

# **L&G ESG Emerging Markets Government Bond (USD) 0-5 Year UCITS ETF FUND SUPPLEMENT No.39**

*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 the L&G ESG Emerging Markets Government Bond (USD) 0-5 Year 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 20 April 2020 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 2 March 2021.

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## DEFINITIONS

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**“Investment Manager”**, the investment manager of the Fund, being Legal & General Investment Management Limited, with an address at One Coleman Street, London, EC2R 5AA, United Kingdom.

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## INVESTMENT OBJECTIVE

The investment objective of L&G ESG Emerging Markets Government Bond (USD) 0-5 Year UCITS ETF (the **“Fund”**) is to provide exposure to the short term US Dollar-denominated government bond market across emerging markets.

## INVESTMENT POLICY

In order to achieve this investment objective, the Fund will seek to track the performance of the J.P. Morgan ESG EMBI Global Diversified Short-term Custom Maturity 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 fixed income 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 Investment Manager 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 generally 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:

- transferable securities that are not component securities of the Index whose risk and return characteristics closely resemble the risk and return characteristics of constituents of the Index or of the Index as a whole. Such securities may include bonds issued by corporate, sovereign or quasi-sovereign issuers. Such instruments may be fixed and/or floating rate and may be of any credit rating or may be unrated; and
- FDIs namely, “unfunded” OTC Swaps, bond futures, corporate and sovereign credit default swaps (CDS), 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 currencies in which the Fund’s assets are denominated, where different (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.

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

“**corporate and sovereign credit default swaps (CDS)**”, a contract whereby a seller agrees to pay compensation to a buyer for the default of corporate or sovereign bonds in return for the buyer’s payment of a periodic fee. Should the Fund use CDS in the circumstances described above, the Fund may be a buyer or seller of the CDS. Where the Fund is a seller of CDS and there is a default on the underlying corporate or sovereign bond, the Fund would be obliged to compensate the CDS buyer for the loss on the corporate or sovereign bond in question, resulting in a reduction to the Net Asset Value of the Fund.

“**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 15%. The proportion of the Net Asset Value of the Fund that will be subject to securities lending is expected to range from 0% to 15%.

## TRACKING ERROR

The estimated anticipated (ex-ante) tracking error for the Fund in normal market conditions is 1.00% (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 promotes a range of environmental and social characteristics. The characteristics promoted by the Fund are met by tracking an Index which includes the following features: (i) exclusion of quasi-sovereign issuers with revenue from thermal coal and UN Global Compact violators, as determined by the index provider’s methodology, (ii) a tilt towards quasi-sovereign issuers ranked higher on ESG criteria and green bond issues and (iii) underweighting and exclusion of lower ranking quasi-sovereign issuers. The Index is consistent with the environmental and social characteristics of the fund by providing exposure to such securities of issuers in accordance with the index methodology as set out in the “*Index description*” section below.

The Manager aims to ensure that the issuers of investments in which the Fund is invested follow good governance practices. This is achieved by 1) setting expectations with the issuers' management with regard to good governance practices; 2) active engagement with the issuers; and 3) supporting policymakers and legislators to ensure a strong regulatory environment and standards. Active engagement with the issuers is used as a tool to drive progress and influence positive change and is conducted independently and in collaboration with industry peers and broader stakeholders. Engagement activities normally focus on specific material ESG issues and involve formulating an engagement strategy with regard to such issues with the aim to track and review the progress of the issuers during this process. Regular reporting on the outcomes of active engagement can be made available on request or can be found at: [www.lgim.com](http://www.lgim.com).

## INDEX DESCRIPTION

The Index is designed to provide an exposure to certain US Dollar-denominated emerging market fixed and floating rate bonds issued by sovereign and quasi-sovereign entities from eligible countries. Only those countries that satisfy the gross national income per capita based index income ceiling criterion or the purchasing power parity (PPP) based index PPP ratio criterion are eligible for inclusion in the Index. The Index offers exposure to bonds which are maturing within the next 3 months to 5 years and have at least €500 million in outstanding issuance. There is no credit rating criteria for inclusion in the Index. The Index is rebalanced on a monthly basis, on the last US business day of the month.

