

## SHINING A LIGHT ON THE..... L&G Hydrogen Economy UCITS ETF

### AT A GLANCE

Investment Objective
The L&G Hydrogen Economy UCITS ETF (the "ETF") aims to track the performance of the Solactive Hydrogen Economy Index NTR (the "Index").

Launch date	10 February 2021
Fund Factsheet Link	-

Management	
Manager Name	Start Date
GO ETF Solutions LLP	-

### UPDATE....

This is a brand-new strategy and therefore at this stage we do not have details on holdings, performance etc. L&G have embarked on launching strategies that invest into growing global themes. With this strategy they have linked with Global Data to create an index that invests into the hydrogen economy. This is about 10 years behind clean power, and they believe, with subsidies and supporting policies, this offers multiyear growth opportunities. There is also very little overlap with clean energy and battery technology.

99% of hydrogen is made from fossil fuels and accounts for more global greenhouse emissions than the airline industry. However, a switch to green hydrogen will significantly reduce carbon emissions. To this end the process goes through electrolyzers and the costs of this have gone down by about 50% in the last 5 years.

The areas where it is likely to be used includes energy intensive industrial users, heavy duty transportation and larger and longer-range light duty transport and some rail applications. A good example would be miners converting trucks to hydrogen.

The fund will invest across components, hydrogen production, fuel cell systems, supply and distribution and the index has currently 28 names. The holdings will be equally weighted. Example names in the index include Cummins, Johnson Matthey, Kolon Industries, Linde and Uniper.

In summary, this is a new strategy looking to invest in a multiyear growth story. This is a niche investment and therefore carries additional risk as, if the assumptions are not correct, then the returns could be poor. Investors therefore need to understand the potential risks.

*The source of information in this note has been provided by L&G and is correct as at March 2021. 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.*