involved in the cultivation and production of tobacco;
- companies in violation of the United Nations Global Compact (UNGC) principles or the OECD guidelines for multinational enterprises;
- companies deriving a percentage of their revenues in excess of the threshold determined by the Index Provider from any of the following activities:
  - exploration, mining, extraction, distribution or refining of hard coal and lignite;
  - exploration, extraction, distribution or refining of fossil fuels;
  - exploration, extraction, manufacturing or distribution of gaseous fuels;
  - electricity generation with a greenhouse gas ("GHG") intensity in excess of a level determined by the Index Provider.

Additional Exclusion Guidelines:

- companies deriving revenue from the mining of thermal coal and its sale to external parties;
- companies deriving revenue from unconventional oil and gas;
- companies with material stranded assets;
- companies deriving a percentage of their revenues from environmentally harmful activities (as determined by the Index methodology document), in excess of the threshold determined by the Index Provider;
- companies not conforming to minimum standards of business practice as determined by the Index Provider.

Through the application of the above listed exclusions it is ensured that the investments held by the Fund do not significantly harm any environmental or social objectives.

*- How have the indicators for adverse impacts on sustainability factors been taken into account?*

The Investment Manager assessed the Index against all sustainability indicators outlined in Table 1 of Annex I of Commission Delegated (EU) 2022/1288 (the "SFDR Level 2 Measures") and a majority of them are taken into account directly or indirectly by application of the above-listed exclusions. A direct approach occurs where an exclusionary screen incorporates, in its methodology, the metric defined in Table 1 of Annex I of the SFDR Level 2 Measures relating to the relevant sustainability indicator. The indirect approach will incorporate different metrics that are not defined in Table 1 of Annex I of the SFDR Level 2 Measures but associated with the sustainability indicators, such as norms-based or controversy screens to exclude issuers involved in violations. It should be noted that a small subset of sustainability indicators is not directly or indirectly mapped to the above-listed exclusions following consideration of their appropriateness to the Fund's investment strategy.

*- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Fund's sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through the application of the sustainability-related investment strategy used to attain the sustainable investment objective. In particular, the Index is designed to comply with the principles of the United Nation Global Compact and the OECD guidelines for multinational enterprises.

Accordingly, the Fund's investments aim to indirectly follow the UN Guiding Principles on Business and Human Rights, as well as the OECD Guidelines for Multinational Enterprises.



### Does this financial product consider principal adverse impacts on sustainability factors?

- Yes, the Fund considers principal adverse impacts on sustainability factors. The Investment Manager takes the adverse sustainability indicators listed in Table 1 of Annex I of the SFDR Level 2 Measures into account, except for a small subset of indicators as explained above. The Fund considers principal adverse impacts, that are identified using the above-mentioned sustainability indicators, by tracking the Index that employs the sustainability-related investment strategy outlined below in line with its methodology. For example, the Fund uses the 'GHG intensity of investee companies' indicator (indicator 3 of Table 1 of Annex I of SFDR) to identify principal adverse impacts relating to greenhouse gas emissions and then considers and takes actions in relation to the principal adverse impacts identified through the implementation of the Paris-aligned benchmark optimisation as outlined below.

Further information on how the Manager and the Investment Manager consider principal adverse impacts on an entity level can be found in the Sustainability Policy which is available on LGIM's website. Reporting on principal adverse impacts on sustainability factors will be made available in the annual report of the Fund.

No



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

### What investment strategy does this financial product follow?

The Fund follows the following sustainability-related investment strategy by tracking the Index that is designed to meet the requirements set out for EU Paris-aligned Benchmarks in the Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 of the European Parliament and European Council with regards to the minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks in order to be designated as an EU Paris-aligned Benchmark. The Index is constructed from the Underlying Universe by applying certain exclusions in order to meet or exceed the exclusion and decarbonisation trajectory in line with the Paris Agreement, together with additional exclusions as further set out in the "Index Description" section of the Fund Supplement.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The Fund aims to track the Index in accordance with its investment policy. As a result, the investment strategy set out above is binding on the investment decision-making process of the Fund.

- ***What is the policy to assess good governance practices of the investee companies?***

The Investment Manager ensures that the investee companies in which the Fund invests follow good governance practice by tracking an index that excludes companies that (i) fail to

**Good governance** practices include sound management structures, employee



relations, remuneration of staff and tax compliance.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

meet globally accepted norms and standards relating to governance matters, or (ii) are involved in incidents with negative governance implications. As part of its due diligence the Investment Manager assessed the Index to ensure compliance with these requirements.