The Index is designed to provide exposure to securities of issuers that satisfy certain environmental, social and governance (“**ESG**”) requirements, as defined by the index provider and as disclosed in the index methodology document. An ESG scoring and screening methodology is applied by the Index to tilt towards issuers ranked higher on ESG criteria and green bond issues, and to underweight and exclude issuers that rank lower. The Index applies J.P Morgan ESG issuer scores (the “**JESG Scores**”) to quasi-sovereign issuers, allocated on the basis of each issuer's adherence to ESG principles, to adjust the market value of index constituents. JESG Scores are a 0-100 percentile rank calculated based on ESG scores from third-party research providers. The JESG Scores incorporates a 3-month rolling average of the 3<sup>rd</sup> party ESG scores. Corporate issuers with no coverage by the third-party research providers default to their region-sector JESG Score. The Index excludes quasi-sovereign issuers with revenue from the following industries: (a) thermal coal; (b) tobacco; and (c) weapons. Issuers not in compliance with the UN Global Compact principles, as identified by third party research providers and issuers with JESG Scores less than 20 are also excluded. Each security in the Index is initially weighted according to market capitalisation, and its weighting is then adjusted based on the JESG scoring described above such that the total weight of all securities adds up to 100%.

The JESG Scores determine the ESG rating band to be allocated to the securities (the “**ESG Rating Band**”). Each issuer will be assigned an ESG Rating Band depending on their JESG Score between 1-5, with 5 being the worst. The ESG Rating Band is used to scale each issue's baseline index market value. Securities which fall into band 5 will be excluded from the Index and not eligible for inclusion for the following 12 months. If an instrument is categorized as a “green bond” by the Climate Bonds Initiative (an independent not-for-profit organisation providing a certification programme for bonds that contribute to addressing climate change), the security will receive a one-band upgrade. Green bonds by issuers already in Band 1 will not receive any further upgrades.

The Index is calculated in USD.

### Gross Total Return

Total return bond indices measure the market performance of bonds, taking into account both the movements in the market price of the bonds and any coupon (interest) payments declared thereon. The Index is a *gross* total return index which means that coupon (interest) amounts are treated as being reinvested into the Index *gross* (i.e. without adjustment for implied withholding taxes).

### 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 at [https://www.jpmorgan.com/country/US/en/jpmorgan/investbk/solutions/research/indices/composition\\_docs](https://www.jpmorgan.com/country/US/en/jpmorgan/investbk/solutions/research/indices/composition_docs).

The constituents and weightings of the Index and various other informational materials can be found at <https://www.jpmorgan.com/country/US/en/jpmorgan/investbk/solutions/research/indices/composition>.

|  | ISIN | Bloomberg | Reuters   |
|--|------|-----------|-----------|
| <b>Index</b><br>J.P. Morgan ESG EMBI Global Diversified Short-Term Custom Maturity Index | N/A  | JPEIEESU  | .JPEIEESU |

As at the date of this Fund Supplement, J.P. Morgan Securities LLC (“**J.P. Morgan**”) is not listed as recognised benchmarks administrator and does not have its benchmarks listed on the public register maintained by ESMA under the Benchmark Regulation. The applicable registration requirements are subject to a transition period which remains open as at the date of this Fund Supplement. J.P. Morgan has filed its application for recognition as a third-country benchmarks administrator in advance of the end of the transition period, in accordance with the requirements of the Benchmark Regulation.

#### Portfolio Composition

The portfolio of Investments held by the Fund is available daily at <http://www.lgimetf.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 the fixed income market.

## 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. 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 and should consider all relevant risk factors prior to investing in the Fund, including those relating to investment in fixed income securities and emerging markets.

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.

## Risk of Investing in the China Interbank Bond Market via Bond Connect

The People's Republic of China (the "PRC") and the Hong Kong Monetary Authority ("HKMA") have approved programmes which establish Bond Connect, a mutual bond market access programme between mainland Chinese and Hong Kong financial infrastructure institutions. Bond Connect allows investors to trade electronically between the mainland Chinese and Hong Kong bond markets without many of the limits of existing schemes, such as quota restrictions and requirements to identify the ultimate investment amount.

Currently, the Bond Connect comprises a Northbound Trading Link between China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), the operator of the China Interbank Bond Market ("CIBM") and recognised offshore trading access platforms, to facilitate investment by Hong Kong and overseas investors in eligible bonds traded on the CIBM.

Hong Kong and overseas investors will be able to conduct cash trading over the entire range of instruments traded on the CIBM, including products on both the secondary and primary markets.

Northbound investors are able to trade through Bond Connect on days upon which the CIBM is open to trade, regardless of whether they are a public holiday in Hong Kong.

