

LGIM launches first pure Hydrogen Economy ETF in Europe

Investment strategy focuses on the growth potential of hydrogen innovation and technologies in the transition to a low-carbon world

London, 10 February 2021 – Legal & General Investment Management (LGIM) has today announced the launch of the L&G Hydrogen Economy UCITS ETF, which provides investors with exposure to the long-term investment opportunity offered by the transition to a low-carbon, hydrogen economy. This includes the technologies and firms that are enabling the production of cheaper, clean forms of hydrogen and those that are expected to play an integral role in the hydrogen economy.

It will build on and complement LGIM's existing suite of sustainable thematic ETFs, such as the *L&G Clean Energy UCITS ETF* and the *L&G Battery Value-Chain UCITS ETF*. As policy and economics start to align towards an economy based on sustainable energy, LGIM has launched this strategy to provide investors with a precision tool to add exposure to the hydrogen economy value chain to their clean energy investments. This hydrogen ETF can be used alongside the above funds to allow investors to increase exposure to the clean hydrogen economy alongside their investments in clean energy generation and energy storage.

By employing a dynamic, actively designed investment strategy by LGIM that leverages GlobalData's unrivalled proprietary database of companies engaged in the hydrogen industry, the ETF will seek to gain exposure to the full hydrogen value chain. This means companies with a minimum market cap of \$200 million, including electrolyser manufacturers, hydrogen producers, fuel-cell manufacturers, specialist mobility providers, fuel-cell component suppliers, key industrial and utility companies, and others in the supply chain.

The global drive to cut carbon emissions is progressing and for the hydrogen sector in Europe, policymakers are encouraging these industries to switch to 'green' hydrogen produced without fossil fuels, which could reduce up to 830 million tonnes of global CO₂ emissions according to IEA. This launch follows growing demand from clients and prospective investors, and aims to capitalise on the combination of low-carbon government policies, technological advances, and cheaper components that is facilitating the growth of the hydrogen economy, which is expected to be worth \$2.5 trillion in revenues and \$11 trillion in infrastructure potential by 2050¹.

*Commenting on the launch, **Howie Li, Head of ETFs at LGIM** said: "Access to clean hydrogen will be key to lowering emissions in harder to abate industries where electrification alone is not enough. The commitments being made to the hydrogen economy by governments and businesses around the world are creating long-term investment opportunities with short-term catalysts. We believe this fund offers investors early access to this fast evolving industry and allows investors the ability to control the amount of hydrogen exposure into their portfolio alongside our clean energy and battery ETFs. As a package, the hydrogen ETF will complement these other two fund to provide investors with the ability to capture growth to be found in clean energy generation and energy storage."*

The strategy is listed on the London Stock Exchange, Deutsche Boerse, Borsa Italiana, Six Swiss Exchange and the NYSE Euronext, and is available to UK and European intermediary and retail investors.

***James Crossley, Head of UK Retail Sales at LGIM**, added: "At LGIM, we believe in giving investors targeted, specific exposure to the full value chain of low-carbon solutions across the power production, storage and distribution energy cycles. The launch of the L&G Hydrogen Economy UCITS ETF expands on our market-leading thematic range and underscores our commitment to equipping investors with the portfolio tools they need to gain access to the key themes that will help us transition to a more sustainable world."*

¹ Source: Bank of America, December 2020

The fund is the latest addition to LGIM's existing thematic range, taking it to ten specialist funds, covering a number of disruptive technology themes, such as the \$2.57 billion *L&G Cyber Security UCITS ETF*, the \$650m *L&G Battery Value-Chain UCITS ETF* and \$1.44 billion *L&G ROBO Global Robotics and Automation UCITS ETF*. The team hopes to build on recent positive performance across the range, with all LGIM's thematic ETF strategies outperforming the MSCI World Index in 2020 by at least 35%.

-Ends-

Key product details:

Fund name	L&G Hydrogen Economy UCITS ETF
Benchmark	Solactive Hydrogen Economy Index NTR
Listings and Tickers	<ul style="list-style-type: none"> • LSE (USD) – HTWO • LSE (GBP) – HTWG • Borsa Italiana (EUR) – HTWO • Deutsche Börse (EUR) - HTMW • SIX (CHF) - HTWO
ISIN	IE00BMYDM794
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 £1.2 trillion (€1.4 trillion; CHF1.5 trillion)². 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.

Compliance Reference: ETF12222021

² LGIM internal data as at 30 June 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.