In addition, the Investment Manager also integrates the principles of good governance practices into its stewardship and engagement approach by setting expectations with investee companies' management regarding good governance practices; actively engaging with the investee companies; utilising its voting rights; and supporting policymakers and legislators to ensure there is strong regulation and standards.

## What is the asset allocation and the minimum share of sustainable investments?

The Fund is a financial product subject to Article 9(3) of SFDR with an objective of low carbon emission exposure in view of achieving the longterm global warming objectives of the Paris Agreement ("Paris-aligned Objective"). Whilst the Fund does not commit to a minimum proportion of its portfolio in sustainable investments, it is expected to have a higher proportion of sustainable investments than the broad market index which does not have a Paris-aligned Objective.



### ● **How does the use of derivatives attain the sustainable investment objective?**

The Fund does not make use of derivatives to attain the sustainable investment objective.



### Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

### Transitional activities

are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

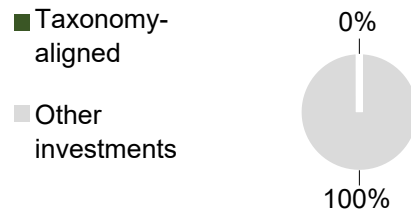


## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

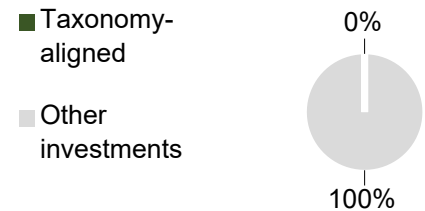
The Fund does not invest a minimum amount in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

### 1. Taxonomy-alignment of investments including sovereign bonds\*



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*



\* For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

The Fund does not invest a minimum share of investments in transitional and enabling activities within the meaning of the Taxonomy Regulation.



are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund does not specify a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. However, it invests a higher proportion of the portfolio in sustainable investments than the Underlying Universe which does not have a Paris-aligned Objective. The average green/brown revenue ratio of the Index must increase by 4x compared to the investable universe, by focusing on companies offering products and services that by their intended purposes address the root causes of climate change such as solar and wind power, small-scale hydropower, insulating materials and battery technology.



## What is the minimum share of sustainable investments with a social objective?

The Fund does not invest a minimum share of sustainable investments with a social objective.



## What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

Other holdings may include cash, depositary receipts, money market funds and

derivatives. Such investments may be used for investment purposes and efficient portfolio management. Derivatives may also be used for currency hedging for any currency hedged share classes. Environmental or social safeguards applied by the Index are only applied to instruments that are used to attain exposure to an Index constituent.

The Investment Manager considers ESG factors, including analysis from the relevant responsible investing methodologies as part of assessing the credit risk profile of its most significant counterparties. The Investment Manager has an internal control framework in place to consider and take appropriate action in the event that a significant counterparty fails to meet any minimum standards in respect of such ESG factors as defined by the Investment Manager.



**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

### **Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

Yes, the Index is designated as a reference benchmark.

● ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

The Index is continuously aligned with the sustainable investment objective of the Fund by providing exposure to companies in accordance with the sustainability-related investment strategy described above. At each index rebalance, the selection criteria of the Index are applied to its constituents.

● ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

The Fund invests, in a portfolio of securities that, as far as possible and practicable, consists of the component securities of the Index in similar proportions to their weightings in the Index.

● ***How does the designated index differ from a relevant broad market index?***

The Index differs from the broad market as a result of the application of the exclusions described above and meeting or exceeding the decarbonisation trajectory in line with the Paris Agreement as it results in a smaller and differently weighted investment universe than the broad market index due to the exclusions and weighting employed.

● ***Where can the methodology used for the calculation of the designated index be found?***

For further information in relation to the Index methodology please see: [https://www.foxberry.com/indices/methodologies/Foxberry\\_Sustainability\\_Consensus.pdf](https://www.foxberry.com/indices/methodologies/Foxberry_Sustainability_Consensus.pdf) and [https://foxberry.com/indices/sustainability\\_consensus/em\\_tr](https://foxberry.com/indices/sustainability_consensus/em_tr)



### **Where can I find more product specific information online?**

More product-specific information can be found on the website: [L&G Emerging Markets ESG Exclusions Paris Aligned UCITS ETF - Fund Centre](#)