Settlement and custody of Northbound bond trades under Bond Connect will be implemented under the link between the Central Moneymarkets Unit ("CMU") of the HKMA and mainland China's two bond settlement systems, China Central Depository & Clearing Co., Ltd ("CCDC") and Shanghai Clearing House ("SHCH"). The CMU settles Northbound trades and holds the CIBM bonds on behalf of members in nominee accounts with each of the CCDC and the SHCH. The CCDC and SHCH provide services to foreign investors, directly and indirectly, using Bond Connect. Bonds purchased by Hong Kong and overseas investors are recorded in an omnibus nominee account at the CCDC and the SHCH in the name of the CMU. The CMU itself maintains the bonds in segregated sub-accounts of the relevant CMU members, who in turn may hold the bonds on their own account or on behalf of other investors or custodians. Accordingly, bonds purchased by Hong Kong and overseas purchasers through Bond Connect are held by the purchaser's global or local custodian in a segregated sub-account opened in their name at the CMU.

Pursuant to the prevailing regulations in the PRC, the Central Moneymarkets Unit, being the offshore custody agent recognised by the Hong Kong Monetary Authority open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (i.e., the China Central Depository & Clearing Co., Ltd and Shanghai Clearing House). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner. Therefore, the Fund will be exposed to custody risks with respect to Central Moneymarkets Unit. In addition, as the relevant filings, registration with the People's Bank of China, and account opening have to be carried out by third parties, including Central Moneymarkets Unit, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and CFETS, the Fund is subject to the risks of default or errors on the part of such third parties.

The precise nature and rights of the Fund as the beneficial owner of the bonds traded in the CIBM through Central Moneymarkets Unit as nominee is not well-defined under PRC law. There is a lack of a clear definition of, and distinction between, legal ownership and beneficial ownership under PRC law and there have been few cases involving a nominee account structure in the PRC courts. The exact nature and methods of enforcement of the rights and interests of the Fund under PRC law are also uncertain.

The Northbound Trading Link refers to the trading platform that is located outside of the PRC and is connected to CFETS for eligible foreign investors to submit their trade requests for bonds circulated in the CIBM through Bond Connect. Hong Kong Exchanges and Clearing Limited and CFETS will work together with offshore electronic bond trading platforms to provide electronic trading services and platforms to allow direct trading between eligible foreign investors and approved onshore dealer(s) in the PRC through CFETS.

Investing in the Chinese Interbank Bond Market via Bond Connect is subject to regulatory risk. The governing rules and regulations of this regime may be subject to change with minimal notice and have the potential to be applied retrospectively. Any suspension imposed by the Chinese authorities on the trading of securities via Bond Connect would have adverse implications for the acquisition and disposition of the Fund's assets.

### Volatility and Liquidity Risk

Market volatility and potential lack of liquidity due to low trading volume of certain bonds in the CIBM may result in prices of certain bonds traded on such market fluctuating significantly. The Fund investing in such market is therefore subject to liquidity and volatility risks. The bid-ask spreads of the prices of such securities may be large, and the Fund may therefore incur significant costs and may suffer losses when selling such investments. The bonds traded in the CIBM may be difficult or impossible to sell, which may impact the Fund's ability to acquire or dispose of such securities at their expected prices.

### Regulatory Risks

Investing in the CIBM through Bond Connect is also subject to regulatory risks. The relevant rules and regulations are subject to change, which may have potential retrospective effect, and there can be no assurance that Bond Connect will not be discontinued or abolished. Furthermore, the securities regimes and legal systems of China and Hong Kong differ significantly and issues may arise based on these differences. In the event that the relevant authorities suspend account opening or trading on the CIBM, the Fund's ability to invest in the CIBM will be adversely affected and limited. In such event, the Fund's ability to achieve its investment objective will be negatively affected and, after exhausting other trading alternatives, the Fund may suffer substantial losses as a result. Further, if Bond Connect is not operating, the Fund may not be able to acquire or dispose of bonds through Bond Connect in a timely manner, which could adversely affect the Fund's performance.

### System Failure Risks for Bond Connect

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fails to function properly, trading through Bond Connect may be disrupted. The Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where the Fund invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

### Renminbi Currency Risks

Bond Connect trades are settled in Chinese currency, the renminbi ("**RMB**"), which is currently restricted and not freely convertible. As a result, the Fund will be exposed to currency risk.

