

**SHINING A LIGHT ON THE.....
L&G Healthcare Breakthrough UCITS ETF**

AT A GLANCE

| Investment Objective | |
|---|--|
| The investment objective of the L&G Healthcare Breakthrough UCITS ETF (the "Fund") is to provide exposure to the global healthcare technology industry. | |

| | |
|----------------------------|---|
| Inception Date | 26 June 2019 |
| Fund Factsheet Link | https://www.morningstar.co.uk/uk/etf/snaps/hot/snapshot.aspx?id=0P0001HZ0U |

| Management | |
|---------------------|-------------------|
| Manager Name | Start Date |
| - | 26 June 2019 |

| Investment Style Details | |
|---------------------------------|--------------------|
| Equity Style | |
| Market Capitalisation | % of Equity |
| Giant | 5.24% |
| Large | 23.53% |
| Medium | 40.81% |
| Small | 28.40% |
| Micro | 2.01% |

| Top 10 Holdings | | |
|--|---------------|--------------------|
| Total number of holdings | 85 | |
| Assets in Top 10 Holdings | 18.44% | |
| Name | Sector | % of Assets |
| Livongo Health Inc | Healthcare | 2.33% |
| Diasorin SpA | Healthcare | 2.28% |
| Quidel Corp | Healthcare | 2.09% |
| Ping An Healthcare And Technology Co ... | Healthcare | 1.77% |
| Catalent Inc | Healthcare | 1.76% |
| Abiomed Inc | Healthcare | 1.72% |
| Illumina Inc | Healthcare | 1.67% |
| DexCom Inc | Healthcare | 1.65% |
| Materialise NV ADR | Technology | 1.61% |
| Teladoc Health Inc | Healthcare | 1.57% |

| Volatility Measurements | |
|----------------------------------|-------------------------|
| 3-Yr Std Dev (volatility) | 3-Yr Mean Return |
| - | - |

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FUND PERFORMANCE

Performance 26 June 2019 to 30 April 2020:

| | 2019 | 2020 |
|--|-------|---------|
| L&G Healthcare Breakthrough ETF | 0.30% | 11.47% |
| MSCI World | 6.25% | -12.30% |

Performance over since launch:

| | Since launch |
|--|--------------|
| L&G Healthcare Breakthrough ETF | 11.80% |
| MSCI World | -6.82% |

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

This update has been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.

This is slightly different as this tracks an index. The index has been set up Robo Global and looks to invest in the best in class companies that are leading the healthcare industry. These are the types of businesses which leverage technology to address some of the most pressing challenges in the healthcare industry.

There are nine sub-sectors which they focus on which includes telehealth, data analytics, diagnostics, precision medicine, lab process automation, genomics, regenerative medicine, medical instruments and robotics.

The fund has extraordinarily little overlap with the S&P 500 Index, MSCI World Index and Healthcare Index (which has a large weighting to pharmaceuticals). There are around 1000 companies which fall into the universe but Robo Global look to identify the best quality companies which includes revenue, liquidity, debt, market leadership etc. This then leads to an index of 85 names.

The index is rebalanced every quarter which means companies can be added and removed. Equally, the process means the selling down of the winners and buying more of the losers. There are concerns the fund has benefited from some of the treatments being worked on, for example, DiaSorin and Moderna. They explained that firstly Moderna has 20 other therapies they are working on so the opportunity is vast, and secondly although some of the companies have done well some areas have fared less well, especially where appointments have been delayed due to COVID19.

Examples of some of the holdings include DiaSorin who are a diagnostics specialist. They developed a rapid diagnostic test for COVID-19 which can get the result in an hour. Moderna focuses on drug discovery and drug development and took 42 days to develop a vaccine for human trials. They have

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another 20 therapies in the pipeline. Livongo produce a machine which checks glucose levels and provides real life personalised action points.

In summary, this is about tapping into long term healthcare drivers across several sectors. Although some of the holdings have benefited from COVID19, this does not apply to all of the holdings. Some areas like telemedicine have seen a massive increase in usage and there are strong signs that this shift will remain. Other areas like medical instruments have seen a decline in orders as non-essential surgery is stopped. So, they feel there remains many opportunities for the strategy.

The source of information in this note has been provided by L&G and is correct as at May 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.