### Taxation Risk

There is a possibility that Chinese tax laws may be amended and applied retrospectively. The Net Asset Value of the Fund may require adjustment to reflect the application of any retrospectively applied tax laws and regulations. There is a risk that taxes may be levied in the future, resulting in significant losses to the Fund. Investors should also refer to the risk factor entitled "*Taxation Risks*" in the section of the Prospectus entitled "*Risk Factors*".

### Hedged Share Classes

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 currency of denomination of the Index constituents 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 currency of denomination of the Index constituents 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 eight 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 Distributing ETF        | ETF Shares       | USD                  | 100,000 Shares                           | 0.25%  | Semi-annual       |
| USD Accumulating ETF        | ETF Shares       | USD                  | 100,000 Shares                           | 0.25%  | 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 . | Semi-annual       |
| 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               |
| 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. | Semi-annual       |
| 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               |
| 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.  | Semi-annual       |
| 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               |

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

\*\*The Promoter shall maintain and publish on <http://www.lgimETF.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

Application has been made to the stock exchange(s) listed below for the admission to trading of the specified class of ETF Shares. Applications for the admission to additional stock exchanges of existing and new classes of ETF Shares may be made from time to time.

| Share Class          | Share Class Type | Listing Exchange      | Listing Currency | ISIN         | Bloomberg code | Reuters code |
|----------------------|------------------|-----------------------|------------------|--------------|----------------|--------------|
| USD Distributing ETF | ETF Shares       | London Stock Exchange | USD              | IE00BLRPQP15 | EMD5 LN        | EMD5.L       |
| USD Distributing ETF | ETF Shares       | London Stock Exchange | GBP              | IE00BLRPQP15 | EMDG LN        | EMDG.L       |

## ISSUE OF SHARES

| Share class                 | Initial Offer Period  | Initial Offer Price  |
|-----------------------------|---|--|
| USD Distributing ETF        | <p>Will begin at 9:00 a.m. (UK time) on 14 September 2020 and end at 4:00 p.m. (UK time) on 14 March 2021 or such other time as the Directors may determine.</p> <p>Initial applications for Shares must be received during the Initial Offer Period.</p> | <p>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.lgimetf.com">http://www.lgimetf.com</a>.</p> |
| USD Accumulating ETF        | <p>Will begin at 9:00 a.m. (UK time) on 3 March 2021 and end at 4:00 p.m. (UK time) on 3 September 2021 or such other time as the Directors may determine.</p> <p>Initial applications for Shares must be received during the Initial Offer Period.</p>   | <p>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.lgimetf.com">http://www.lgimetf.com</a>.</p> |
| EUR Hedged Distributing ETF | <p>Will begin at 9:00 a.m. (UK time) on 14 September 2020 and end at 4:00 p.m. (UK time) on 14 March 2021 or such other time as the Directors may determine.</p> <p>Initial applications for Shares must be received during the Initial Offer Period.</p> | <p>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.lgimetf.com">http://www.lgimetf.com</a>.</p> |
| EUR Hedged Accumulating ETF | <p>Will begin at 9:00 a.m. (UK time) on 3 March 2021 and end at 4:00 p.m. (UK time) on 3 September 2021 or such other time as the Directors may determine.</p> <p>Initial applications for Shares must be received during the Initial Offer Period.</p>   | <p>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.lgimetf.com">http://www.lgimetf.com</a>.</p> |
| GBP Hedged Distributing ETF | <p>Will begin at 9:00 a.m. (UK time) on 3 March 2021 and end at 4:00 p.m. (UK time) on 3 September 2021 or such other time as the Directors may determine.</p> <p>Initial applications for Shares must be received during the Initial Offer Period.</p>   | <p>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.lgimetf.com">http://www.lgimetf.com</a>.</p> |

|                             |  |  |
|-----------------------------|--|--|
| GBP Hedged Accumulating ETF | Will begin at 9:00 a.m. (UK time) on 3 March 2021 and end at 4:00 p.m. (UK time) on 3 September 2021 or such other time as the Directors may determine.<br><br>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.lgimETF.com">http://www.lgimETF.com</a> . |
| CHF Hedged Distributing ETF | Will begin at 9:00 a.m. (UK time) on 3 March 2021 and end at 4:00 p.m. (UK time) on 3 September 2021 or such other time as the Directors may determine.<br><br>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.lgimETF.com">http://www.lgimETF.com</a> . |
| CHF Hedged Accumulating ETF | Will begin at 9:00 a.m. (UK time) on 3 March 2021 and end at 4:00 p.m. (UK time) on 3 September 2021 or such other time as the Directors may determine.<br><br>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.lgimETF.com">http://www.lgimETF.com</a> . |

## 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.

During the Initial Offer Period, Shares may be subscribed for in the manner set out in the Prospectus under the heading “*Subscriptions*”, beginning on page 54.

During the Initial Offer Period, Shares in the Fund may be redeemed as described in the Prospectus under the heading “*Redemptions*” beginning on page 60.

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 (and notify in advance to Shareholders) 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.lgimetf.com">http://www.lgimetf.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.lgimetf.com">http://www.lgimetf.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).<br><br>Settlement of redemptions shall generally occur within two Business Days after the relevant Dealing Day (unless otherwise agreed with the Manager or its delegate).   |
| Valuation                   | 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.lgimetf.com">http://www.lgimetf.com</a> . This document is also available on request from the Manager and from the Investment Manager.<br><br>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 closing bid price. |
| TER                         | Please refer to the table contained in the section above entitled “ <i>The Shares</i> ” for the TER applicable to each Share class.<br><br>Brokerage and extraordinary expenses are excluded from the TER figure – see section entitled “ <i>Fees and Expenses</i> ” on page 69 of the Prospectus.<br><br>Fees and expenses relating to the establishment of the Fund are borne by the Manager.  |

## INVESTMENT MANAGER

The Manager has appointed the Investment Manager as investment manager of the Fund pursuant to an Investment Management Agreement. The Investment Management Agreement provides that the appointment of Investment Manager will continue in force unless and until terminated by either party giving to the other not less than ninety days' notice in writing although, in certain circumstances such as the insolvency of either party or an unremedied breach after notice, the Investment Management Agreement may be terminated forthwith by notice in writing by either party to the other. The Investment Management Agreement contains indemnities in favour of the Investment Manager other than in respect of matters arising by reason of its wilful default, fraud or negligence in the performance of its duties and obligations.

The Investment Manager is regulated by the Financial Conduct Authority of the United Kingdom and is a wholly-owned subsidiary of Legal & General Investment Management (Holdings) Limited.

The Investment Manager may delegate to sub-investment managers/advisers or other delegates and details of such entities, where appointed, will be provided to investors on request and will be published in the Company's periodic reports. The fees and expenses of any sub-investment manager/adviser or other delegate appointed by the Investment Manager will be discharged by the Investment Manager out of the fee it receives from the Manager.

## TAXATION

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

## INDEX DISCLAIMER

Neither J.P. Morgan nor any of their respective affiliates (collectively, the "**Index Parties**") makes any representation or warranty, express or implied, to investors in the Fund or any member of the public regarding the advisability of investing in financial products generally or in the Fund particularly or the ability of the Index or any sub-indices thereto (individually and collectively, the "**Index**") to track general market performance. The Index Parties have no obligation to take the needs or interests of the Fund or investors in the Fund into consideration in determining, composing or calculating the Index. The Index Parties have no obligation or liability in connection with the administration, marketing or trading of the Fund.

None of the Index Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Parties are under no obligation to advise any person of any error therein. None of Index Parties nor their respective affiliates shall have any liability for any act or failure to act by any such party in connection with the calculation, adjustment or maintenance of the Index. Although each of the Index Parties will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by any of the Index Parties or their respective affiliates as to the accuracy, completeness and timeliness of information concerning the Index, or as to the continuance of calculation or publication of the Index.

The Fund is not sponsored, promoted, sold or supported in any other manner by J.P. Morgan nor does J.P. Morgan offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or Index trade mark or the Index price at any time or in any other respect. The Index is calculated and published by J.P. Morgan. J.P. Morgan uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Company, J.P. Morgan has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the Fund. Neither publication of the Index by J.P. Morgan nor the licensing of the Index or Index trade mark for the purpose of use in connection with the Fund constitutes a recommendation by J.P. Morgan to invest capital in the Fund nor does it in any way represent an assurance or opinion of J.P. Morgan with regard to any investment in this financial instrument.

## SCHEDULE I

The list of stock exchanges and regulated markets in the Prospectus in which the funds of the Company may invest is supplemented by the following regulated market in respect of the Fund:

- (i) the China Interbank Bond Market.

The above market is listed in accordance with the requirements of the Central Bank, it being noted the Central Bank does not issue a list of approved markets or stock exchanges.

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